

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105-3265**

**Initiation of a fact finding investigation  
of the competitive market conditions  
Re: Pike County Light & Power Company**

**PUBLIC MEETING  
JANUARY 27, 2006  
JAN-2006-C-0001  
DOCKET NO. P-00052168**

**STATEMENT OF COMMISSIONER KIM PIZZINGRILLI**

Today the Commission directs the Law Bureau to initiate a fact finding investigation into the competitive electric market in Pike County Power & Light Company's (Company) service territory. While I do not endorse the observations outlined in the body of the motion, I do support the initiation of this investigation.

Pursuant to Pennsylvania's *Electricity Generation Customer Choice and Competition Act*<sup>1</sup> the Commission approved the Company's Default Service Plan (Plan) that provided for the use of an auction to seek separate proposals for the provision of default service in calendar years 2006 and 2007.<sup>2</sup> Consistent with its approved Plan, the Company held an auction process and submitted the results, including the impact on retail rates to the Commission. On October 28, 2005 the Commission, after finding that the auction was completed in accordance with the Plan, approved the new default service rates.

The default service rates resulting from the auction represent a significant increase in the retail rates being charged to the Company's customers. Unquestionably these rate increases are of concern to the Company's customers and to this Commission thus meriting a closer examination. The fact finding investigation will enable the Commission to assess the various factors that are influencing the competitive electric market in the Company's service territory. However, it should be made clear that the initiation of this investigation does not signify an identified problem with the Company's Plan. Instead, by today's action the Commission intends to garner detailed information relative to the competitive electric market in the Company's service territory so that we may ensure that the transition to competitive retail markets is done consistent with Pennsylvania law and is in the public interest.

**January 27, 2006**  
**DATE**

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**KIM PIZZINGRILLI, COMMISSIONER**

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<sup>1</sup> 66 Pa.C.S. §§2801 *et seq.*

<sup>2</sup> *Pennsylvania Public Utility Commission v. Pike County Light & Power Company*, Docket No. P-00052168 (Order entered September 23, 2005).