

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

**PPL Electric Utilities Corporation**  
**Supplement No. 94 to Tariff Electric -**  
**Pa. PUC No. 21 – Time-of-Use Rates**

**Public Meeting December 2, 2010**  
**2201138-FUS**  
**Docket No. R-2010-2201138**

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

I support today's decision to approve the updated Time-of-Use (TOU) program for residential and small commercial customers that was filed by PPL Electric Utilities Corporation (PPL) on September 23, 2010. I disagree, however, with the majority's decision to limit the recovery of the education costs associated with this program to default service customers, for three reasons.

First, the education costs are projected to be only \$50,000 over the 29-month TOU period. It seems slightly absurd to require PPL to separately account for these expenses and add them to its default service costs, rather than simply recovering them through its existing Consumer Education Surcharge. The pending settlement of PPL's base rate case includes \$5.09 million in customer education costs that will be recovered through the Consumer Education Surcharge, which is a non-bypassable surcharge paid by all customers. An additional \$50,000 over a 29-month period would be insignificant in comparison.

Second, all PPL customers will benefit from PPL's efforts to educate its customers about its TOU rate option. Customers who currently are obtaining service from an EGS will be able to evaluate the TOU rate option as an alternative to their current supply contracts, and select the PPL TOU rate option if doing so would be to their benefit. Most PPL residential customers who currently are buying generation from an EGS are doing so under an agreement with a term of 12 months or less. Many of these supply agreements either do not have a cancellation penalty, or are close to the end of the 12-month term. The Commission encourages customers to explore all generation supply options on an on-going basis; one of the options available to customers is to return to default service, including an EDC's TOU rates. Because all customers, including those currently obtaining supply from an EGS, will benefit from the TOU education materials, all customers should pay the TOU education costs.

Third, limiting the recovery of these costs to default service customers is inconsistent with the Commission's policy of requiring all customers to pay for customer choice education programs. 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 generation supply. In PPL's case, approximately 30% of their residential customers are shopping, but 100% of their customers are paying for the

customer choice educational program. I have never questioned the recovery of these costs from all EDC customers, because *in theory* the information that is disseminated is of value to all customers, and 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 is equally of value to customers, regardless of whether or not they ultimately decide to enroll in PPL'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 PPL'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 all customers to pay for customer choice education materials. If the Commission's policy is that education costs will be recovered only from customers who have made an affirmative choice consistent with the educational materials that the EDC has disseminated, then only customers who are shopping should pay for the expenses of the EDCs' customer choice education programs.

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

12-2-10  
DATE

Tyrone J. Christy  
TYRONE J. CHRISTY, VICE CHAIRMAN