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December 28, 2007

VIA HAND DELIVERY

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

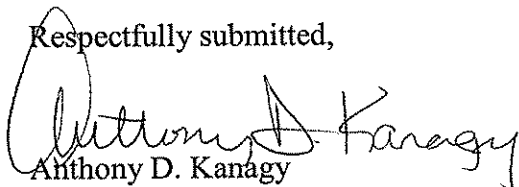
**RE: Petition of PPL Electric Utilities Corporation for Approval of  
Its Consumer Education Plan for 2008 through 2012  
Docket No. M-00061957**

Dear Secretary McNulty:

Enclosed, for filing, on behalf of PPL Electric Utilities Corporation ("PPL Electric") are the original and three (3) copies of the Petition of PPL Electric Utilities Corporation for Approval of Its Consumer Education Plan for 2008 through 2012. PPL Electric's Consumer Education Plan is provided as an attachment to the Petition.

Pursuant to the Secretarial Letter issued on December 11, 2007, at Docket No. M-00061957, PPL Electric is serving its Petition and Consumer Education Plan on the Office of Trial Staff, Office of Consumer Advocate and Office of Small Business Advocate. PPL Electric also is submitting an electronic copy of its Petition and Consumer Education Plan to the Pennsylvania Public Utility Commission's Manager of Communications.

Respectfully submitted,



Anthony D. Kanagy

ADK/jl  
Enclosures

cc: Tom Charles, PA Public Utility Commission (via e-mail)  
Certificate of Service

ALLENTOWN HARRISBURG LANCASTER PHILADELPHIA PITTSBURGH PRINCETON WASHINGTON, D.C.

A PENNSYLVANIA PROFESSIONAL CORPORATION

CPH 396874v1

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Petition of PPL Electric Utilities Corporation for Approval of Its Consumer Education Plan for 2008 through 2012 has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

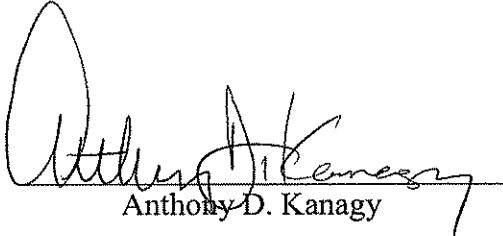
### VIA HAND DELIVERY

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Forum Place, 5th Floor  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
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300 North Second Street, Suite 1102  
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Office of Trial Staff  
PO Box 3265  
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400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

Date: December 28, 2007



Anthony D. Kanagy

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :  
Corporation for Approval of Its : Docket No. M-00061957  
Consumer Education Plan for 2008 :  
through 2012 :

**PETITION OF  
PPL ELECTRIC UTILITIES CORPORATION  
FOR APPROVAL OF ITS CONSUMER EDUCATION PLAN**

**I. BACKGROUND**

On May 17, 2007, the Pennsylvania Public Utility Commission (“Commission”) entered its Final Order at Docket No. M-00061957 setting forth its policies for mitigating potential electricity price increases that are expected to follow the expiration of generation rate caps. *Policies to Mitigate Potential Electricity Price Increases*, Docket No. M-00061957 (“Mitigation Order”). In the Mitigation Order, the Commission found that “consumer education is a vital element of any plan to mitigate price increases.” Mitigation Order, p. 6. Based upon this finding, the Commission directed all electric distribution companies (“EDCs”) in Pennsylvania to file a consumer education plan for their respective service territories by December 31, 2007.

Pursuant to the Commission’s directives in the Mitigation Order, PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby files its consumer education plan (“Consumer Education Plan” or “Plan”).

**II. CONSUMER EDUCATION PLAN**

**A. INTRODUCTION**

1. PPL Electric’s Consumer Education Plan is provided as Attachment 1 hereto. The Consumer Education Plan describes PPL Electric’s extensive efforts to educate customers about potential rate increases that may occur after PPL Electric’s generation rate caps expire and steps that customers can take to mitigate these potential rate increases.

2. PPL Electric's Consumer Education Plan is organized in four major sections and two appendices. Section I provides an introduction and overview. Section II describes the primary long-term objectives ("Primary Objectives") of the Plan for 2008 through 2012. Section III describes the methods for educating customers under the Plan. Section IV describes PPL Electric's budget for implementing the Plan. Appendix A to the Plan describes the activities PPL Electric will undertake to implement the Plan's Primary Objectives and the time frame for conducting these activities. In Appendix B, PPL Electric demonstrates how the Plan implements the eight Energy Education Standards set forth in the Commission's Mitigation Order.

