

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

**Petition of Duquesne Light Company for
Approval of a Default Service Plan for
the Period June 1, 2017 to May 31, 2021**

**Public Meeting: December 22, 2016
2543140-ALJ
Docket No. P-2016-2543140**

STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition of Duquesne Light Company (Duquesne Light or Company), the Non-Unanimous Settlement Petition (Petition) and the Recommended Decision of Administrative Law Judge (ALJ) Johnson for approval of Duquesne Light's eighth default service plan (Default Service Plan or DSP VIII) for the period June 1, 2017 through May 31, 2021, as well as other approvals required for the implementation of the DSP VIII. Upon review, I concur with ALJ Johnson's Recommended Decision to approve Duquesne's Default Service Plan.

Duquesne Light did not propose a long term contract(s) as a component of the "prudent mix" procurement requirement. However, none of the parties to this proceeding argued that the Petition, as modified by the Settlement, failed to meet the "prudent mix" standard. Moreover, it should be recognized that the supply portfolio for the residential and small commercial customers represents an increase in longer term hedges. Specifically, this new portfolio includes one and two year, laddered, fixed priced full requirements supply hedges, whereas the previous Provider of Last Resort VII portfolio included only 1 year, laddered fixed price full requirements hedges. Lastly, Duquesne has also noted its intent to enter into a long term solar contract and to make a separate filing with the Commission.¹

In examining these proposed procurement plans, it is important to look at the totality of the supply components of these portfolios, and their effects on competitive offers, price volatility, and most importantly, overall cost to consumers. I believe that the portfolio contained in the Non-Unanimous Settlement Petition meets that standard of review. At the same time, I do encourage all electric distribution companies to address the "prudent mix" requirement more transparently in future default service proceedings.

Additionally, while I support the proposed supply portfolios, I am concerned about the lack of competitive electric choice options for CAP participants. Duquesne has noted that CAP participant shopping would not be permitted until their next Default Service Plan filing which is effective June 2021. The current IT system and potential for CAP design uncertainties were identified as reasons for this five-year delay,² as was the Company's proposal to hold a collaborative in the fall of 2018 to review other Electric Distribution Companies' CAP shopping programs.³ The ability of consumers to shop for electricity is a hallmark of Pennsylvania's competitive markets, and the inability of these customers to shop comes at a cost not only to

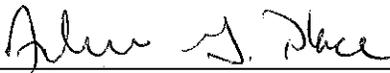
¹ See Statement No. 1 at 14-15, Statement No. 1-Rat 2 -4.

² R.D. at 34.

³ R.D. at 35.

these individuals, but to the balance of the Company's residential customers who support these programs. In seeking to provide energy burden relief for the most vulnerable populations, I strongly encourage the parties to expeditiously convene the proposed CAP participant shopping collaborative and to work aggressively to resolve the identified constraints as quickly as is prudently possible.

DATE: December 22, 2016



Andrew G. Place, Vice Chairman