

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Petitions of Metropolitan Edison Company,
Pennsylvania Electric Company, Pennsylvania
Power Company, and West Penn Power
Company for Approval of their Default Service
Programs**

**Public Meeting held May 19, 2016
2511333-ALJ
Docket Nos. P-2015-2511333
P-2015-2511351
P-2015-2511355
P-2015-2511356**

STATEMENT OF CHAIRMAN GLADYS M. BROWN

Before the Commission for consideration and disposition is the Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively The First Energy Companies or Companies) for Approval of their Default Service Program for the period of June 1, 2017 through May 31, 2021. On April 1, 2016, the Parties to this proceeding filed a Joint Petition for Settlement. On April 15, 2016 the presiding Administrative Law Judge issued a Recommended Decision approving the Settlement.

Consistent with my position on previous default service filings, I wish to elaborate why I believe this Settlement does establish a default service plan that satisfies the procurement requirements under Act 129, specifically, Section 2807(e) of the Public Utility Code, 66 Pa. C.S. § 2807(e). This section provides that a default service provider must procure electric power via a prudent mix of spot market, short term, and long-term contracts designed to ensure adequate and reliable service at the least cost to customers over time.¹ The First Energy Companies' proposed default service program includes spot market products in the residential and industrial portfolios, short-term contracts in the residential and commercial portfolio, and long-term contracts in the residential, commercial, and industrial portfolios.²

I note that none of the default service plans that I have voted on during my tenure include "new" long-term contracts, only long-term contracts inherited from previous default service plans. In the instant proceeding, each of the long-term contracts included in this program are grandfathered alternative energy credit contracts. These grandfathered contracts will eventually expire. In my opinion, it will be incumbent upon the EDCs and this Commission to carefully

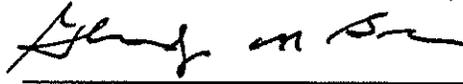
¹ For the purposes of Section 2807(e)(3.2), electric power includes not only electric generation supply but also Alternative Energy Portfolio Standards credits.

² Metropolitan Edison Company entered into a 10-year Solar Photovoltaic Alternative Energy Credit (SPAEC) contract at P-2009-2093053. Pennsylvania Electric Company entered into a 10-year SPAEC contract at P-2009-2093054. Penn Power Company entered into a nine year SPAEC contract at P-2010-2157862. West Penn Power entered into a 10-year SPAEC contract at P-00072342.

consider long-term contracts of four to twenty year terms, consistent with Section 2807(e) of the Code, in future default service plans unless the Legislature decides otherwise.

As such, I will vote to approve The First Energy Companies' default service program.

May 19, 2016
Date



Gladys M. Brown, Chairman