3. The major components of the Plan are discussed below, beginning with the Plan's Primary Objectives.<sup>1</sup> Before discussing the details of the Plan, it should be emphasized that PPL Electric's Consumer Education Plan is already very well developed. The major components of the Plan were recently reviewed by a number of parties in PPL Electric's Competitive Bridge Plan ("CBP") filing and in PPL Electric's 2007 distribution rate case, and both of these filings, after extensive review and modifications reflecting issues raised by other parties, were approved by the Commission. Therefore, unlike other parties, PPL Electric is already recovering consumer education expenses in rates. For these reasons, PPL Electric's Consumer Education Plan fully meets the policies set forth in the Mitigation Order, and extensive review of PPL Electric's Plan is not required.

## **B. PRIMARY OBJECTIVES**

4. PPL Electric's Consumer Education Plan has four Primary Objectives which are set forth in Section II of the Plan.

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<sup>1</sup> The Introduction Section of the Plan provides a summary of the Plan and does not require a separate discussion in this Petition.

5. The first Primary Objective is to continue and enhance PPL Electric's existing customer choice education efforts. In order to meet this objective, PPL Electric will revise its existing customer choice communications to educate customers about the end of the generation rate caps and about competitive options. This is consistent with the Mitigation Order where the Commission stated that competitive choice options can be more effectively communicated to retail customers. Mitigation Order, p. 7. PPL Electric also will continue with its existing customer choice education which involves sending customer choice bill inserts to customers twice a year, sending customer choice packages to customers upon request, providing customer choice information on PPL Electric's website and providing customer choice information in response to customers' calls.

6. The second Primary Objective is to expand Provider of Last Resort ("POLR") rate education for customers. In order to meet this objective, PPL Electric intends to increase customer awareness and understanding about electric service bill components, POLR pricing and customer rate options. Also, if PPL Electric's Rate Stabilization Plan ("RSP") is approved by the Commission, PPL Electric will promote the program as a way to smooth the anticipated generation rate increase in January 2010 over a multi-year period, and thereby provide customers with an opportunity to mitigate the one-time, month-over-month increase in their electricity bills.

7. The third Primary Objective is to continue and expand PPL Electric's Demand Side Response ("DSR") programs. In order to meet this objective, PPL Electric will educate customers about energy usage, demand response and available DSR programs. PPL Electric also will implement new DSR programs and gather feedback from its DSR programs in order to develop future rates and DSR programs.

8. The fourth Primary Objective is to provide energy efficiency education and outreach to customers. In the Mitigation Order, the Commission stated that customers should understand that there are energy efficiency options available to them and how to take advantage of them. Mitigation Order, p. 7. Consistent with the Commission's directive, PPL Electric will educate customers about the efficient use of energy and the benefits of conservation. PPL Electric also will conduct public speaking engagements on energy efficiency and use Community Based Organizations ("CBOs") to promote weatherization and provide additional energy efficiency education.

9. Appendix A to the Plan provides a detailed list of the activities that PPL Electric will undertake to implement the Plan's Primary Objectives.

### **C. METHODS FOR EDUCATING CUSTOMERS**

10. Section III of the Plan describes the methods that PPL Electric will use to educate customers. As explained in Section III, PPL Electric will educate customers through many different avenues, including: (1) outreach/grassroots efforts; (2) advertising; (3) mailings; (4) telephone calls with customers; and (5) preparing informational materials.

11. As a central part of its outreach/grassroots efforts, PPL Electric will use CBOs to educate customers about electric choice, universal service programs and rate mitigation activities. Among other methods, PPL Electric will give presentations on energy issues to the public and issue energy advisories to interested customers via e-mail.

12. PPL Electric will educate customers about rate mitigation issues through advertising on television, in newspapers, on radio, and through PPL Electric's website.

13. Another method that PPL Electric will use to educate customers under the Plan is through direct mailings and bill inserts. In addition, PPL Electric sends a Customer

Choice/Energy Education Information Kit to all new customers and a Choice Fulfillment Kit to existing customers upon request.

14. Other methods for educating customers include responding to telephone calls through PPL Electric's call center and preparing and distributing informational materials that explain electric choice, how to calculate the price to compare and energy efficiency measures.

