

Bond Case Briefs

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PUBLIC UTILITIES - PENNSYLVANIA

Popowsky v. Pennsylvania Public Utility Com'n

Commonwealth Court of Pennsylvania - July 26, 2013 - A.3d - 2013 WL 3865275

Consumer advocate sought review of approval of electric distribution company's default services plan by state Public Utilities Commission (PUC).

The Commonwealth Court held that:

- Evidence was sufficient to support PUC finding that customer costs would likely be higher if distribution company were forced to hedge its costs with short-term contract, and
- Statutory requirement of a "prudent mix" of services for electricity procured for default service plan did not require electric distribution company to include more than one source of electricity in default services plan, supporting approval by PUC of plan proposing to obtain all electricity for certain customers from purchases on spot market.

Evidence was sufficient to support finding of PUC that customer costs would likely be higher if distribution company were forced to hedge its costs with short-term contract, in approving electric distribution company's default services plan which proposed to obtain all electricity for customers who had not chosen another electricity generation provider from purchases on the spot market, where the price varies day to day, according to market forces. Witness testified that distribution company would have to pay a premium for a hedge contract due to the small size of any such contract, necessitated by company's small default service requirement.