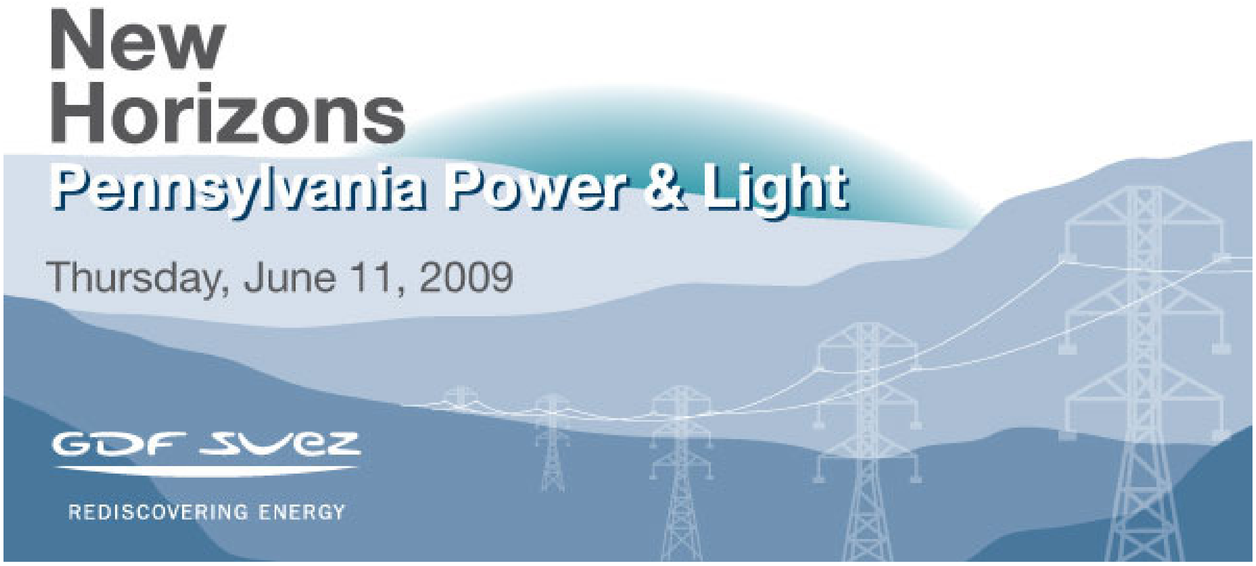

Thanks for participating in the PPL New Horizons seminar on June 11, 2009. We hope you found it informative and that we were able to answer most of your questions at the time. Below is a list of questions and answers – some of which we were able to address at the time, and others that we were unable to address due to time constraints.

Q: from Alan online **- regarding Transparency - If I contract with a 3rd party supplier on a Day Ahead product with the ability to fix blocks in the future. How do we have the transparency that the 3rd party supplier will not 'jump up the fixed price block unfairly'? How do I keep my supplier honest? How does PPL and/or PJM help me do this?** (Jeffrey notes that PPL has no role in this as he asks the question, and in this case neither PJM nor PPL take any active part. The agreement is entirely between the customer and the supplier).

Ken: It sounds like Alan is concerned as he enters into a variable price Day Ahead product with the intention of layering in fixed price blocks at a later date, and now that he's captive to a supplier he wants to make sure he's getting a fair price on his blocks. One way that he could achieve some degree of transparency is to look at West Hub forward block prices and the way bulk power is traded in the mid-Atlantic region of PJM. It's a very liquid and visible product at the bulk trading point. It's visible on NYMEX and the Intercontinental Exchange (ICE). Then for the congestion or basis portion – the Hub to PPL zone portion that Ed discussed as a component of block price -- there's some degree of transparency for Cal-10 (in the $5/MWh range). But there are also some forward financial transmission right (FTR) auctions that provide some degree of price transparency, and forward price signals that someone in Alan's position could use to mark what those block prices are. If a customer was willing to wear the congestion risk, what they could consider doing is just layering in fixed price blocks at the West Hub and wearing the price risk between the West Hub and PPL Zone -- by passing it through -- and have a very good objective view of the fixed block price just by looking at the West Hub prices on NYMEX and ICE.