15. In the Mitigation Order, the Commission encouraged EDCs to focus education efforts on specifically identified groups of customers. In compliance with the Mitigation Order, PPL Electric's Consumer Education Plan was specifically designed to reach a broad range of customer groups. PPL Electric's newspaper advertising includes newspapers read predominantly by rural, Latino and African-American customer groups. In addition, PPL Electric's radio advertising reaches rural, elderly, Latino, African-American and visually impaired customers. PPL Electric also uses CBOs to educate low-income customer groups. PPL Electric's library outreach program reaches a broad range of people, including school-aged children, their families and those that do not have access to computers at home.

16. PPL Electric also intends to focus its education efforts on small business customers through a small business loan program offered in conjunction with the Sustainable Energy Fund of Eastern Pennsylvania. In its 2007 distribution rate case at Docket No. R-00072155, PPL Electric agreed to fund a small business loan guarantee pilot program tied to energy efficiency improvements. This program will help educate small business customers about the importance of energy efficiency. In addition, PPL Electric will offer seminars on energy efficiency improvements for small business owners.

17. As demonstrated above and in Section III of the Consumer Education Plan, PPL Electric has developed a comprehensive plan that uses many different media to educate

customers. The use of many different media should ensure broad coverage to as many customers as reasonably possible. In addition, PPL Electric will focus education efforts on the specific groups identified in the Commission's Mitigation Order to ensure that these groups are educated about potential rate increases that are expected to follow the expiration of generation rate caps and steps that they can take to mitigate these rate increases.

#### **D. CONSUMER EDUCATION BUDGET**

18. In the Mitigation Order, the Commission stated that EDCs should propose a budget and a cost-recovery mechanism for their consumer education plans.

19. Section IV of the Plan describes the budget for PPL Electric's Consumer Education Plan. Currently, PPL Electric has over \$5 million per year budgeted for its Consumer Education Plan.

20. With regard to cost recovery, PPL Electric believes it is in a unique position because the Company's consumer education programs and budget for those programs have already been reviewed and approved by the Commission.

21. Over the past several years, PPL Electric has recognized that customers' rates may significantly increase after rate caps expire due to the fact that wholesale power prices are considerably higher than the capped generation rates that customers are currently paying. Based upon this recognition, PPL Electric has been proactive in its efforts to mitigate potential rate increases for customers.

22. On August 2, 2006, PPL Electric filed its CBP with the Commission. *Re: Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan*, Docket No. P-00062227. The CBP set forth a detailed proposal for how PPL Electric would obtain its POLR supply for 2010. In the CBP filing, PPL Electric also proposed to expand its DSR program and to implement a comprehensive consumer education program beginning in



2007 and continuing through 2009. The Company requested Commission approval to spend \$875,000 over three years to educate customers with regard to customer choice, DSR, wise use of energy and POLR rate issues.

23. After extensive review and several modifications reflecting issues raised by other parties, the Commission approved PPL Electric's CBP on May 17, 2007. The Commission's approval included PPL Electric's budget for consumer education.

24. In addition to the CBP, PPL Electric proposed important customer education, DSR and energy efficiency programs in its 2007 distribution rate case at Docket No. R-00072155. In the rate case, PPL Electric proposed to expand its consumer education program to include education efforts regarding Meter Data Management, the Energy Analyzer on PPL Electric's website, Bill Analyzer, customer rate options, customer choice and energy efficiency programs.

25. PPL Electric and the parties in PPL Electric's 2007 base rate proceeding agreed to a settlement of all issues in the proceeding, and the settlement provided for recovery of certain consumer education expenses. See Settlement at Docket No. R-00072144. The Commission approved the settlement by order entered December 6, 2007.

26. As a result of the CBP filing and the 2007 distribution rate case, PPL Electric has over \$5 million per year budgeted for consumer education and is recovering its consumer education expenses through distribution rates. These programs were extensively reviewed in these proceedings by a broad array of interested parties and were ultimately approved by the Commission.

27. In the Mitigation Order, the Commission recognized that some EDCs have existing consumer education programs that address the Commission's Energy Education

Standards and that “those programs may be incorporated into the plans to be filed with the Commission.” Mitigation Order, p. 8. Pursuant to the Commission’s direction, PPL Electric has incorporated its existing plans into the Consumer Education Plan included with this Petition.

