

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of Duquesne Light Company  
For Approval of a Default Service  
Plan for the Period June 1, 2015  
through May 31, 2017**

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**Docket No. P-2014-2418242**

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**EXELON GENERATION COMPANY, LLC STATEMENT IN SUPPORT OF  
SETTLEMENT STIPULATION**

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NOW COMES Exelon Generation Company, LLC (“ExGen”), by and through its counsel, in the above-captioned matter, and hereby offers this statement in support of the Stipulation (“Settlement Stipulation”) entered into by parties (“Joint Parties”)<sup>1</sup> to this proceeding and filed with the Administrative Law Judge (“ALJ”) for the Pennsylvania Public Utility Commission (“Commission”) on September 15, 2014.

In support of the Settlement Stipulation, ExGen states as follows:

**I. BACKGROUND**

1. On April 24, 2014, Duquesne Light Company (“Duquesne Light”) filed its Default Service Implementation Plan (with supporting testimony circulated on that same date<sup>2</sup>) in Docket No. P-2014-2418242, *Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period June 1, 2015 through May 31, 2017* (the filings collectively herein referred to as the “Default Service Plan” or “DSP”).

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<sup>1</sup> The Joint Parties are: Duquesne Light Company (“Duquesne Light”), the Bureau of Investigation & Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Office of Consumer Advocate (“OCA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), Exelon Generation Company (“ExGen”), NextEra Energy Power Marketing, LLC (“NextEra”) and the Retail Energy Supply Association (“RESA”).

<sup>2</sup> *Direct Testimony of Duquesne Light Company*, Commission Docket No. P-2014-2418242 (Apr. 24, 2014) (collectively, the “Duquesne Light Direct Testimony”).

2. On June 2, 2014, a Prehearing Conference was held, with Administrative Law Judge Katrina L. Dunderdale presiding. At the Prehearing Conference, the ALJ adopted the procedural schedule (“Procedural Schedule”) agreed to by the parties.
3. Timely Petitions to Intervene, Appearances, Answers or Protests were filed by OCA, OSBA, I&E, PennFuture, CAUSE-PA, DII, FES, Noble, NextEra, RESA, and ExGen.
4. Pursuant to the Procedural Schedule, direct testimony was submitted by parties on July 8, 2014. Subsequently, rebuttal testimony was submitted by parties on August 1, 2014, and surrebuttal testimony was filed on August 15, 2014.
5. In accordance with the Procedural Schedule, ExGen submitted and circulated to parties only direct testimony for consideration, in order to propose improvements to the DSP.
6. Parties engaged in settlement discussions throughout the proceeding, resulting in the Settlement Stipulation being reached by the Joint Parties. Through the Settlement Stipulation, the Joint Parties were able to develop revised default service programs consistent with Duquesne Light’s Petition, subject to certain agreed upon revisions (“Revised DSP”).
7. A hearing was held on August 25, 2014, at which time pre-filed written testimony and exhibits were admitted into the record.
8. Main briefs were filed by parties on September 15, 2014.
9. On that same date, the Joint Parties filed the Settlement Stipulation addressing agreements on certain DSP issues.

## **II. EXGEN’S SUPPORT FOR THE SETTLEMENT STIPULATION**

10. ExGen’s support of the Settlement Stipulation does not imply ExGen’s agreement for each of the aspects of its terms, individually. Though not all of ExGen’s substantive issues are

addressed fully by the Settlement Stipulation, ExGen supports the Settlement Stipulation’s terms taken together, and believes that the Commission should approve the Revised DSP as it is in the public interest as a reasonable settlement of the issues presented by the Joint Parties in this proceeding.

11. The Settlement Stipulation reasonably meets the necessary characteristics required by *Act 129 of 2008*,<sup>3</sup> namely that it promotes “the least cost to customers over time.”<sup>4</sup>
12. The Settlement Stipulation reasonably meets the necessary characteristics required by the *Electric Generation Customer Choice and Competition Act*<sup>5</sup> as well as the Commission’s directives to date in its *Investigation of Pennsylvania’s Retail Electricity Market*<sup>6</sup> (“Retail Markets Investigation” or “RMI”) and its February 15, 2013 *Final Order* in that proceeding (“End State Order”).<sup>7</sup>
13. The Revised DSP promotes more competitive results for customers’ benefits by revising Alternative Energy Credit (“AEC”) transfers to occur only every six (6) months.<sup>8</sup>
14. The Revised DSP also promotes more competitive pricing by wholesale suppliers in its CBPs by making certain improvements to the Supplier Master Agreement (“SMA”), including, but not limited to, revising the definition of “Termination Payment.”<sup>9</sup>

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<sup>3</sup> *Press Release, Governor Rendell Signs Energy Conservation Bill to Save Consumers Millions on Electricity; Urges Legislature to Pass Rate Mitigation Bill*, Pennsylvania Office of the Governor (Oct. 15, 2008) ([http://www.portal.state.pa.us/portal/server.pt?open=512&objID=2999&PageID=431162&mode=2&contentid=http://pubcontent.state.pa.us/publishedcontent/publish/global/news\\_releases/governor\\_s\\_office/news\\_releases/governor\\_rendell\\_signs\\_energy\\_conservation\\_bill\\_to\\_save\\_consumers\\_millions\\_on\\_electricity\\_urgues\\_legislature\\_to\\_pass\\_rate\\_mitigation\\_bill.html](http://www.portal.state.pa.us/portal/server.pt?open=512&objID=2999&PageID=431162&mode=2&contentid=http://pubcontent.state.pa.us/publishedcontent/publish/global/news_releases/governor_s_office/news_releases/governor_rendell_signs_energy_conservation_bill_to_save_consumers_millions_on_electricity_urgues_legislature_to_pass_rate_mitigation_bill.html)) (“Act 129”).

<sup>4</sup> Act 129 at 66 Pa.C.S. § 2807(e)(3.4).

<sup>5</sup> 66 Pa. C.S. §§ 2801, et seq. (“Competition Act”).

<sup>6</sup> *See, generally, Investigation of Pennsylvania’s Retail Electricity Market*, Commission Docket No. I-2011-2237952.

<sup>7</sup> *Final Order*, Commission Docket No. I-2011-2237952 (Feb. 14, 2013) (“End State Order”).

<sup>8</sup> *See* Settlement Stipulation at ¶ 11(d).

<sup>9</sup> *See*, Settlement Stipulation at ¶ 11.

15. The Revised DSP further supports retail market development by continuing and revising its proposals for certain retail market enhancement programs, including but not limited to the Standard Offer Program.<sup>10</sup>

### **III. CONCLUSION**

16. WHEREFORE, ExGen supports the Settlement Stipulation as it is in the public interest and respectfully urges the ALJ and the Commission to expeditiously review and approve the Settlement Stipulation and the Revised DSP.

Respectfully Submitted,



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**Dated: September 30, 2014**

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<sup>10</sup> See Settlement Stipulation at ¶¶ 4-10.