

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Petition of PECO Energy Company
For Approval of Its Default Service Program
(DSP) and Rate Mitigation Plan**

**Public Meeting of April 16, 2009
2062739-ALJ*
Docket No. P-2008-2062739**

STATEMENT OF VICE CHAIRMAN TYRONE J. CHRISTY

I concur in part and dissent in part from the majority's decision to approve the Joint Petition for Settlement establishing a Default Service Program (DSP) and Rate Mitigation Plan for PECO Energy Company (PECO).

My disagreement with today's decision is based on two factors. First, I believe that the full requirements approach to obtaining power supply for PECO's customers will not lead to a good result, and that a managed portfolio plan would be a better approach to obtaining reasonably priced electricity.

Second, I do not believe that PECO's DSP fully complies with Act 129 of 2008, which became effective on October 15, 2008, and which applies to this proceeding. This is the first DSP that has come before the Commission since the enactment of Act 129, and therefore will establish precedent on how Act 129 will be implemented. Unfortunately, I believe that today's decision falls short of the Act's requirements. Instead of the fundamental changes to procurement strategies that I believe that are mandated by Act 129, PECO's DSP largely represents "business as usual."

Act 129 requires, *inter alia*, that EDCs take prudent steps necessary to obtain least cost generation supply on a long-term, short-term and spot market basis. 66 Pa.C.S. § 2807(e)(3.7). The requirement that PECO obtain a portion of its generation supply on a long-term basis is not met by this DSP, which includes only one token five-year purchase of a 50 MW energy block for the residential class. There are no supply contracts longer than two years for the other customer classes.

Although I disagree, on both policy and legal grounds, with PECO's plan to procure power supply for its customers, there are some aspects of the DSP, not related to procurement, that I support. For that reason, I concur in part with today's decision.

DATE

TYRONE J. CHRISTY, VICE CHAIRMAN