

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17105-3265**

**Joint Petition of Metropolitan Edison  
Company and Pennsylvania Electric  
Company for Approval of their  
Default Service Programs**

**Public Meeting – November 6, 2009  
2093053-OSA\*  
Docket Nos. P-2009-2093053 and  
P-2009-2093054**

**DISSENTING STATEMENT OF VICE CHAIRMAN TYRONE J. CHRISTY**

I respectfully dissent from the majority's decision to approve the Joint Petition for Settlement filed on August 12, 2009, which establishes a Default Service Program (DSP) for Metropolitan Edison Company (Met Ed) and Pennsylvania Electric Company (Penelec)(collectively the Companies) for the 29-month period January 1, 2011, through May 31, 2013.

The Settlement approves a full requirements approach to obtain most of the needed supply for the Companies' non-shopping customers.<sup>1</sup> I do not believe that this DSP complies with Act 129 of 2008, which became effective on October 15, 2008, and which applies to this proceeding. Act 129 requires, *inter alia*, that EDCs enter into a "prudent mix" of spot market purchases, short-term contracts, and long-term contracts designed to ensure "the least cost to customers over time." 66 Pa.C.S. § 2807(e).

First, Act 129's "prudent mix" requirement is not satisfied by this DSP. There are no long-term contracts, which Act 129 defines as more than four and not more than 20 years.

Second, Act 129's "least cost" requirement, in my opinion, is not met by this DSP. In lieu of the DSP's full requirements approach, which adds unnecessary risk premium to supply acquisition, a managed portfolio plan would have provided a better opportunity to obtain the lowest cost supply for Met Ed's and Penelec's customers.

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**DATE**

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**TYRONE J. CHRISTY, VICE CHAIRMAN**

<sup>1</sup> With the exception of 25% of the supply needed to serve residential customers for the 24-month period June 1, 2011, through May 31, 2013, most of which will consist of block energy purchased in 12-month strips, supplemented by spot market energy. There will be one 48-month purchase of a 50 MW block of energy beginning June 2011.