28. PPL Electric believes that the consumer education budgets approved by the Commission in PPL Electric’s CBP filing and the 2007 distribution rate case will provide a reasonable and appropriate level of funding for the 2008 through 2012 Plan period.

29. However, in the event that the Commission: (1) requires PPL Electric to spend funds for consumer education that are outside the scope of the programs approved in the CBP filing and the 2007 distribution rate case; or (2) requires the expenditure of additional funds over the levels described in Section IV of the Plan, PPL Electric requests that the Commission allow PPL Electric to recover those costs through a fully-reconcilable, automatic adjustment clause.

#### **E. IMPLEMENTATION SCHEDULE**

30. In the Mitigation Order, the Commission directed EDCs to include an implementation schedule in their Consumer Education Plan filings. Mitigation Order, p. 8. PPL Electric’s implementation schedule is discussed below.

31. PPL Electric’s generation rate cap expires on December 31, 2009. Therefore, the Company proposes to implement its Plan in two phases to reflect the critical issues that are expected to arise before and after the rate caps expire.

32. Phase 1 of the Plan will occur in 2008 and 2009 before the rate caps expire. During this phase, PPL Electric will emphasize to customers that the generation component of retail rates has been capped since 1996, and that the cap in PPL Electric’s service territory will expire on December 31, 2009. PPL Electric also will emphasize that after the rate cap expires, generation rates will change and may increase significantly. With this message, PPL Electric will emphasize that customers can take steps before the rate cap expires to help them control

their energy costs. As part of Phase I, PPL Electric will introduce new energy efficiency programs and various pilot rate options to allow customers to use energy more efficiently and conserve energy in order to mitigate the effect of price increases in 2010.

33. Phase 2 of the Plan will occur from 2010 to 2012. During this phase, PPL Electric will increase promotion of competitive options to reflect the expected influx of competitive alternatives. PPL Electric also intends to expand DSR rate pilot programs to all eligible customers and will continue to promote energy efficiency measures.

34. Certain energy education activities will occur in both phases of the Plan. For example, PPL Electric will extensively promote its universal service programs to customers throughout the Plan period. PPL Electric also will promote DSR and energy efficiency measures over the entire course of the Plan.

35. As noted above, Appendix A to the Plan provides a detailed list of activities that PPL Electric will undertake to implement the Plan's Primary Objectives. Appendix A also provides a time frame for implementing each activity.

#### **F. COMMUNICATION OF ENERGY EDUCATION STANDARDS**

36. In the Mitigation Order, the Commission stated that EDCs' consumer education plans will be evaluated according to how they communicate eight specific Energy Education Standards to customers.

37. Appendix B of PPL Electric's Consumer Education Plan provides a detailed list of how each Energy Education Standard will be communicated to customers.

38. As demonstrated in Appendix B of the Plan, PPL Electric's Consumer Education Plan effectively communicates the Energy Education Standards to customers through a variety of methods in order to ensure broad coverage to as many customers as reasonably possible.

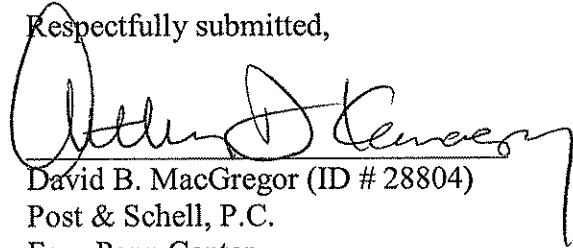
### **III. CONCLUSION**

39. PPL Electric has developed a comprehensive Consumer Education Plan that will give consumers practical advice about preparing for the end of generation rate caps. PPL Electric's Plan will provide customers with valuable information about conservation, energy efficiency and DSR options that are available to them to help them reduce their electric bills. PPL Electric's Plan also will educate customers about their POLR rates and about competitive alternatives.

40. PPL Electric's Consumer Education Plan effectively communicates the Commission's Energy Education Standards to customers through different methods in order to ensure broad coverage to many customers. The Plan will help customers mitigate price increases that are likely to occur after PPL Electric's rate cap expires.

WHEREFORE, the foregoing reasons, PPL Electric Utilities Corporation requests that the Pennsylvania Public Utility Commission approve the Petition of PPL Electric Utilities Corporation for Approval of Its Consumer Education Plan for 2008 through 2012.

Respectfully submitted,



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Of Counsel:

Post & Schell, P.C.

