

# THE POWER LINE



PPL ELECTRIC UTILITIES NEWSLETTER / MAY 2026

## PPL ELECTRIC CONTINUES ADVOCATING FOR AFFORDABILITY AND RELIABILITY

Keeping electricity affordable and reliable for the 1.5 million Pennsylvania families and businesses we serve has always been at the heart of what we do. As energy supply costs continue to climb across the region, PPL Electric is taking that charge to Harrisburg, working alongside lawmakers and stakeholders to advance solutions that can bring lasting relief to customers.

The cost pressures customers are feeling are very real. Energy supply costs, which are unregulated, have risen sharply nationwide since late 2020, increasing more than 100% and adding an estimated \$22 a month to the average PPL Electric residential bill in the last two years alone. These increases reflect wholesale electricity market prices, not utility charges. PPL Electric passes energy supply costs through to customers with no markup.

As a regulated transmission and distribution utility, PPL Electric does not own generation and does not set wholesale market prices. But we are not standing on the sidelines as electricity bills increase. We are actively advancing policy solutions that give utilities the tools they need to manage supply-cost exposure and deliver more stable, predictable bills for the customers we serve.

That is why PPL Electric is championing common-sense legislation that would allow electric distribution companies to invest in generation resources, helping maintain reliability while reducing the price volatility customers are experiencing today through shared net revenues from generating units.



We strongly support proposals that bring new generation to the Commonwealth, including House Bill 1272 and Senate Bill 897, as essential tools to help stabilize costs and strengthen Pennsylvania's energy future.

This context matters in bill conversations with constituents. At less than 30%, the distribution charge PPL Electric directly controls is a smaller share of the total bill than many customers realize. By contrast, unregulated energy supply costs are the biggest driver of bill increases, making up almost 50% of the bill, and are set outside of our control. Importantly, when PPL Electric earns above authorized levels, those net revenues are shared back with customers, helping offset costs and reinforcing our commitment to affordability. Helping policymakers and customers understand that distinction is central to building support for the solutions Pennsylvania needs.



## VOLUNTEERING FOR GREENER COMMUNITIES

Supporting our communities means more than providing safe, reliable power. It means fostering growth in our neighborhoods through supporting organizations and a commitment to volunteerism.

April was National Volunteer Month, an opportunity for PPL Electric's employees to build on the 16,000+ hours they volunteered in 2025. It was also Earth Month, one of the busiest months on our employees' volunteering calendars. In total, employees planted trees and handed out local pollinator plants at eight events throughout the month. April wrapped up at the Lehigh Valley Zoo, where the team pulled out some paint brushes to spruce up the zoo's fences, stairs and animal enclosures.

To learn more about how PPL Electric is empowering its 29 counties, visit [ppl.com/community](https://ppl.com/community).

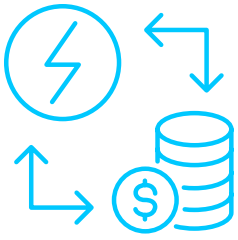
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## RATE CASE SETTLEMENT REPRESENTS MAJOR CUSTOMER WIN, PENDING APPROVAL



The proposed settlement delivers meaningful benefits for our customers and our communities. It holds bill impacts lower than originally proposed, provides regulatory and rate certainty, and allows PPL Electric to continue making necessary investments to provide safe and

reliable service. This proposed settlement reflects a broad, negotiated resolution between PPL Electric, statutory advocates, customer groups, environmental and energy stakeholders, and large customers.

On April 13, Administrative Law Judges issued a Recommended Decision in PPL Electric Utilities' distribution rate case, marking a significant milestone in the regulatory process. The decision supports the previously announced settlement without modification and sends it to the Pennsylvania Public Utility Commission for final review. This outcome reflects a strong vote of confidence in the collective work done by PPL Electric and stakeholders to reach a balanced result.

The settlement, backed by a broad group of stakeholders, is designed to balance continued investment in a safe, reliable and resilient electric system with strong customer protections and

affordability measures. As part of that balanced approach, the settlement addresses that very large new or expanding customers pay their share of the costs to interconnect.

The PUC is expected to issue a Final Order in June 2026. If approved, new rates would take effect July 1, 2026.

