

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Petition of PPL Electric
Utilities Corporation for
Approval of its Act 129
Energy Efficiency and
Conservation Plan**

**Public Meeting October 15, 2009
2093216-OSA
Docket No. M-2009-2093216**

**STATEMENT OF
COMMISSIONER ROBERT F. POWELSON**

Before us today for disposition is the Energy Efficiency and Conservation Plan filed by PPL Electric Utilities Corporation ("PPL" or "Company") pursuant to Act 129 of 2008 ("Act 129").

Let me first commend Commission staff for all of the hard work they have put in since Act 129 was passed last fall, and specifically, for their recent efforts in reviewing the extensive documents filed by the parties, analyzing the positions, and producing comprehensive Orders. This was truly a team effort on all fronts and your efforts do not go unnoticed.

I would also like to recognize PPL's efforts in formulating its plan, particularly as the Company also looks forward to the expiration of its rate caps in just a few short months. The concurrent implementation of these measures as well as those aimed at ensuring the smooth transition to a competitive marketplace will be no easy task, and I commend PPL for its solid efforts.

With the passage of Act 129, Pennsylvania's electric distribution companies ("companies" or "EDCs") were tasked with meeting ambitious consumption reduction targets. The companies were given great latitude in designing programs to meet these goals. It is my belief that the Commission's role is not to second guess the design of the companies' specific energy efficiency and conservation programs. Similarly, I believe the Commission should not micro-manage the implementation of those programs. Rather, it is the Commission's duty to ensure that the plans presented meet the requirements set forth in Act 129.

I would, however, like to put the companies on notice that the Commission will be monitoring their progress very closely. While the EDCs were given great latitude in designing their programs, to quote President Truman, the buck stops with them – I will not hesitate to push for the maximum allowable penalty of \$20 million should any of the companies fail to meet the consumption reduction targets.

With regard to PPL's plan, specifically, I would like to note my dissent on one issue. The Company has proposed a fuel-switching incentive for customers on its residential thermal storage rate, whereby those customers would be incented to replace their electric space heating sources with energy efficient gas space heating sources. While this program may ultimately reduce energy consumption due to the higher efficiency nature of gas heating sources, I believe this program component should be denied because the Commission is convening a working group to study the total resource cost and technical resource manual issues related to fuel-switching programs. Therefore, I believe it would be more prudent to deny such programs in the short term until the issues are resolved, at which time the Company would be encouraged to file updated plans.

DATE: October 15, 2009



**ROBERT F. POWELSON
COMMISSIONER**