

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Petition of PECO Energy Company for
Approval of its Default Service Program
for the Period from June 1, 2017 through
May 31, 2021**

**Public Meeting held December 8, 2016
2534980-OSA
Docket Nos. P-2016-2534980**

STATEMENT OF CHAIRMAN GLADYS M. BROWN

Before the Commission for consideration and disposition is the Petition of PECO Energy Company (PECO) for approval of its Default Service Program for the period from June 1, 2017 through May 31, 2021.

On July 28, 2016, the Parties to this proceeding filed a Joint Petition for Partial Settlement (Settlement). On August 4, 2016 the presiding Administrative Law Judge issued a Recommended Decision approving the Partial Settlement and disposing of the sole contested issue related to Customer Assistance Program retail choice.

Consistent with my position on previous default service filings, I wish to elaborate why I believe the Partial Settlement does establish a default service program 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 PECO's proposed default service program includes spot market products in the residential and consolidated commercial and industrial portfolios, short-term contracts in the residential and small commercial portfolios, and long-term contracts in the residential and consolidated 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. The long-term contract in the instant proceeding is a grandfathered alternative energy credit contract. Such contracts will eventually expire. In my opinion, it will be incumbent upon the EDCs and this Commission to carefully 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.

December 8, 2016
Date



Gladys M. Brown, Chairman

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 Products that are not full requirements will be allocated a portion of the alternative energy credits PECO has previously procured, including a 10-year contract for solar credits approved by the Commission at Docket P-2009-2094494.