

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105-3265**

**Duquesne Light Company**

**Public Meeting: January 24, 2013  
2301664-OSA  
Docket No. P-2012-2301664**

**PPL Electric Utilities Corp.**

**2302074-OSA  
Docket No. P-2012-2302074**

**STATEMENT OF COMMISSIONER PAMELA A. WITMER**

Before the Pennsylvania Public Utility Commission (PUC or Commission) today are proposed Opinions and Orders approving, with modifications, the Default Service Plans of Duquesne Light Company (Duquesne) and PPL Electric Utilities Corporation (PPL), respectively, for the period from June 1, 2013 to May 31, 2015.

**Retail Market Enhancements**

Consistent with the orders recently finalized by this Commission for both the FirstEnergy<sup>1</sup> and PECO Energy Company service territories, today's proposed orders contain retail market enhancement programs designed to further encourage and bolster retail electric shopping throughout the Duquesne and PPL service territories. Specifically, both orders include a Retail Opt-In Program (instead of a Retail Opt-In Auction) and a Standard Offer Referral Program, similar to those approved in the First Energy and PECO proceedings. Consistent with my position in the First Energy and PECO Energy cases, I believe the changes we are proposing to Duquesne's and PPL's proposed Opt-In Programs will create a realistic shopping experience and will be attractive enough to garner participation from both Electric Generation Suppliers (EGSs) and, more importantly, customers. I am confident that the changes we are making will keep the initial costs of these programs down compared to what they would have been if an auction took place. Further, I am optimistic that these programs will have a positive impact on electric shopping in the affected service territories.

Accordingly, I encourage Duquesne and PPL to effectively use both the Retail Opt-In and Standard Offer Programs to further develop the competitive market. In addition, I hope that all interested EGSs within the Duquesne and PPL service territories will participate in these programs.

**RESA's Proposal for a Default Service Rate Adder**

In both the Duquesne and PPL proceedings, the Retail Energy Supply Association (RESA) proposed a non-bypassable surcharge on default service rates. The surcharge was

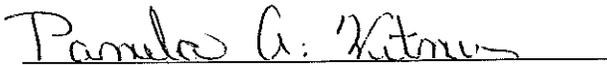
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<sup>1</sup> For purposes of this statement, the FirstEnergy Companies include: Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company.

designed in part to eliminate the subsidization of non-shopping customers by shopping customers. While I agree in both cases that the proposals were properly rejected as presented, I am encouraged by the creativity demonstrated by RESA in evaluating the current state of default service costs.

As a proponent of competitive markets, I believe that it is in the public interest to ensure that the default service Price to Compare (PTC) properly reflects current market conditions and does not include other charges that artificially inflate or depress this important price signal. I find merit in the proposal put forth by RESA that may help to remove the impact of non-market issues on both Duquesne and PPL's PTC. At the same time, I also believe that proposals such as this one deserve a fuller vetting as we pursue the next steps in the Commission's Retail Market Investigation and the proceeding initiated by Commissioner Cawley at the July 19, 2012 Public Meeting related to Default Service Interim Reconciliation Guidelines.

**DATE: January 24, 2013**

  
**PAMELA A. WITMER, COMMISSIONER**