Date: December 28, 2007

Counsel for PPL Electric Utilities Corporation

# **PPL Electric Utilities Corporation Consumer Education Plan 2008-2012**

## **I. Introduction:**

On May 17, 2007, the Public Utility Commission (PUC or Commission) entered a final order regarding Policies to Mitigate Potential Electricity Price Increases (Docket No. M-00061957) (Mitigation Order). In the Mitigation Order, the Commission directed each electric distribution company (EDC) to file a consumer education plan with the Commission for review and approval by December 31, 2007. This filing is PPL Electric Utilities Corporation's (PPL Electric or Company) response to that requirement.

As described in more detail below, PPL Electric will conduct extensive consumer education efforts to prepare customers for the final phases of the transition to a fully competitive retail supply market. The following plan shows general activities for 2008-2012 with concentration on 2008 activities.

PPL Electric's generation cap ends on December 31, 2009. The Company's five year consumer education plan was developed in two phases to reflect the critical issues expected to arise before, during and after the end of that cap:

### Phase 1 - 2008-2009

Introduction of new energy efficiency programs and piloting of various of rate options for customers to provide time to take actions now to use energy efficiently and conserve energy to mitigate the price increases in 2010

### Phase 2 - 2010-2012

Implementation of new rates, continuation of energy efficiency programs in addition to increased promotion of Customer Choice spurred by the expected expansion of offers in the competitive market

The plan is organized as follows:

- **Introduction** providing an overview of the program;
- **Primary Objectives** for the consumer education efforts for 2008-2012 providing high level long-term goals for the consumer education program;
- **Methods For Educating Customers** highlighting the various methods of communication and outreach that will be conducted to implement the program;
- **Consumer Education Budget** setting forth PPL Electric's proposed budget for the program;
- **Consumer Education Plan Activity Highlights** (Appendix A) detailing the specific activities that will occur in consumer education with primary emphasis on 2008 activities. This plan will change on an annual basis as plans are further defined and issues develop; and

- **Comparison of Consumer Education Plan With Commission Energy Education Standards** (Appendix B) demonstrating how the Commission's Energy Education Standards are met by the program.

The Energy Education Standards, as described by the PUC in its Mitigation Order, were used as a guide for the development of the consumer education program. The Commission stated that it would evaluate EDC's plans according to how they communicate the following Energy Education Standards:

- The generation component of retail electric rates charged to customers by electric utilities has been capped since 1996, and that the cap for that customer's service territory will expire on 12/31/09 (as per territory).
- The rate charged for generation service will change after the rate cap expires, and may significantly increase.
- Customers can take certain steps before the expiration of the rate cap, and other steps at the time the rate caps expire, that may help them control the size of their electric bills.
- Customers can control the size of their electric bills through energy efficiency, conservation and demand side response measures. Customers can benefit from utilizing these measures now, even if the rate cap is still in effect where they reside.
- Cost-effective energy efficiency, conservation and demand side response programs and technologies have been identified and information about them is readily available.
- Customers may reduce the size of their electric bills, or receive service options more suited to their needs, by purchasing generation service from an alternative electric generation supplier.
- Current information that will allow customers to make informed choices about competitive generation alternatives is readily available. In territories where there are not competitive offerings currently, more choices may be available once rate caps expire.
- Programs exist to help low income customers maintain their utility service, and information about them is readily available.

The consumer education activities detailed in this plan fulfill each of those standards.

In its Mitigation Order, the PUC also directed EDCs to propose a specific cost-recovery mechanism for consumer education expenses. In that regard, PPL Electric is in a unique position. The Company's consumer education plans and the budget for those plans have been

reviewed and approved by the Commission in two prior proceedings. *Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan* (Docket No. P-00062227, Order entered May 17, 2007). *Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation* (2007 distribution rate case) (Docket No. R-00072155, Order entered December 6, 2007). At this time, the Company does not anticipate incurring -- during the five year plan period -- significant additional expenditures above the approved levels. In the event that the Commission requires PPL Electric to spend funds for consumer education that are not included in Section IV of the program, PPL Electric requests approval of a fully-reconcilable automatic adjustment clause to recover these costs. Also, in accordance with the terms of the settlement stipulation of its 2007 distribution rate case, PPL Electric reserves the right to request approval of an automatic adjustment clause, as necessary, to recover incremental consumer education costs.



