

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

**Petition of PECO Energy Company for Approval
of its Default Service Program II**

**Public Meeting: September 27, 2012
2283641-OSA
Docket No. P-2012-2283641**

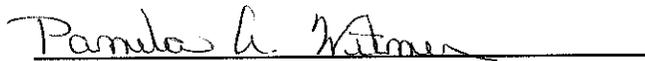
**STATEMENT OF
COMMISSIONER PAMELA A. WITMER**

Before the Pennsylvania Public Utility Commission (Commission or PUC) today is a Binding Poll on various issues related to the Petition of PECO Energy Company (PECO or Company) for approval of its Default Service Program ("DSP II") for the period from June 1, 2013 to May 31, 2015. At the outset, let me state that I am pleased that the Company's 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 Company's proposed Default Service Plan 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 a large number of Pennsylvania consumers.

Throughout this proceeding, the Retail Energy Supply Association (RESA) proposed an adder on the Price-to-Compare (PTC) in order to recover default service costs that may remain bundled within distribution charges. As I stated in the First Energy Default Service proceeding,¹ while I agree with the Administrative Law Judge's (ALJ) rejection of the adder, I do believe that RESA's proposal raises serious issues that require further examination by the Commission.

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 does not include other charges that serve to artificially inflate or depress this important price signal. Accordingly, I find merit in the proposal put forth by RESA in so far as it may help to remove the impact of non-market issues on the PTC. At the same time, however, 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: September 27, 2012


PAMELA A. WITMER, COMMISSIONER

¹ See *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Their Default Service Programs*, Docket Nos. P-2011-2273650, et al. (Order entered August 16, 2012).