As previously announced, the settlement includes a \$275 million distribution revenue increase, 44% below PPL Electric's original request. For a typical residential customer using 1,000 kilowatt-hours a month, the monthly distribution charge would increase \$7.42, while the average small commercial customer would see an increase of \$4.64 a month.

The agreement also includes a two-year base distribution rate freeze beginning July 1, 2026, meaning there can be no additional base distribution rate increases before at least July 2028. It also expands access to low-income programs and waives reconnection fees for low-income customers.

This is PPL Electric's first request to increase base distribution rates in nearly a decade, a track record of restraint that reflects our commitment to affordability. The proposed settlement allows us to continue investing in the safe, reliable service customers expect while delivering meaningful protections, predictable rates and stronger support for those who need it most.

## UNDERSTANDING PPL ELECTRIC'S FINANCIALS: A DISCIPLINED APPROACH THAT PUTS CUSTOMERS FIRST

When constituents ask why electric bills are increasing, the answer is often oversimplified. The reality is that PPL Electric Utilities has taken a disciplined approach to managing costs while continuing to invest in the reliable electric service customers and communities depend on.

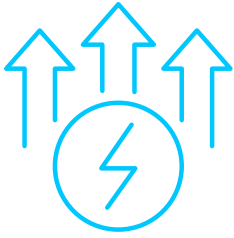
PPL Electric's earnings represent less than nine cents of every dollar on a typical customer's bill. That portion supports the transmission and distribution system, which PPL Electric manages, maintains and upgrades to deliver power safely and reliably to homes and businesses. The rest of a customer's bill is largely driven by unregulated energy supply costs that are passed through with no markup, along with state-mandated taxes and fees.

At the same time, PPL Electric has continued making significant investments in the grid. Based on publicly available 2024 FERC Form 1 filings, the company invested about \$3 billion more in transmission and distribution infrastructure than comparable utilities. These investments are improving reliability, supporting economic growth across our service territory and helping prepare the grid for future demand.



Before last year's rate review, PPL Electric had not requested a base distribution rate increase in 10 years. Even with the proposed settlement in place, PPL Electric customers will continue to have the lowest total residential bills among large electric distribution companies in Pennsylvania. That is a record we are proud of, and one we remain focused on maintaining.

## LARGE LOAD TARIFF: NEW RATE CLASS AND CLEAR PROTECTIONS FOR EXISTING CUSTOMERS



Pennsylvania is at the leading edge of a wave of large load growth, fueled by data centers, pharmaceutical manufacturers and other industrial customers seeking the reliable power and skilled workforce our region offers. PPL Electric welcomes this growth and the jobs and tax revenue

it brings, but we have been clear from the start: It cannot come at the expense of the families and small businesses we serve. Protecting existing customers has been the central focus of our regulatory work on this issue, and the results speak for themselves.

The proposed settlement establishes a first-of-its-kind large load tariff in Pennsylvania, along with a separate rate class for these customers. Together, these protections were specifically designed to shield existing residential and small business customers from unreasonable cost shifting tied to the interconnection of large electricity users. PPL Electric was the first utility in the Commonwealth to call for these safeguards, and the broad stakeholder support behind the settlement validates that approach.

The new rate class, known as LP-6, applies to large-load customers that connect at 69 kilovolts or above with a minimum demand of 50 megawatts. Under the settlement, those customers will be required to play by a much stronger set of rules than ever before in Pennsylvania.

LP-6 customers must make upfront infrastructure contributions, provide firm revenue guarantees, commit to at least 10 years of service and pay exit fees if they leave early. They are also required to begin sharing in universal service program costs starting Jan. 1, 2027, contributing \$11 million annually to support customer assistance programs. Taken together, these requirements ensure that the customers driving the demand are also paying their fair share.

The bottom line for existing customers is straightforward: Large load growth, managed responsibly, can actually work in their favor. Because LP-6 customers connect at the transmission level and consume large volumes of electricity, they shoulder a much larger share of transmission costs. PPL Electric's analysis shows that for every gigawatt of new large load added to the system, the transmission portion of the average residential customer's monthly bill decreases by about 10%. That is real, tangible savings, made possible because PPL Electric pushed for the right protections from the start.

