



PPL operates power plants and sells electricity in competitive markets in the Northeast and West.

PPL values open dialogue with public officials to achieve constructive outcomes on energy policy issues.

Contact us with questions or requests to information about competitive electricity markets and energy policy.

Double-digit drop in default rates show competitive electricity market is working

Maryland consumers continue to benefit from the competitive electricity market, with the recent announcements by both Baltimore Gas and Electric Company and Pepco of reductions in their Standard Offer Service rates.

BG&E's rate will drop by about 14 percent starting June 1. Pepco's rate will drop by about 15 percent starting June 1.

The reduction reflects the continued decline in wholesale electricity and natural gas prices, and demonstrates that when supply exceeds demand — which is currently the case in Maryland and the PJM markets — prices fall.

BG&E's Standard Offer Service rate, based on power supply contracts approved by the Public Service Commission, will be 9.2 cents per kilowatt-hour starting June 1. That's a drop from the current rate of 10.8 cents per kilowatt-hour and the 2009-10 rate of 12 cents per kilowatt-hour.

Pepco's Standard Offer Service rate will cause the total monthly electric bill of a residential customer in Maryland to decrease by about \$22 per month, to \$128.65.

"The competitive market is producing cost-effective results for Maryland consumers, and they are reaping the benefits, whether they choose alternative suppliers or opt for Standard Offer Service," said Gene Alessandrini, senior vice president-Marketing for PPL EnergyPlus®.

BG&E Standard Offer Service rate

2009-10: 12 cents per kilowatt-hour

2010-11: 10.8 cents per kilowatt-hour

2011-12: 9.2 cents per kilowatt hour

Source: Baltimore Gas and Electric Company

Policymakers are making the right decisions

The Maryland legislature has followed the right path by taking a skeptical view of proposals that would have consumers subsidize the construction of new generation or re-regulate the state's energy markets, according to an executive for competitive energy supplier PPL EnergyPlus®.

Gene Alessandrini, senior vice president-Marketing, said PPL EnergyPlus has been working with legislators and policy makers so they understand market conditions and continue to allow the market to benefit Maryland residents and businesses.

"The market is showing that new generation is not economical, and that Maryland and the PJM Interconnection are finding more cost-effective ways, such as energy conservation, demand management programs, transmission investments, expansion of existing generation and other resources to meet Maryland's electricity needs," he said.

Continuing down the path of working together to create a well defined and properly regulated market benefits everyone, as has been demonstrated.



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Decline in wholesale electricity prices has resulted in more choices for residential customers

The number of Maryland residential customers exercising their right to choose has more than doubled in the last 12 months, according to the Maryland Public Service Commission.

As of March 31, more than 311,000 residential customers in Maryland had chosen competitive electricity suppliers. That total includes 209,000 residential customers of BG&E and 74,000 customers of Pepco.

At the end of March 2010 just 125,000 residential customers statewide had switched from Standard Offer Service. That total included 77,000 residential customers in the BG&E territory and 42,000 customers in the Pepco territory.

Chart: Growth of Customer Choice in Maryland

As of March 31, 2011		
Customer group	Number shopping	Percentage shopping
Residential	311,489	15.6%
Commercial/Industrial	84,408	35.4%
Total statewide	395,897	17.7%
As of March 31, 2010		
Customer group	Number shopping	Percentage shopping
Residential	124,991	6.3%
Commercial/Industrial	71,986	30%
Total statewide	196,977	8.8%

Source: Maryland Public Service Commission

Nationwide survey shows support for electric competition

A recent nationwide survey of electricity consumers found that 88 percent of the respondents support the concept of competition for electricity supply.

The survey results also showed that only about half of the 1,000 respondents were aware that some states allow customers to choose electricity suppliers other than their local utilities, and 27 percent do not know whether they personally have the option of choosing an electricity supplier.

"The results show that people want the same kinds of options, innovation and new products for electricity that they currently enjoy with their telephone, wireless and cable services," said Gene Alessandrini, senior vice president-Marketing for PPL EnergyPlus®.

"An important issue revealed in this survey is that consumer education and information needs to be improved in states with competitive electricity markets so people know their options and can take advantage of the opportunities," he said.

The survey was conducted by EcoAlign, a strategic marketing agency, in March 2011. The survey report is available at www.ecoalign.com.

Should Consumers Have a Choice of Electricity Suppliers

