

Update on Energy Market

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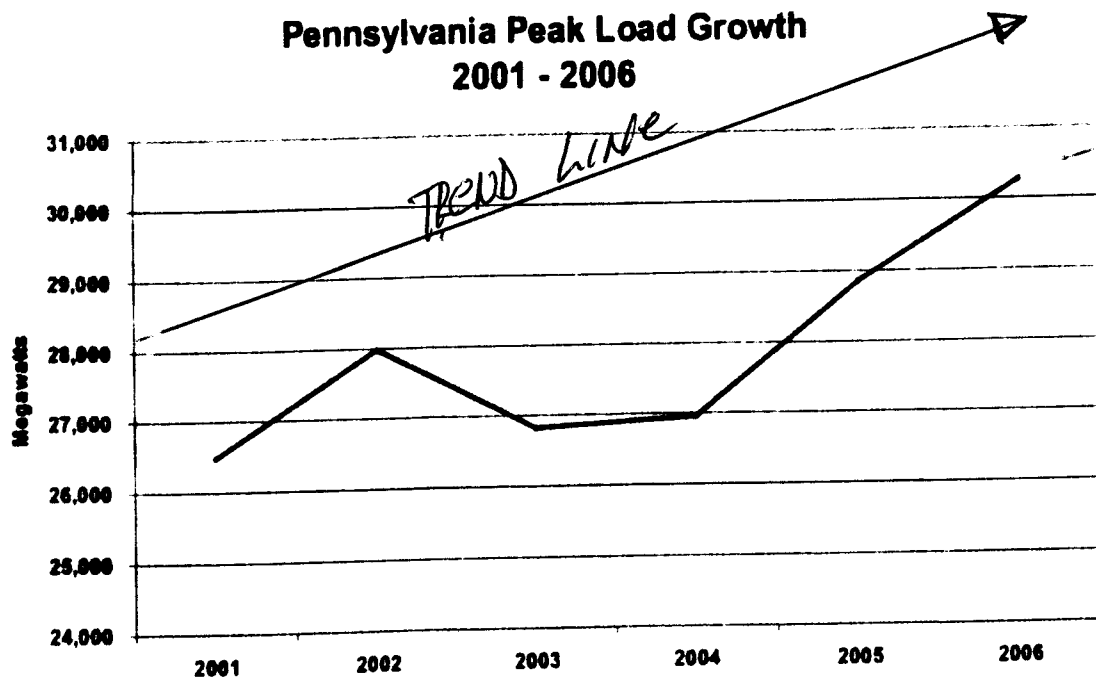


Electricity Prices

- Coal prices have risen to unprecedented levels even while coal remains readily available and, comparatively, reasonably priced.
- Uranium prices have risen several fold in the past three years.
- The cost off new construction has increased doubled in a few years due to international demand for cement, steel, copper, turbines, and the expertise needed to plan and execute complex construction projects.
- Dysfunctional markets will continue to set prices well above recent levels.
- Transmission construction will become a growing source of controversy.



Pennsylvania Peak Load Growth 2001 - 2006



Note: Peak Load grew by an average of 3.6% between 2001 and 2006



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Wholesale prices in PA – 2006 vs. 2007

	2007	2006	% Change
APS	\$ 57.52	\$ 48.70	18%
DUQ	\$ 44.00	\$ 39.33	12%
METED	\$ 64.69	\$ 52.66	23%
PECO	\$ 62.71	\$ 52.40	20%
PENELEC	\$ 54.85	\$ 46.62	18%
PPL	\$ 62.06	\$ 51.51	20%
PJM EAST	\$ 64.05	\$ 53.86	19%



Expected Post-rate cap Changes in Residential Electricity Prices

Electric Utility	Rate Increase (Actual or expected) 2011	
	Generation Cost**	Total Bill
Pike County Power and Light *	129%	75%
Citizens Electric of Lewisburg *	50%	35%
Wellsboro Electric Co. *	51%	31%
UGI Utilities Inc. *	37%	
Pennsylvania Power Co. *	66%	40%
Duquesne Light Co.*		7%
West Penn Power Company **	101%	62%
PPL Electric Utilities Inc. +	90%	35%
Pennsylvania Electric Co. **	101%	47%
Metropolitan Edison Co. **	85%	41%
PECO Energy Co. **	9%	3%

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