

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Petition of PPL Electric Utilities
Corporation for Approval of a Default
Service Program and Procurement Plan
for the Period June 1, 2013 through
May 31, 2015**

**Public Meeting held January 24, 2013
2302074-OSA
Docket No. P-2012-2302074**

PARTIAL DISSENT OF COMMISSIONER WAYNE E. GARDNER

Today, the Commission approves PPL's Default Service and Procurement (DSP) Plan for the two-year period beginning June 1, 2013. PPL designed and filed its DSP in accordance with its obligation to provide default service customers with reliable electricity supply at least cost over time. In addition to a procurement plan, PPL also proposed certain competitive market enhancements in accordance with the Commission's recent *Intermediate Work Plan* Final Order.

The Intermediate Work Plan (IWP) directed Pennsylvania's large electric distribution companies (EDC) to design market enhancement programs with the goal of encouraging competitive shopping within those service territories. The IWP sets forth guidelines for several programs including a Retail Opt-In Auction (ROI) which was intended to introduce customers who have shown a reluctance to shop to the competitive marketplace.

In the instant proceeding, PPL designed and proposed a Retail Opt-In Auction taking into account the guidelines provided in the *IWP Final Order* and the characteristics of its own DSP Plan. The majority rejected PPL's proposal to use an auction process and instead mandates that an aggregation process should be used. I disagree.

It is unknown whether an administratively structured aggregation plan or an auction approach will maximize the number of default service customers who participate in the Opt-In Program. If the auction results in discounts substantially greater than the fixed 5% discount under an aggregation approach, more default service customers may be encouraged to switch to an alternative supplier. While auctions tend to have more administrative costs, they also tend to produce competitive results and in this case could result in savings greater than 5% off of the PTC.

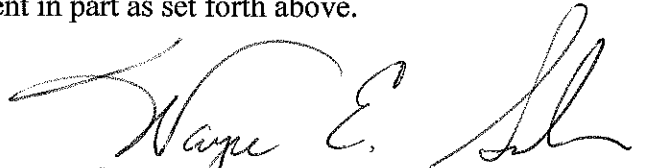
I also note that neither the Commission nor the companies have experience with these retail market enhancement programs. Although we expect that these retail market enhancement programs will succeed in increasing customer shopping, we do not know with certainty which structure or process will prove to be most successful. The Retail Market Investigation is an ongoing process, the results of which are not yet a foregone conclusion. The RMEs submitted by the EDCs will allow this Commission to evaluate what process or processes work to spur competition in the retail market. As such, it would be prudent to allow a diversity of program designs and then evaluate how they work. If all the program designs are identical, we will only

know at the end of the programs how much shopping they engendered; we will not know if any variations would have increased shopping even more.

Therefore, I respectfully dissent in part as set forth above.

January 24, 2013

Date



Wayne E. Gardner, Commissioner