

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

Met-Ed, Penelec, Penn Power & West Penn  
Joint Petition for Approval of Their  
Default Service Programs

Public Meeting: August 2, 2012  
2273650-OSA  
Docket Nos.: P-2011-2273650  
P-2011-2273668  
P-2011-2273669  
P-2011-2273670

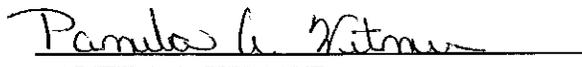
**STATEMENT OF COMMISSIONER PAMELA A. WITMER**

Before the Pennsylvania Public Utility Commission ("PUC") today is a Binding Poll on various issues related to the Joint Petition of Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power") and West Penn Power Company ("West Penn") (collectively, "Companies") for approval of their Default Service Program ("DSP") for the period from June 1, 2013 to May 31, 2015. . At the outset, let me state that I am pleased that the Companies' submittal so closely tracked the Commission's guidance as reflected in the *Intermediate Work Plan Final Order*, entered on March 2, 2012. I believe that the proposals put forth in the Intermediate Work Plan and the Companies' Default Service Plans represent useful and prudent steps toward transforming the competitive retail electricity market in the Commonwealth. While there is much work yet to be done, today's actions are an important first step in unlocking the potential electric competition promises for Pennsylvania consumers.

As part of their DSPs, the Companies proposed including a market adjustment charge (MAC) in their Price-to-Compare (PTC) riders. As proposed, the MAC would be a bypassable charge imposed on non-shopping residential and commercial customers. While I agree with the Administrative Law Judge's (ALJ) rejection of the MAC, I am encouraged by some of the creative proposals set forth by various parties, including the Retail Energy Supply Association ("RESA") and Dominion Retail, Inc. ("Dominion").

As a proponent of competitive markets, I believe that it is in the public interest to ensure that the default service PTC properly reflects current market conditions and not include other charges that serve to artificially inflate or depress this important price signal. I find merit in the proposals put forth by RESA and Dominion that may help to remove the impact of non-market issues on the PTC. At the same time, I also believe that these proposals deserve a fuller vetting within the context of 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: August 2, 2012**

  
**PAMELA A. WITMER  
COMMISSIONER**