

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania 17105-3265

Duquesne Light Company

Public Meeting June 16, 2010  
2149807-FUS  
Docket No. P-2010-2149807

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

I support the majority's decision to approve the Time-of-Use (TOU) and Real-Time Pricing plan filed by Duquesne Light Company (Duquesne) on December 28, 2009, as required by Act 129. This is a common sense plan that ensures that TOU rates will be available to residential customers when the necessary infrastructure is in place.

I disagree, however, with the majority's decision to limit the recovery of certain costs associated with this program to default service customers. Duquesne proposed that the costs for market research, development and implementation of the plan be recovered through its existing Consumer Education Surcharge. The Office of Consumer Advocate (OCA) opposed this request, and argued that the costs associated with developing and implementing the TOU program should be recovered through base rates. The OCA did agree that the costs relating to education materials that are developed to explain and promote the TOU pilot programs are properly recoverable through the Consumer Education Surcharge.

The majority has concluded that the costs related to market research, development and implementation of TOU rates, including the costs relating to educational materials that are developed to explain and promote the TOU pilot programs, should be recovered only from default service customers. I disagree with the portion of the decision that prohibits the recovery of the costs of the TOU educational materials through the Consumer Education Surcharge, which is assessed on all customers, both shopping and non-shopping.

The Commission has mandated the implementation by EDCs of extensive and costly education programs to promote shopping and customer choice. The costs of these programs are recovered from all customers, regardless of whether or not they shop. For example, 14% of an EDC's residential customers may be shopping, but 100% of the EDC's residential customers are paying for the customer choice educational programs. Basically, the EDCs and their customers are paying for a large part of the marketing programs that arguably should be conducted (and paid for) by EGSs themselves.

I have never questioned the recovery of these costs from all of an EDC's customers, because *in theory* the information that is disseminated is of value to all customers, regardless of whether or not they ultimately decide to shop. The material *in theory* helps all customers reach informed decisions about whether or not it is in their

best interests to shop. The same reasoning should apply to the costs of the educational materials that are developed to explain TOU rates to customers. This information should be equally of value to customers, regardless of whether or not they ultimately decide to enroll in Duquesne's TOU rate program. Much like selecting an EGS, customers will be required to affirmatively select TOU rates. A customer will not find himself on Duquesne's TOU rates *by default*. Hence the reasoning that TOU educational materials can be recovered only from default service customers because TOU customers are receiving "default service" is illogical, and inconsistent with the Commission policy of requiring non-shopping customers to pay for customer choice education materials.

For these reasons I dissent in part from the majority's decision today.

6-16-10  
DATE

Tyrone J. Christy  
TYRONE J. CHRISTY, VICE CHAIRMAN