The LP-6 framework was supported or unopposed by 16 parties to the rate case, including statutory consumer advocates, large industrial customers and clean energy stakeholders. That kind of broad agreement does not happen by accident. It is the result of PPL Electric putting customers first and building consensus around protections that work for Pennsylvania.

### CUSTOMER ASSISTANCE PROGRAMS: SUPPORTING OUR CUSTOMERS

Pennsylvania's winter termination protections ended April 1, which means utility disconnections for nonpayment can resume. For customers who are behind on their bills, PPL Electric's practice is to offer payment arrangements to anyone who contacts the company. We make every effort to work with customers and connect them with the assistance programs available, and disconnection remains a last resort, particularly when a customer cannot be reached.

PPL Electric offers a comprehensive set of assistance programs designed to help customers stay on top of their bills:

- **OnTrack:** Fixed-payment program for income-qualified customers, with debt forgiveness over time.

- **LIHEAP:** Federal Low Income Home Energy Assistance Program grants for income-qualified households.
- **Operation HELP:** Emergency grants funded by employee and customer contributions for short-term hardship.
- **WRAP:** Free energy efficiency products and weatherization services to reduce ongoing energy costs for qualifying households.
- **Budget Billing:** Spreads costs evenly across 12 months to reduce seasonal spikes.

Customers can visit [ppl electric.com/BillHelp](http://ppl electric.com/BillHelp) to learn more and apply directly online. PPL Electric's Regional Affairs team also stands ready to help your office assist constituents who reach out for support.

## PENNSYLVANIA LIFE SCIENCES GROWTH RECOGNIZES BEST-IN-CLASS RELIABILITY



Top-tier reliability is one of Pennsylvania's most powerful economic development tools, and PPL Electric's service territory continues to be a magnet for major life sciences investment. Eli Lilly and Co.'s decision to build in the Lehigh Valley underscores the point. Lilly has announced plans to invest more than \$3.5 billion in a new pharmaceutical manufacturing facility in Fogelsville, its first manufacturing site in Pennsylvania. The project is expected to create 850 permanent jobs and about 2,000 construction jobs, strengthening the region's advanced manufacturing base and supporting broader economic growth.

Another major investment within PPL Electric's service territory include GSK's up to \$800 million expansion in Marietta. These investments are not happening by chance. Life sciences manufacturing depends on consistent, high-quality power, and companies are choosing PPL Electric's service territory because they know our grid will deliver. Top-quartile reliability translates directly into business expansion, jobs and economic growth for the communities we serve. To stay ahead of that demand, PPL Electric is investing more than \$8 billion from 2025 through 2028 to strengthen and modernize infrastructure, reduce the number and duration of outages and support the next generation of regional growth.



### BUILDING A STRONGER GRID: INVESTING FOR OUR CUSTOMERS AND THE FUTURE

PPL Electric is taking decisive action in 2026 to make sure the grid is ready for everything coming its way: continued growth, increasingly severe weather and the changing energy needs of our customers. This year, the company will deliver more than 55 large-scale grid strengthening projects, expand Smart Grid technology and conduct proactive vegetation management across our 29-county service territory.

These investments are part of PPL Electric's multi-year strategy to modernize and strengthen the grid while balancing reliability improvements with long-term affordability for customers. Between 2026 and 2029, the company plans to invest more than \$8 billion in infrastructure improvements to enhance reliability and support regional growth.

Planned work this year includes upgrading Smart Grid devices that can detect outages and restore power in real

time, replacing aging underground cable, strengthening overhead infrastructure with more durable materials and continuing targeted vegetation management to reduce tree-related outages. In 2026 alone, PPL Electric plans to clear hazardous trees and branches along more than 4,750 miles of power lines.

The results are already speaking for themselves. Similar investments in infrastructure, Smart Grid technology and

“ With nearly 47,000 miles of distribution lines and equipment aging across our system, these upgrades aren't optional – they're necessary to keep our communities safe, powered and prepared for the future. ”



*PPL Electric Utilities President Christine Martin*

vegetation management helped drive a nearly 25% reduction in outages in 2025 compared with 2024, demonstrating that this strategy is working for customers across eastern and central Pennsylvania.

As demand grows and economic development continues across the region, PPL Electric is also building for what comes next, expanding and strengthening the transmission system Pennsylvania will need to reliably serve customers for decades to come.