

THE POWER LINE



PPL ELECTRIC UTILITIES NEWSLETTER / FEBRUARY 2026

UNDERSTANDING ELECTRIC BILLS: THE ENERGY DOLLAR EXPLAINED

Electric bills can be complex — and we know your constituents turn to you for clarity. We're committed to helping you explain what drives electric bill costs and what PPL Electric Utilities can (and cannot) control.

PPL Electric controls only the portion of the bill that covers what it takes to deliver safe, reliable power over our distribution and transmission system.

The other part of the bill — including generation supply costs, regulatory mandates and state and federal taxes — is outside PPL Electric's direct control. These costs fluctuate based on market conditions and government requirements.

We recognize that affordability remains a top concern across Pennsylvania households and businesses. That's why we're focused on managing the parts of the bill we can control, while providing tools and support to help families navigate the parts we cannot.



Energy Supply: 48¢

About 48¢ of each dollar covers the cost to purchase electricity from the energy supply market, since we do not generate electricity. For customers who don't choose a third-party electricity supplier, we purchase the power for them and pass on the cost of generation supply without markup.

Transmission: 17¢

The transmission charge is included on the supply side of the bill and helps cover the cost of infrastructure that moves electricity from power plants to the local PPL Electric distribution system.

Local Delivery: 27¢

For every dollar of the electric bill, about 27¢ goes toward the cost of delivering electricity to homes and businesses safely and reliably, including costs to maintain the distribution poles, wires and service. It also includes costs associated with customer support, billing and metering.

State Mandates and Taxes: 8¢

This portion is on the delivery side of the bill and includes costs associated with programs we are required to offer or participate in by law or regulation, such as Universal Service Programs, energy efficiency and taxes.

This bill breakdown is based on residential customers using 1,000 kWh with rates effective January 1, 2026. Bill will vary based on usage.

Customer Service and billing questions **1-800-342-5775**

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DRIVING SAVINGS AND AFFORDABILITY FOR YOUR CONSTITUENTS

Families and businesses across the Commonwealth continue to face affordability pressures. Fluctuations in supply prices are the major driver behind increased electric bills right now. While supply prices are set by competitive energy markets – not by PPL Electric – we’re focused on delivering stability where we can and ensuring vulnerable customers get the help they need.

- **Controlling operating costs:** Over the past decade, PPL Electric has kept operating and maintenance expenses below the rate of inflation while continuing strategic investments to strengthen grid reliability and resiliency.
- **Targeting support to those most in need:** In 2025, PPL Electric provided more than \$135 million in assistance to eligible customers. We also contributed about \$1.4 million in company and shareholder dollars to Operation HELP and the Good Neighbor Fund, which provide direct assistance to customers with their energy bills. Operation HELP is additionally supported by generous donations from PPL employees and customers.
- **Investing in community strength:** Through PPL Electric’s annual employee-led charitable campaign, nearly \$6.5M was raised in 2025 to support nonprofits serving families across our service territory.
- **Protecting vulnerable customers:** To support customers during recent state and federal budget constraints and shutdowns, PPL Electric postponed terminations and prioritized reconnections to ensure vulnerable households had access to essential electric service.

These efforts are designed to help stabilize the costs PPL Electric can control, strengthen communities and ensure no family is left behind.



WAYS TO SAVE

Our Seasonal Savings Solutions help your constituents manage their bills, use energy more efficiently and get payment assistance when needed. From simple no-cost tips to budget billing, we’ve got your community covered. Learn more at ppl electric.com/SeasonalSavings.

WINTER ENERGY BILLS: WHAT’S BEHIND HIGHER BILLS, AND HOW YOU CAN HELP CONSTITUENTS NAVIGATE THEM

Winter often brings questions about bill increases. Here are key insights you can share with constituents:

BILL CYCLES MAY BE LONGER

Electric bills during November and December frequently cover 26–35 days, due to holiday schedules and meter-reading timing. Even without higher daily usage, more days in the billing cycle can increase the total bill.

TIP: Budget billing can help smooth bills out over the year.

HOLIDAY ACTIVITY DRIVES UP ENERGY USE

Holiday gatherings, decorative lighting and inflatables and additional cooking and baking can meaningfully increase electricity use over the month, leading to higher usage on January bills.

TIP: PPL Electric’s Energy Analyzer can help understand how electricity is being used and suggest simple ways to save energy.

COLDER TEMPERATURES = MORE ELECTRIC HEATING USE

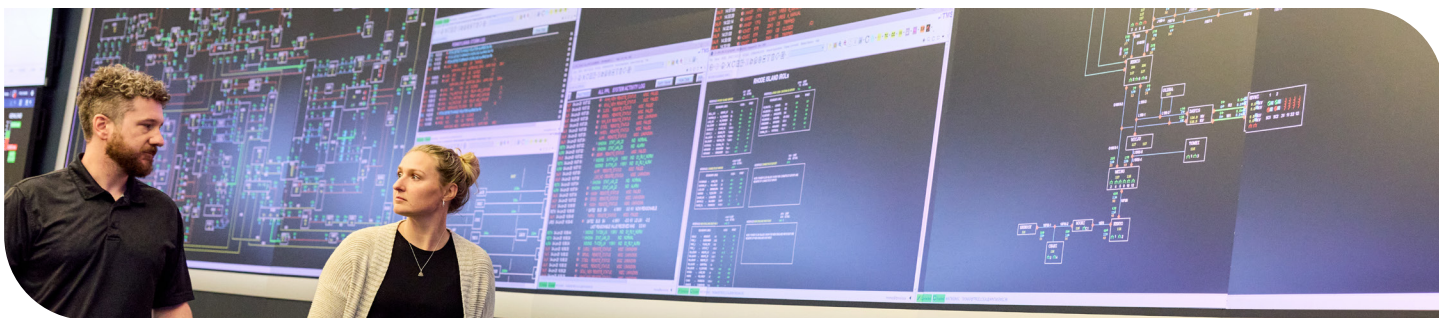
Much of Pennsylvania has experienced below-average temperatures this season. Electric heating systems and space heaters work harder as temperatures drop, significantly increasing consumption.