Ed: I agree completely – I've noted the same sources for information. Also, depending on the nature of the contract, the customer should be mindful of things like how losses are treated. There may also be other components that you'd have to account for as you're taking a product from a wholesale level to a retail level, so just be mindful of what's included in the price.

Q: from the floor - **How far out are NYMEX prices in the future considered reasonably accurate? They seem to have prices going out pretty far, but they don't look like they make much sense.**

Ken: Definitely the visibility and liquidity is more accurate for PJM at the West Hub, as it's certainly one of the most liquid electricity markets in the United States. It is also fairly accurate for the prompt 12 months, and to a slightly lesser extent for the prompt 24 months. Beyond that, it is a little less transparent.

David: If I could add one thing to that, there is less liquidity as you go farther out, but as long as you have a counterparty that is financially sound, reliable, and can deliver that, and GDF SUEZ Energy Resources is definitely in that category – and those prices you're today make sense for your budget today, by all means they are good prices.

Q: From Earl online: **Do we know what the default service price, the price-to-compare, will be in PPL for 2010?**

David: The number that we've seen is going to be a little bit more than $.10/kWh, but we don't know that (final) number yet for the small to mid-sized customers as there is one more auction that PPL is going to be conducting in October. For Large C&I customers, there will be a single auction in October. So, we don't know that final number until the auctions are concluded and the tariffs are published, but it should be in the $.10/kWh range or a little higher.

(**Eric follows up**): For Large customers, they haven't procured any of the power yet, so we really don't know any of the indicative pricing yet.

(**Jeffrey follow up**): And what are market prices right now?

Ken: Sure, it's kind of a difficult question to answer, because for a retail product, it's very much load-dependent. So depending on the customer's load profile, usage patterns, cap and trans tag figures, and the term of the product, it could vary quite a bit. A very rough number – a 75% load factor customer looking at a Cal-10 contract – perhaps something around $.08/kWh, maybe a little lower. Again, it's going to vary widely from one customer to the next.

Q: from Chai: **While searching for new electricity suppliers, I came across suppliers who could be classified as electricity generators, marketers, and consultants. For a business which requires about 24 million kWH energy annually, which category of suppliers would be likely to offer the best price?**

Eric: That's really a great question, and a good thing to educate people about. There are a number of different types of entities out there. The first is, of course, an EGS (Electric Generation Supplier). They are the ones that are going to make a direct offer to you. Then, there are marketers and consultants, on the other hand, that are basically going to go out and find suppliers for you, and get back with you on those prices. They're sort of a middle-man. Consultants can sometimes offer other types of services (Demand Response, Energy Efficiency, etc.)

Q: Michael online: **It was mentioned that the transition recovery mechanism will go away with the rate caps in 2010 – Is that what is referred to as the "Competitive Transition Charge" on my current PPL bill?**

Ed: Yes, that's what I was referring to.

Q: Eric online: **Is the Pennsylvania Gross Receipts Tax (GRT) avoidable for manufacturers located in Texas (or other states outside of Pennsylvania)**?

Ed: The interesting misconception about Gross Receipts Tax is that a lot of people think it's like a Sales Tax. Gross Receipts Tax, although it's often represented in the pricing, and you'll see it discussed in retail pricing, it's not really a tax on the end-use customer… rather on the supplier. It's perhaps just a habit that utilities in Pennsylvania disclose how much of their rates is comprised of Gross Receipts Tax, so it looks a lot (and is treated a lot) like Sales Tax.

So, for a company that is headquartered outside of Pennsylvania, but has manufacturing facilities in Pennsylvania, and PPL's service territory, it is not avoidable.

From our understanding the GRT applies to all suppliers selling in Pennsylvania regardless of the home location of the supplier. In other words, a supplier doesn't avoid paying GRT simply because they are located in Texas or another location outside of Pennsylvania.

Q: from the room: **David restating a question about aggregators… what are they? Are they "real"?**: There are some entities out there which go around offering to aggregate together groups of end-users. Then they go take the demand from those groups out into the marketplace to a number of suppliers and buy power for less than they would (potentially, for less than the individual pool members if they were purchasing power independently).

