

Discussion Document

Submitted by: PPL Electric Utilities
 Date submitted: September 30, 2011
 Issue: PUC Postcard - potential for savings

Summary:

PPL Electric has analyzed the potential for its residential customers to achieve \$100 in annual savings. The analysis reflects the annual usage of 1.2 million residential customers during the period September 1, 2010 through August 31, 2011 and prices posted on the PowerSwitch website on September 19, 2011. The analysis provides the following insights:

1. For a PPL RS customer to save \$100 relative to the price to compare over a year, they would have to use just under 2,000 kwh in each month.
2. Only about 9% of customers have usage that high.

Accordingly, the company believes that a hypothetical that equates to \$100 per year in savings is not realistic or representative. The midpoint for annual customer usage (50% of the customers use more and 50% of the customers use less) is just under 1,000 kwh/month, however, the compounding fact is that we have very few customers with average use; i.e., our usage distribution has two peaks. So while \$50 might be an arithematically correct average, real customers are going to save either about \$30/year (if they don't have electric heat and central air) or about \$85/year (if they have electric heat and central air). PPL Electric believes that any representation of savings, even if cast as a hypothetical, needs to be reasonably representative of the actual savings that its customers can achieve.

Annual Savings Based on EGS Price versus PTC at Various Average Monthly Usages									
	Price cents/kWh	500 kWh	700 kWh	900 kWh	1,000 kWh	1,200 kWh	2,000 kWh	2,500 kWh	3,000 kWh
PPL Default Service PTC - Annual Cost	8.411	\$504.66	\$706.52	\$908.39	\$1,009.32	\$1,211.18	\$2,018.64	\$2,523.30	\$3,027.96
Electric Generation Supplier (EGS)									
EGS A	8.240	\$10.26	\$14.36	\$18.47	\$20.52	\$24.62	\$41.04	\$51.30	\$61.56
EGS B	8.280	\$7.86	\$11.00	\$14.15	\$15.72	\$18.86	\$31.44	\$39.30	\$47.16
EGS C	8.590	No Savings							
EGS D	8.340	\$4.26	\$5.96	\$7.67	\$8.52	\$10.22	\$17.04	\$21.30	\$25.56
EGS E	8.920	No Savings							
EGS F	8.300	\$6.66	\$9.32	\$11.99	\$13.32	\$15.98	\$26.64	\$33.30	\$39.96
EGS H	8.075	\$20.16	\$28.22	\$36.29	\$40.32	\$48.38	\$80.64	\$100.80	\$120.96
EGS I	8.400	\$0.66	\$0.92	\$1.19	\$1.32	\$1.58	\$2.64	\$3.30	\$3.96
EGS J	8.290	\$7.26	\$10.16	\$13.07	\$14.52	\$17.42	\$29.04	\$36.30	\$43.56
EGS K	8.100	\$18.66	\$26.12	\$33.59	\$37.32	\$44.78	\$74.64	\$93.30	\$111.96
EGS L	7.990	\$25.26	\$35.36	\$45.47	\$50.52	\$60.62	\$101.04	\$126.30	\$151.56
EGS M	7.990	\$25.26	\$35.36	\$45.47	\$50.52	\$60.62	\$101.04	\$126.30	\$151.56

Customer Statistics -- 12 months ending August 2011 premises with 12 bills only)

										Over 3000 kWh	
Number of customers in range		297,359	176,550	163,263	71,113	120,856	260,227	58,166	23,440	17,471	1,188,445
Percent of total customers in range		25.0%	14.9%	13.7%	6.0%	10.2%	21.9%	4.9%	2.0%	1.5%	
kWh sales in range		1,049,466,841	1,270,898,432	1,563,173,169	810,018,029	1,589,456,865	4,770,900,019	1,545,911,473	762,285,058	859,637,976	14,221,747,862
Percent of total kWh sales in range		7.4%	8.9%	11.0%	5.7%	11.2%	33.5%	10.9%	5.4%	6.0%	