## II. Primary Objectives:

The primary, long-term objectives of the consumer education efforts for 2008 through 2012 include:

- Continue and Enhance Existing Customer Choice Efforts
  - Provide useful, informative reference materials to educate customers (residential and non-residential) about electric choice and how to shop.
  - Revise existing Choice communications to educate customers about the end of the generation rate caps and completing the transition to competition.
- Expand Provider of Last Resort (POLR) Rate Education
  - Ensure PPL Electric customers are aware that generation rate caps will end 12/31/09.
  - Increase awareness and understanding about the electric service components, POLR pricing and customer rate options.
  - Promote PPL Electric's new Rate Stabilization Plan (if approved by the PUC) so customers understand how the program works and help them prepare for 2010 and beyond.
- Continue and Expand Demand-Side Response Programs
  - Educate customers about energy usage, demand response and new rates.
  - Give customers adequate knowledge to respond to requests to conserve or cut back on usage.
  - Conduct demand side response programs and pilots including program promotion and enrollment and pilot analysis to develop new rate options for customers.
  - Expand PPL Electric's existing Residential Summer Off-Peak Program pilot to include 300 more participants for 2008 for a total of 600.
  - Conduct two new demand side response pilot programs in 2008 (one for residential, one for Residential Thermal Storage customers).
- Provide Energy Efficiency Education and Outreach
  - Educate customers regarding energy use and conservation in preparation for post-transition electric rates in 2010.
  - Expand use of PPL Electric's new website that features the Energy Analyzer (a web based tool to help customers understand their energy use) by promoting the website via various media.
  - Use Community Based Organizations (CBO) to continue Choice and Universal Service Program education with emphasis on preparing for future rate and program changes.
  - Initiate new community programs and demonstration projects.

### **III. Methods For Educating Customers:**

- Outreach/Grassroots
  - Community Based Organization (CBO) training on electric choice, universal service programs, and rate mitigation activities.
  - Presentations on energy issues to public and community groups.
  - Compact Florescent light bulb give-away program and rebates.
  - Energy Advisories via press releases to interested customers via email.
  - Community Library Initiative with the Energy Analyzer.
  - Small business loan program in conjunction with the Sustainable Energy Fund of Central Eastern Pennsylvania.
  - Solar Scholar ™ Demonstration Program with the Sustainable Energy Fund of Central Eastern Pennsylvania for colleges/universities.
  
- Advertising
  - Newspapers (including Rural, Latino and African-American).
  - Radio (including rural, elderly, Latino, African-American, visually impaired).
  - Television advertising to promote PPL Electric's newly designed website featuring the Energy Analyzer and other messages relating to ways customers can save electricity and manage their bills.
  - Presentations on energy issues to public and community groups.
  - Compact Florescent light bulb give-away program and rebates.
  - Energy Alerts to interested customers via email.
  - Community Library Initiative with the Energy Analyzer.
  - Small business loan program in conjunction with the Sustainable Energy Fund of Eastern Pennsylvania (SEF).
  
- Mailings
  - Choice/Energy Education Information Kit sent to all new customers.
  - Choice Fulfillment Kit to existing customers who request it.
  - Price to Compare bill inserts.
  - Rate Stabilization Program promotional literature and mailing to all participating customers (if approved by the PUC).
  
- Call Handling
  - Call Center/Customer Service telephone line.
  - Electric Choice Toll-Free Number.
  - Rate Stabilization Program (if approved by the PUC) Toll-Free Number and supporting web applications.
  
- Informational Materials (Printing and Production)
  - "Electric Choice Handbook" (English/Spanish).
  - "How to Calculate Your Price to Compare" booklet.

- “Shopping for An Electricity Supplier”.
  - Privacy Release Option card for new customers.
  - Energy efficiency materials including e-power brochure: “You can save. Now’s the time.”
- Evaluation/Monitoring
    - Progress on the projects mentioned in the plan will be monitored with tracking such as:
      - Number of customers that use PPL Electric’s energy analyzer.
      - Number of participants in rate pilot programs.
      - Number of presentations on energy issues made and attendance.
    - In addition, market research will be conducted to evaluate various pilot programs and rate structures offered to customers to assess customer acceptance, determine program success and refine programs prior to broad scale offerings.