David: These are essentially aggregators, and once they pull together a group of customers, they're going to bring that aggregation to an EGS, like GDF SUEZ Energy Resources or one of our competitors, and say, "how much would you bid on this?", and then they're going to add their own service fee for doing the aggregation – either asking upfront from the participants, or baking it into the energy price. Can I tell you that they're going to be lower than going directly with a supplier? It's hard to say. It mainly depends on the size you are and whether or not you have any benefits in participating in the aggregation to begin with. Bear in mind though that they'll always be charging a fee that would be in addition to going directly with a supplier, because you're basically just adding another layer in there.

Ken: I'd like to add one further comment, and it's really a word of caution. You want to make sure that you're being aggregated with a pool of similar (end-user) loads. For example, if you're a higher load factor customer and you're being pooled together with a bunch of low load factor customers, you really don't want to be getting the same price as those customers. As a higher load factor customer, you should naturally by yourself be receiving a lower price based on a more favorable load profile than those other participants.

Eric: I have one additional word of caution on that too because I don't want customers get hurt. To the extent that you're using a consultant, marketer, broker, or aggregator – someone you may be cutting checks for your electricity who is then forwarding the money along to the EGS – I would make sure that that entity is licensed. We've had some entities that weren't licensed, so please be careful when dealing with this when you're cutting checks to middle-men.

Q: from Alan online**: If I am paying 6.0 cents/KWH for an 85% load factor plant, what should be my expectations on what I will pay in 2010 if I secure a 'Fixed Price Product' at current market rates?**

Ken: I'll take a stab at that. The 85% load factor helps a bit. That's a fairly high load factor, but again, every customer is going to be different based on how their hourly load shape is. But I would make an estimate based on that limited amount of information that they'd pay something in the range of $.075/kWh to $.08/kWh. But keep in mind that it's very difficult to estimate a price without having all the hourly usage data, and things like the cap and trans tags. It becomes much more accurate when we have all that information that we'll get when we actually price it up on a one-by-one custom basis, but I would think that's a fair ball-park estimate.

Jeffrey (follow-up): One more thing to add though is that there's going to be a price-to-compare in the future which will have all the components that we've discussed today built into what PPL is going to show you on your bill if you choose default service. I also encourage anyone who is going out to GDF SUEZ Energy Resources, or another supplier, and telling them that they're paying approximately $xx/kWh for their service, that they make certain that the price they're indicating is inclusive of all the cost elements that go into that price to compare, because maybe the price they're quoting right now in 2009 does not include the Competitive Transition Charge or another component. (Those items would be included in the PPL's price right now, but the Competitive Transition Charge will be going away after December 31, 2009.) So that $.06/kWh figure might not be a firm target, but that's for the individual customer to determine.

Q: from online – **How can the EDC 'Distribution Charge' be quantified post-rate caps, meaning 2010? Where can this information be obtained on-line?**

Eric: Those distribution component prices will be outlined on the individual customer's bill. It will state "delivery" or "distribution charges" for that portion of the bill. That part will still be regulated by the Pennsylvania PUC.

Jeffrey (follow-up): That's still part of the ongoing process under which there will be rate cases, they'll show costs, and the prudent ones will be approved.

Ed: Yes, and the current rates for distribution will be outlined in the utility tariffs just in the same way that they are today.

Q: question from the floor: **It appears that our country is going towards a carbon tax. And since power plants are some of our biggest carbon emitters how will that affect our rates in the future if we do go to a carbon tax?**

Ed: Well, it's a tax that someone's going to have to pay. As far as what a supplier would do, those are generally taxes that have been mandated and would be included in the overall energy price (whether included or passed-through).

Jeffrey (follow-up) If I can just add a quick bit of information, whether it's a tax or a cap and trade, you might just have it become a product like how you have Renewable Portfolio Requirement requires the procurement of renewable energy credits, or in this case carbon credits, that are priced at a unit and then sold to you – those could be and priced into your bill. It's very uncertain right now. No matter how much certainty you have that the US Senate will pass something, these are things that have a way of taking years to accomplish

Ed: (follow-up) Ideally, if it's structured right, it should give an incentive for end-use customers to buy more – in line with renewables, so it would just avoid that (carbon emissions), so if it rationalizes itself, maybe the renewables make a more cost-effective choice.

David: (follow-up): It's not just renewables though, it's other low carbon-emitting or non-carbon emitting – generation. Nuclear… natural gas is low carbon-emitting… some of those facilities may just become even more used than the coal facilities.

Eric: (follow-up): And I was going to add… there's nothing greener than energy efficiency.