TIP: Lowering the thermostat even one degree can save energy.

HIGHER ENERGY SUPPLY PRICES

Energy supply prices are rising due to increasing market prices for energy. These increases are primarily driven by increased demand for electricity and limited additions to generation capacity. While these market-driven supply costs are outside of our direct control, they have a direct impact on the supply portion of customers’ bills. On Dec. 1, PPL Electric’s Price to Compare changed. For constituents who have not selected a competitive electricity supplier, this new rate, which is passed along without any markup or profit, will be reflected in January bills.

TIP: Visit ppl electric.com/bill101 to learn more.



UNDERSTANDING DATA CENTERS: KEY FACTS FOR ELECTED OFFICIALS AND STAKEHOLDERS

Clarifying the impact of data centers in our service area

As conversations about data centers increase in our region, it is important for policymakers and stakeholders to have clear, factual information. Below are five essential points to help inform your decisions and discussions regarding data centers and their role in our local energy landscape.

1. **Data center growth does not drive distribution rate increases:** Any proposed changes to distribution rates are aimed at enhancing system reliability and customer service, not as a result of data center development. This ensures that rate adjustments are focused on the needs of all customers.
2. **Data centers pay for the necessary infrastructure for their operations:** Large data centers connect directly to the transmission system, not the local distribution network. They are responsible for paying for any system upgrades required for their facilities and also contribute to broader improvements that benefit the entire grid.
3. **Potential for energy bill savings:** Because data centers are large energy users, they cover a more significant portion of

transmission costs. As more of these facilities come online, the transmission component of electric bills for other customers is expected to decrease.

4. **Customers are protected from additional costs:** Large power customers, including data centers, are required to sign agreements with firm financial and electricity usage commitments. These agreements protect other customers from incurring additional costs related to the operation of large energy users.
5. **Commitment to fairness:** As a regulated utility, PPL Electric must adhere to policies that require equal treatment for all connection requests. Data centers are evaluated using the same standards as any other business seeking to connect to the grid, ensuring an equitable and transparent process for all stakeholders.

Want to continue the conversation on data centers and economic growth across our region? Reach out to your local Regional Affairs Director to set up a meeting with our team.



PPL ELECTRIC WELCOMES JONATHAN LUTZ AS NEW DIRECTOR OF GOVERNMENT AFFAIRS

We are pleased to announce that Jonathan Lutz joined PPL Electric Utilities as the new Director of Government Affairs. Jonathan brings extensive experience in public policy and government relations, having most recently served as Associate Director of the Pennsylvania Office at the American Petroleum Institute and previously as Executive Director of the House Environmental Resources and Energy Committee.

Jonathan is eager to collaborate with local, state and federal officials to better serve your constituents. We are excited to continue these important relationships and welcome Jonathan's leadership in strengthening our shared commitment to the people we serve.

DEVELOPING PENNSYLVANIA'S SKILLED WORKFORCE: PPL ELECTRIC UTILITIES' COMMITMENT TO THE COMMONWEALTH'S FUTURE

A skilled, future-ready workforce is vital to Pennsylvania's ongoing economic development and PPL Electric is playing a key role in shaping that future. By investing in education, supporting educators and building strategic partnerships, the company is ensuring that the state has the talent needed to build, maintain and innovate the energy infrastructure that powers our communities.

Recognizing the importance of strong educational foundations, the PPL Foundation awarded \$300,000 in Energizing Education grants to 42 nonprofit organizations within its 29-county service area. These grants open doors to high-quality learning opportunities in areas such as STEM, literacy and college and career readiness, helping inspire students' interest in energy and technology from a young age. In addition, since 2003, the PPL Foundation has contributed over \$500,000 to STEM teachers in local communities, boosting hands-on projects and programs that nurture curiosity and skill development.

PPL Electric also collaborates with technical schools, community colleges and universities throughout eastern and central Pennsylvania. These partnerships help align education with industry needs, ensuring that graduates are well-prepared for rewarding careers in the energy sector and beyond. "We want to see our next generation of Pennsylvanians stay in the state and prosper from a rich job market," says President Christine Martin, highlighting the company's dedication to local workforce growth.

Within the organization, PPL Electric is creating opportunities



through apprenticeships, internships and updated hiring practices that welcome candidates without traditional four-year degrees. These efforts expand access to meaningful careers, promote diversity and strengthen both the company and the region.

Through these ongoing investments, PPL Electric is helping build a dynamic workforce capable of driving innovation, reliability and prosperity across Pennsylvania for years to come.



PPL ELECTRIC UTILITIES: MAJOR GRID UPGRADES PLANNED FOR 2026

PPL Electric Utilities is launching more than 55 large-scale projects in 2026 to strengthen its grid and enhance reliability throughout its 29-county Pennsylvania service area. Building on a 25% outage reduction from previous upgrades, plans include expanding smart grid technology for automatic power restoration, replacing aging underground cables, relocating lines for improved resiliency and installing sturdier overhead poles and wires to withstand severe weather. The company will also trim trees and clear branches along more than 4,750 miles of power lines, addressing the leading cause of storm-related outages.

"These upgrades are essential to keep our communities safe, powered and prepared for the future," says President Christine Martin. Between 2025 and 2028, PPL Electric is investing nearly \$7 billion to modernize the grid, prevent outages and ensure reliable service for homes, businesses and critical facilities across the region.