

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Joint Default Service Plan for
Citizens' Electric Company of
Lewisburg, PA and Wellsboro
Electric Company for the Period of
June 1, 2021 Through May 31, 2025**

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

STATEMENT OF VICE CHAIRMAN DAVID W. SWEET

Before us today is a full settlement in Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company's (collectively, Citizens' and Wellsboro) default service plan proceeding. Default service plans must have a "prudent mix" of spot market purchases, short-term and long-term contracts¹ or evidence must be provided to justify the omission of any of those types of contracts.² As defined in statute, a long-term contract is one that is *more than* four years, but no longer than 20 years. The longest contract in the settlement before us today is *exactly* four years. While the simple addition of even one month to this contract would have made it a long-term contract as defined, and therefore met the "prudent mix" standard, I will support the Administrative Law Judge's recommendation before us to adopt the proposed settlement due to the specific nature of this case and the current circumstances at this Commission.

I wish to highlight the Office of Consumer Advocate's (OCA) support of this settlement and its position that the four-year contract term will reduce the need for wholesale suppliers to include higher risk premiums in their contracts due to uncertainties surrounding the Alternative Energy Portfolio Standards.³ I recognize the delicate balancing act in developing such contracts, as well as the uncertainty currently surrounding the wholesale market. As such, I am inclined to take into stronger account in this proceeding the OCA's position that four years is appropriate.

I also would like to recognize the statutory language in Act 129 dictating that a default service filing must be acted upon by this Commission via a final order within nine months of the plan's filing, otherwise the original filing takes effect.⁴ The Citizens' and Wellsboro plan must be acted upon by December 31, 2020. As has been evidenced in many Public Meetings at this Commission over the course of 2020, we are currently at an even number of Commissioners, leading to situations in which a split vote occurs and the staff recommendations are not acted upon. The complement of Commissioners has varied in its positions specifically on the issue of "prudent mix" with regard to utility default service plans and I am concerned that, should I vote to reject the settlement in this specific default service plan *at this specific time*, this Commission would, yet again, have a split vote and the originally filed plan would potentially take effect later this year. In my opinion, the settlement in this proceeding is more in line with the public interest than the

¹ See 66 Pa. C.S. § 2807(e)(3.2).

² See *Popowsky v. Pa. PUC*, 71 A.3d 1112 (Pa. Cmwlth. 2013), *appeal den.*, 2013 Pa. Lexis (2013).

³ See Administrative Law Judge Benjamin J. Myers' Recommended Decision at 15.

⁴ See 66 Pa. C.S. § 2807(e)(3.6).

originally filed plan. As such, I will vote in favor of the Recommended Decision to avoid a potential split-vote scenario.

Therefore, I am voting in support of the Recommended Decision adopting the full settlement. However, I reiterate my agreement with Chairman Brown’s past statements,⁵ and her statement today, on the issue of a prudent mix of contracts. I remain frustrated that parties continue presenting to this Commission default service plan settlements that lack one or more contract types without including sufficient evidence as to why this omission is prudent and “least cost over time.”⁶ I would note that my support of today’s settlement should *not* indicate to the electric distribution companies and stakeholders that I will continually support default service plans and their settlements that fail to include a prudent mix of contracts or evidence supporting lack of said mix.

Date: October 29, 2020



**DAVID W. SWEET
VICE CHAIRMAN**

⁵ See, e.g., *Joint Default Service Plan for Citizens’ Electric Company of Lewisburg, PA and Wellsboro Electric Company for the Period of June 1, 2018 through May 31, 2021*, Docket Nos. P-2017-2596815, *et al.* (Order entered Dec. 28, 2017).

⁶ See 66 Pa. C.S. § 2807(e)(3.4)(ii).