Q for Eric – From Mike online: **Is there a link for the Sunshine program you'd mentioned?**

Eric: I don't remember the exact link, but just Google: "PA dept of Environmental Protection"…Edit: the link is now provided below:

http://www.depweb.state.pa.us/energindependent/cwp/view.asp?a=3&q=545926

Q from Randall online: **I heard earlier in the presentation that transmission costs are regulated by FERC. On that slide there was no mention of distribution costs being regulated. Later I thought I saw a note that indicated distribution costs are regulated. Are both regulated, or just transmission?**

Eric: The distribution charges are regulated by the Pennsylvania Public Utility Commission, while the Transmission costs are essentially regulated by FERC and passed through in your retail rates approved by the commission, if you're taking default service… or through the rates charged by the EGS if you're taking competitive service.

Q from the floor: You'd mentioned Smart Metering earlier. At the request of the customer it could be installed or in the next 15 years it will automatically be installed. What sort of opportunities are there with the Smart Meter that will allow the customer to see its real time costs?

Eric: The utilities haven't made any filings as of right now. The legislation requires them to provide information (meter data) and prices. That usage is probably going to come directly from the meter, or it's going to come via a website from the utility. The pricing information – once again, it's uncertain – it may be a web application that's an easier way to get the information to the customer. The other thing here is that you're not beholden to the utility to install the meter. There are any number of curtailment service providers, or CSPs, that can get this information to you right now by putting a certain apparatus or attachments on your existing meter. There are a lot of options out there right now. Talk to a competitive supplier about them.

Ed (follow-up): Adding to what Eric just said, about getting a curtailment service provider to install some additional equipment to provide you with real-time information on load and/or prices. Without that type of equipment to measure at an hourly level, there's really no way for you as the customer to get that level of detail until that happens.

Editor's Note: GDF Suez Energy Resources is a certified Curtailment Service Provider (CSP) and through its partners can provide curtailment products as well as metering that can provide metering that will provide you with up-to-the-minute electricity consumption information through a web-portal.

Q: from the floor: **What incentives might there be for customers to do capital projects to improve their load factor?**

Ed: By improving your load factor, we mean improving the overall consumption in relation to your peak demand. Just general pricing methodologies, the incentives will be to lower the demand-based components of your price on an overall consumption basis. I mentioned that about load factor risk in my portion of the presentation – with things like your capacity and transmission tags which are based on your peak demand. So if you can lower your overall peak demand, you will get better pricing. That is an implicit incentive. Now whether there are government incentives or rebates, I'll defer to others on the panel.

David (follow-up): I don't know of any government incentives or other dollars to be passed out, and perhaps Eric can speak to that a bit better. You'll have to remember that the capacity component that we'd charge you for or that any other supplier would charge you for is based on your peak load contribution (or PLC tag), and that's determined basically as the average demand during 5 peak hours of the summer. Without doing any kind of capital work, you can avoid operating in those hours, or reduce consumption in those hours, and they typically hit during between 2 and 7 in the afternoon on a hot day (like a 95 degree day). So if you can reduce or avoid operations during those periods you can reduce your demand without doing any kind of capital work.

Q: from the floor: **You mentioned that GDF SUEZ Energy Resources has worked in IL and OH. Mid-size customers in those 2 states have they seen an increase in their power cost or decrease or are they about the same?**

David: The question is probably better qualified by also asking primarily "over what period of time". Most recently, and I'll stay in Illinois since you'd mentioned that, but if you were to stay with ComEd, if you were with the utility, they're standard offer service came down by about 10% just this month based on their annual auction. You really see the market working here when the utility standard offer rates are coming down when the market moves downward. On that same token, we could probably beat that price by about another 10 to 15% right now, so you can see that customers can get an even better price once they begin to shop.

The following are questions that were received either during the event or afterwards. Time constraints did not allow us to answer them at the time; however, we have circulated the questions and compiled the best available answers:

Q: When will electric choice be available in other EDS regions such as PECO?

David: Electric Choice is available in all of PA right now; however, the currently below-market rate caps do not expire in the other three larger utilities - PECO, Met-Ed/Penelec, and West Penn Power until December 31, 2010. Rate caps have already expired and customers can already shop in Duquesne, UGI, and Penn Power utility territories.

