

With lifting of rate caps, PPL in activists' sights

By **ROBERT SWIFT**

Harrisburg Bureau Chief

HARRISBURG — PPL Corp. is in the sights of political activists with less than a month to go before electric rate caps come off Jan. 1.

Several activists called two weeks ago for state lawmakers and the Public Utility Commission to delay the lifting of the rate caps and a resulting 30 percent hike in electric rates for PPL residential customers until warmer weather.

"We are taking the rate caps off at the worst possible time," said Eric Epstein of Three Mile Island Alert, referring to the arrival of winter and the continuing recession.

He said PPL should offer rate discounts to senior citizens on fixed incomes and give reduced rates to reli-

gious and non-profit groups.

"People will be making choices they should not have to make between food, warmth and medicine," added Epstein.

At a Capitol press conference, Gene Stilp of Taxpayers and Ratepayers United charged lawmakers with dragging their feet on the electric rate issue.

Stilp plans to continue a series of walks this month to lawmakers' district offices in northeastern Pennsylvania to highlight the issue.

The state imposed rate caps on PPL and other utilities a decade ago as part of an experiment in electric deregulation. The end of rate caps for PPL will mean a \$378 rate annual hike for the average household in the utility's service territory in northeastern and central Pennsylvania.

Lawmakers are scheduled to be in session only a few days this month, making action unlikely on bills to mandate a phase-in of electric rate hikes.

The idea behind rate caps was to stabilize electric prices while utilities competed for customers outside their traditional service territories.

Competition didn't develop to the extent proponents envisioned back in the 1990s, but a statewide environmental group suggested that the end of rate caps will give competition the jolt it needs.

Rate caps expired a number of years ago for Duquesne Light and Penn Power in western Pennsylvania and large numbers of their customers took the opportunity to switch to new electric suppliers, said PennFuture President

Jan Jarrett.

"Consumers can expect increased market competition, and with it, greater choice, lower prices and better value," she added.

Meanwhile, PPL is offering customers an option to defer paying a portion of the 2010 rate hike. The deferred amount will appear as a credit on a customer's electric bill in 2010. Customers would repay the deferred charges back, plus six percent interest, in 2011.

PPL plans to offer new incentives to help customers save electric costs with rebates for purchasing energy efficient appliances and discounts for florescent light bulbs, said spokesman Ryan Hill.

"That's a key way they can lessen the impact," he added.

rswift@timeshamrock.com