

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

**PETITION OF PPL ELECTRIC
UTILITIES CORPORATION FOR
APPROVAL OF A RATE
STABILIZATION PLAN**

**PUBLIC MEETING – AUGUST 7, 2008
APR-2008-OSA-0118*
DOCKET NO. P-2008-2021776**

STATEMENT OF COMMISSIONER TYRONE J. CHRISTY

Although I am voting to approve the Joint Petition for Settlement and the amended Rate Stabilization Plan (RSP) filed by PPL Electric Utilities Corporation (PPL), I am doing so with some reservations.

My concern is that our approval of the RSP may be used by defenders of the status quo as evidence that the expiration of PPL's rate caps is being meaningfully addressed by our action today. That is not the case. Although I believe that the RSP does provide customers with a tool to enable them to manage the substantial rate increase that will take effect on January 1, 2010, it is a very small tool indeed. While this small tool will be somewhat helpful in addressing the pending increase to PPL's electric rates, I am disappointed that more meaningful proposals are not on the table at this time.

I hope that PPL will not "oversell" the RSP in an attempt to convince customers or the Legislature that its pending rate increase is not a serious concern. As I have said many times, the wholesale market is dysfunctional, and the Competition Act has created additional supplier risks that are reflected in higher retail rates. As a result, the Competition Act is not producing the results that were expected. I believe we must continue to pursue every possible measure to protect customers from the lethal combination of a dysfunctional wholesale market and a retail framework that adds unnecessary costs to already-high wholesale prices.

DATE

TYRONE J. CHRISTY, COMMISSIONER