#### IV. Consumer Education Budget:

As discussed above, the budget for PPL Electric's Consumer Education Plan was considered and approved by the PUC in two Commission proceedings during 2007. In those proceedings, the Commission approved the following consumer education budget:

	2008	2009	2010	2011	2012
<b>Competitive Bridge Plan Filing</b>					
- Customer Choice Education	\$100,000	\$100,000	\$100,000		
- Energy Efficiency Education and Demand Side Response	\$100,000	\$200,000	\$275,000		
Total:	\$200,000	\$300,000	\$375,000		
<b>2007 Distribution Rate Case</b>					
- Education efforts regarding Meter Data Management, Energy Analyzer, Bill Analyzer, customer rate options and customer choice	\$2.4 M	\$2.4M	\$2.4M	\$2.4M	\$2.4M
- Energy Efficiency Programs	<u>\$2.69M</u>	<u>\$2.69M</u>	<u>\$2.69M</u>	<u>\$2.69M</u>	<u>\$2.69M</u>
Total:	\$5.09M	\$5.09M	\$5.09M	\$5.09M	\$5.09M
<b>Grand Total:</b>	\$5.29M	\$5.39M	\$5.47M	\$5.09M	\$5.09M

This budget reflects program development efforts that will occur in the early phase of the plan and program implementation that will occur in the later years.

At this time, PPL Electric believes that its consumer education budget is appropriate for implementing its Consumer Education Plan. To the extent that the Commission may require PPL Electric to conduct educational activities that: (1) are outside the scope of the programs approved in the Competitive Bridge Plan and the 2007 Distribution Rate Case, or (2) require the expenditure of additional funds over the levels described above, PPL Electric requests approval of a fully-reconcilable automatic adjustment clause to recover those costs.

<b>PPL Electric Utilities Consumer Education Plan Activity Highlights 2008-2012</b>	
<b>Existing Choice Education</b>	<b>Time frame</b>
<ul style="list-style-type: none"> <li>• Continue twice annual Choice bill insert</li> <li>• Send enhanced new customer Choice package with privacy release form and choice information, energy tips and information about generation rate caps changes</li> <li>• Send fulfillment package to respond to customer requests for Choice information</li> <li>• Continue PPL Electric Choice Website</li> <li>• Respond to customers calling PPL Electric for Choice information</li> </ul>	Ongoing Ongoing Ongoing Ongoing Ongoing
<b>Provider of Last Resort (POLR) Rate Education</b>	<b>Time frame</b>
<ul style="list-style-type: none"> <li>• Education on the end of the rate caps and the completion of the transition via newsletters, PPL Electric website, and presentations</li> <li>• Inform customers about future POLR rates and, in particular, market pricing for industrial and commercial customers</li> <li>• Educate customers about the future of generation prices via press releases regarding the Competitive Bridge Plan procurements (twice yearly till though 2009)</li> <li>• Introduce and promote PPL Electric's new Rate Stabilization Program for residential and commercial customers (if approved by the PUC) via mailings, advertising and public speaking engagements</li> <li>• Work with large industrial/commercial customers regarding their rate options for 2010 to prepare them to make selections by end of 2009</li> <li>• Continue to educate customers regarding future POLR rates and, in particular, market pricing for industrial and commercial customers</li> <li>• Education on new 2010 rate options and choices for customers via rate notices, mailings, PPL Electric website and newsletters</li> <li>• Conduct community advertising as appropriate</li> <li>• Public speaking engagements on rates</li> </ul>	Ongoing Ongoing 2 <sup>nd</sup> & 4 <sup>th</sup> Qtr 2008 2 <sup>nd</sup> Qtr 2008 3 <sup>rd</sup> Qtr 2008 2009-2010 2010-2012 2009-2010 2009-2012
<b>Demand-Side Response Education (DSR)</b>	<b>Time frame</b>
<ul style="list-style-type: none"> <li>• Provide enhanced customer usage information to existing DSR pilot program customers (daily and hourly)</li> <li>• Expand existing residential Demand-side Response Program from 300 customers to 600 customers</li> <li>• Implement one new year round demand side response pilot for residential customers</li> <li>• Implement one new demand side response program for Residential Thermal Storage (RTS) customers</li> <li>• Plan new pilots and gather feedback for future rate developments and programs</li> <li>• Expand DSR rate pilots programs to all eligible customers</li> </ul>	Ongoing 2 <sup>nd</sup> Qtr 2008 2 <sup>nd</sup> Qtr 2008 2 <sup>nd</sup> Qtr 2008 4 <sup>th</sup> Qtr 2008 2010