Q: Is there an average Heat Rate for PPL territory to apply to Natural Gas to get a wholesale electricity price? For fixed or variables (TX ERCOT), we usually use HR of 8.4 and NYMEX to see where energy prices are.

Ken: At the moment, a Cal10 RTC heat rate (PPL Zone/NYMEX) would be approximately 9.0

Q: What happens if we purchase now and the state legislature extends rate caps?

GDF SUEZ Energy Resources Response: For GDF SUEZ Energy Resources to be able to offer a fixed price to you now, it also must undertake a supply obligation now to be prepared to serve your load at the fixed price as of the start date. If applicable rate caps are extended by the legislature GDF SUEZ Energy Resources will certainly be willing to pursue a mutually beneficial solution with customers that could allow them to take advantage of that rate cap extension, but like all its competitors, GDF SUEZ Energy Resources is not in a position to offer a fixed price contract that also has a termination for convenience right for either party. Index priced contracts have a different supply dynamic and would be much easier to solve if rate caps were extended. This is a great question, and you should know that any of our competitors that tell you in response to this question that they will match a rate cap extension or allow a customer to simply void a fixed price contract without fees is simply not being candid with you.

Q: How will a high Load Factor affect joining an energy pool?

Ken: A high load factor generally means more favorable pricing than a low load factor. Again, it's important that if you are participating in an energy pool that you make sure that you're grouped with similar types of customers with similar load shapes and usage patterns. This will minimize the chances that you (potentially with a more favorable load profile) might end up subsidizing other participants with less favorable load profiles.

Q: What is the best way to obtain detailed information related to the alternative energy credits?

Eric: You can contact an Electric Generation Supplier for information on "green" products available to you. For more general information on the State alternative energy program, please see the following url: http://paaeps.com/credit/index.do

Q: What has Penn PUC learned from the failure of CA electric deregulation?

Eric: The PUC has made available several programs to help stabilize and mitigate any potential price spikes that customers might experience when capped rates expire.

David: I would also add that part of the problem in CA was that the utilities were required to sell to at a fixed price to customers who didn't switch suppliers but they were not allowed to hedge those costs. As a result, when power prices spiked, power costs for the utilities rose above their revenues resulting in financial crises and bankruptcy in the case of one utility. The market structure in place today in PA avoids this by allowing the utilities to acquire power via wholesale auctions and pass those supply costs on to the customers that do not choose to switch suppliers. Extending caps at below market rates could also result in financial strife for the utilities and potentially for competition to dry up.

Q: I heard of efforts being made of keeping the cap in place past the end of this year. Is there any truth to that? And if so what is the probability of it happening?

Jeffrey: While public officials are monitoring the situation with interest, the political will to extend rate caps for utility provided default service is not there. The costs to do so would saddle consumers with additional "Competitive Transition Charges" which are currently set to expire with the caps.

Q: Do you plan to enter the Ohio market behind CEI in the near future?

David: No. We are focusing our attention on Pennsylvania and our existing markets which also include CT, DC, DE, IL, MA, MD, ME, NJ, NY, and TX.

Q: Are all the rules now made up in PJM & PPL so we will get a fair price without adding additional risk by contract in Jun-09? RGE & NYSEG just changed the rules in the Transition charge increasing our overall all cost by 39% with a PUC decision effective 6/1/09. Please address this.

Jeffrey: There are components of customer charges like transmission costs and capacity costs that can vary. Speaking with an Electric Generation Supplier should help better understand the variability and risk associated with them. With regard to Energy East (Rochester Gas & Electric and NY State Electricity & Gas), the utilities currently use a NY PSC approved non-bypassable charge to recover legacy electric costs. The amounts of the NBC fees are set by flowing through to ratepayers the benefits or detriments of those legacy obligations in comparison to the market price of electricity. The utilities fix the NBC charges for each calendar year. Calculating the NBC charges requires estimation of market prices for the yearly period. If those estimates of market prices are overstated, the utilities will under-collect and ratepayers must compensate them. In NY, utilities are allowed to reconcile any under-collections at the end of the annual period. Due to the severity of the market price drop recently, which was unanticipated by the utilities, NYSEG and RG&E will adjust/increase the NBC June 1st so it can avoid a massive reconciliation of under-collected costs for the entire year. For the remainder of 2009, the utilities will monitor the NBC monthly and adjust it again if the under or over-collection exceeds $7.5 million for NYSEG or $10.0 million for RGE. The adjustment shall be implemented in the following month. Beginning in 2010, the utilities will change the NBC from a fixed fee for an entire year to one that will be adjusted monthly.

