

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

**ELECTRIC DISTRIBUTION  
COMPANIES CODE OF CONDUCT**

**Public Meeting February 25, 2010  
C-0004**

**MOTION OF  
COMMISSIONER ROBERT F. POWELSON**

Following the passage of the Electricity Generation Customer Choice and Competition Act<sup>1</sup> in 1996, the Commission believed it would be prudent to establish competitive safeguards to govern the relationships between electric distribution companies (“EDCs”), electric generation suppliers and end-use customers. The safeguards were codified at Title 52, Sections 54.121 through 54.123 of the Pennsylvania Code, and designed to assure the provision of direct access on equal and nondiscriminatory terms, to prevent cross subsidization between EDCs and their affiliated suppliers, to prohibit unfair or deceptive practices by suppliers, and to establish and maintain an effective and vibrant competitive market in the purchase and sale of retail electric energy in Pennsylvania.

In the almost 10 years since these regulations were first enacted, much has changed in the electric industry: rate caps for a significant portion of Pennsylvanians have been removed, with the remaining caps to come off in less than ten months; a large number of electric generation suppliers have been licensed and are serving a considerable amount of the electric load throughout the EDC service territories where the rate caps have expired; the legislature has passed and the Commission has implemented sweeping legislation mandating the use of alternative energy sources and energy efficiency and conservation measures; and there have been numerous technological advances related to the infrastructure used to provide electric service and the exchange of data related to the provision of that service.

As regulators, one of our foremost challenges is making sure we keep up with the industries we are regulating. Given the changes in the electric industry since our regulations at Sections 54.121 to 54.123 were enacted, I believe it is prudent to conduct a review of those regulations and make any improvements necessary to ensure they are designed to best protect the public interest.

To that end, I move that the Law Bureau initiate an evaluation of these regulations, which shall include a review of similar regulations in other jurisdictions to come up with “best practices.” Further, Law Bureau is directed to draft an advanced notice of proposed rulemaking in order to solicit comments from interested parties and initiate the rulemaking process.

**THEREFORE, I move that:**

1. That the Commission issue an advance notice of proposed rulemaking order to consider amendments to the Competitive Safeguards Regulations at 52 Pa. Code 54.121 - 123 consistent with this motion.

**DATED: February 25, 2010**

\_\_\_\_\_  
**Robert F. Powelson  
Commissioner**

---

<sup>1</sup> 66 Pa. C.S. §§ 2801-2812