<ul style="list-style-type: none"> <li>• Press releases (Energy Advisories) during extreme conditions to educate customers on ways to respond to appeals to cut back on usage</li> </ul>	As needed
<b>Energy Efficiency Education</b>	<b>Time frame</b>
<ul style="list-style-type: none"> <li>• Continue promotion of PPL Electric’s website including the Energy Analyzer to customers and increased energy usage information from new meter technology. Expand activities to include promoting the analyzer to businesses via chamber organizations</li> <li>• Continue pilot program to promote the energy analyzer at public library sites for those that do not own computers</li> <li>• Explanation of wise use of energy via PPL Electric website and Connect Newsletter</li> <li>• Conduct public speaking engagements on Energy Efficiency</li> <li>• Conduct seminars/workshops for small businesses to educate them on energy efficiency improvements</li> <li>• Implement Compact Florescent Light bulb rebate program</li> <li>• Plan Energy Alerts program to give participating customers energy tips and alerts via email</li> <li>• Continuation of WRAP weatherization and education efforts via CBOs</li> <li>• Extensive promotion of Universal Service programs to community and public groups to assure awareness of assistance programs</li> <li>• Implement Solar Scholar ™ Demonstration Program with the Sustainable Energy Fund of Central Eastern Pennsylvania for colleges/universities in 2008 and 2009</li> <li>• Implement loan program for small businesses to make energy efficient improvements in conjunction with the Sustainable Energy Fund of Central Eastern Pennsylvania 2008 and 2009</li> <li>• Implement a new website for teachers to make energy education materials readily available for classroom use</li> </ul>	<p>Ongoing</p> <p>1<sup>st</sup> Qtr 2008</p> <p>Ongoing</p> <p>Ongoing</p> <p>3rd Qtr 2008</p> <p>1<sup>st</sup> Qtr 2008</p> <p>3<sup>rd</sup> Qtr 2008</p> <p>Ongoing</p> <p>Ongoing</p> <p>2<sup>nd</sup> Qtr 2008</p> <p>2<sup>nd</sup> Qtr 2008</p> <p>2<sup>nd</sup> Qtr 2008</p>

<b>Comparison of PPL EU Consumer Education Plan with PUC Energy Education Standards *</b>	
<b>Energy Education Standards</b>	<b>Where Covered</b>
The generation component of retail electric rates charged to customers by electric utilities has been capped since 1996, and that the cap for that customer's service territory will expire on 12/31/09.	Bill inserts Press releases regarding Competitive Bridge Plan procurements Promotion of Rate Stabilization Program (if approved by the PUC)
The rate charged for generation service will change after the rate cap expires, and may significantly increase.	Bill inserts Press Releases regarding Competitive Bridge Plan procurements New Customer Mailing with "You can save. Now's the time" brochure
Customers can take certain steps before the expiration of the rate cap, and other steps at the time the rate caps expire, that may help them control the size of their electric bills.	Bill inserts Community presentations New customer mailing Press releases
Customers can control the size of their electric bills through energy efficiency, conservation and demand side response measures. Customers can benefit from utilizing these measures now, even if the rate cap is still in effect where they reside.	Bill inserts Community presentations New customer mailing Press releases Energy Analyzer promotions via newspaper, radio and television advertising
Cost-effective energy efficiency, conservation and demand side response programs and technologies have been identified and information about them is readily available.	PPL EU website Demand Side Response Pilot Program promotions Compact fluorescent light bulb give-away program Bill inserts regarding AMR capabilities e-power website and energy analyzer including daily energy use graphs Energy Advisories Public speaking engagements Community Library Initiative Universal Service Program promotions Press releases during extreme weather conditions
Customers may reduce the size of their electric bills, or receive service options more suited to their needs, by purchasing generation service from an alternative electric generation supplier.	PPL EU Choice website Customer Choice bill inserts (twice annual). Customer choice package upon customer request Small Business Seminars
Current information that will allow customers to make informed choices about competitive generation alternatives is readily available. In territories where there are not competitive offerings currently, more choices may be available once rate caps expire.	PPL EU Choice website Customer Choice bill inserts (twice annual) Customer choice package upon customer request One on one contacts with I&C customers

Programs exist to help low income customers maintain their utility service, and information about them is readily available.	Universal Service Program promotions Bill inserts CBO and community relationships Letters to customers Calls to Customer Contact Center PPL EU website Press releases
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\*As published in the Public Utility Commission Final Order on Policies to Mitigate Potential Electricity Price Increases Docket No. M-00061957.