For more information on the NY situation, please see the url link below of the PSC order granting the changes to the NBC:
http://documents.dps.state.ny.us/public/Common/ViewDoc.aspx?DocRefId={B6C16068-D2A3-4D05-B9C0-6AD5DB1EA6A9}

Q: Are you looking at participating in the Ohio market? Also, I was under the impression that VA. is no longer active in deregulation, but your map shows otherwise?

David & Jeffrey: At this time, GDF SUEZ Energy Resources has no plans to enter the Ohio market. VA has limited pilot programs with limited participation.

Q: Do you have a feel for how many 3rd party suppliers will be active in the PPL market?

David: Since PPL represents the most significant market opening in years, we expect there to be robust competition in the form of multiple Electric Generation Suppliers and abundant product offerings ranging from risk-managed electricity supply to demand response, energy efficiency and “green.”

Q: Nothing any panelist says can convince me that any supplier cannot so complicate the whole issue, that it would be a full time job to ensure they are being correct. Even with a fixed price, if usages go up or below preset levels, almost impossible to know if pricing is right, especially if you have many locations all with different reading dates.

GDF SUEZ Energy Resources Response: That is why transparency and customer education are so important. Contact Electric Generation Suppliers to begin your discussion with their expert risk managers.

Q: **In Ed's pyramid: energy accounted for approx 60% of costs, while in Dave's it was 75%. is that just due to the high volatility? or is is there a more correct number?**

David: Ed’s slide with the energy pyramid was more general to all markets, while my slide is PJM-specific… However, there’s also some volatility in the energy price that would explain the difference. Still, all info in the cost pyramids are estimated and can fluctuate from one customer to the next or with changing market conditions. A customer’s individual load profile and load factor will also have an effect on cost components, so the assumptions being made are important.

Q: **When the rate caps expire for PPL, will there still be a demand charge?**

David: Capacity and transmission costs charged to suppliers are demand-based charges. GDF SUEZ Energy Resources and other suppliers can provide products that include those costs in a fixed cost-per-kWh fee. We can also offer a product whereby we charge for these components as line items on the customer invoice – in the case of capacity, that would be the capacity amount (called a Peak Load Contribution or PLC) times the tariff rate for that component. PLCs are set annually by the utility based on each customer’s load at system peak.

Depending on what rate schedule you are on for distribution with PPL, you may have demand charges for the distribution portion of your bill.

Q: Some utilities allow for distribution charges to be billed by the competitive supplier, or alternatively competitive supply and transmission to be billed by the local utility, are there any plans for this in PP&L, thus eliminating the need for two bills?

David: Billing options: Utility Consolidated, Supplier Consolidated, and Separate EDC/EGS Billing are all available options in PPL. However, each supplier may have limits on what type of billing they provide, so check with the supplier. Utilities also sometimes limit customer eligibility for different billing services.

While consolidated billing does provide some convenience to customers, also realize it requires close data coordination between the supplier and utility. Our experience is that in other states is that consolidated billing often leads to more billing issues and bills being reissued.

Q: **I work at home which is considered residential. Does this program allow residential clients or only companies?**

David: Residential customers are eligible to switch suppliers in PA and rate caps for PPL's residential rates also expire at the end of 2010. However, GDF SUEZ does not offer service to residential customers at this time.

Q: Is there any provision for a condominium association in PA to go into the market in behalf of its self (common electric use) and its unit owners (who are serviced/metered individually)?

Jeffrey: To rephrase the question, can an entire condominium building (residential meters, building common spaces, etc.) be aggregated and bid upon by an EGS? To our knowledge, there is no law or regulation specifying how an EGS must bid on or serve apartment buildings or condominium associations. However, whether an EGS elects to serve residential meters and commercial meters under the same contract is up to that particular EGS.

We hope we have answered all the questions we received; however, if your question was not addressed, or if you have additional questions about the coming changes behind PPL, about electric choice, or other relevant issues, please send them to: PPLService@gdfsuezna.com