

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17120**

**Citizens Electric Company of  
Lewisburg and Wellsboro  
Electric Company**

**Public Meeting October 29, 2020  
3019383-ALJ  
Docket Nos. P-2020-3019383  
P-2020-3019384**

**STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Joint Petition of Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company (collectively the Companies) for approval of their Default Service Program (DSP).

The Companies propose a four-year DSP which procures default service power via a mix of hourly-priced products for large commercial and industrial customers, and futures index-based products for residential and small commercial and industrial customers. The futures-based product would be comprised of various components set at differing lengths. A fixed adder, set via a wholesale participant auction, would remain static for the four-year term and cover all costs except energy, capacity, and certain transmission costs. Capacity and other transmission costs would be direct pass-throughs adjusted every six months as necessary. Finally, energy prices would be set based on futures index prices in six-month and 12-month strips.

Section 2807(e) of the Public Utility Code, 66 Pa. C.S. § 2807(e), provides that a default service provider must procure electric power via a prudent mix of spot market, short term, and long-term contracts designed to ensure adequate and reliable service at the least cost to customers over time. The Code, at 2807(e), defines long-term contracts as those *...more than four years and not more than 20 years*. **Emphasis added.**

The Companies' proposal includes spot prices via the hourly-priced service and short-term products via the four-year fixed adder, six-month futures strips, and 12-month futures strips. However, I wish to note my concerns with the Companies' lack of long-term contracts *i.e.* those longer than four but less than 20 years. This section of the statute could be complied with through the inclusion of energy products such as blocks, futures index strips, and/or alternative energy credits contracts in excess of four-years but not longer than 20 years.

I further note that the record here provides no legitimate evidence supporting the necessity for deviating from the statute. I acknowledge there is case precedent supporting the lawful deviation from 2807(e). The Commonwealth Court determined that Pike County could purchase default service solely at hourly rates since the Commission properly considered the possibility of including short-term contracts, including financial hedges, and determined it was not prudent to do so. *Popowsky v. Pa. PUC*, 71 A.3d 1112 (Pa. Cmwlth. 2013), *appeal den.*, 2013 Pa. Lexis (2013). In this case, the record does not reflect that the same consideration was given.

Given the lack of long-term contracts, I respectfully dissent in approving the Companies' DSP.

A handwritten signature in black ink that reads "Gladys Brown Dutrieuille". The signature is written in a cursive style and is positioned above a horizontal line.

**October 29, 2020**  
Date

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Gladys Brown Dutrieuille, Chairman