

GOVERNMENT RELATIONS

From Milliron and Goodman Government Relations, LLC, Harrisburg, PA

**Berks County
Water & Sewer**
ASSOCIATION

July 15, 2019 Issue 69

PUC Adopts Policy Statement Regarding Utilities Exploring Ratemaking Alternatives in Rate Cases

On July 11, 2019, the Pennsylvania Public Utility Commission (PUC) adopted a Distribution Rates Policy Statement identifying factors the Commission will consider when utilities propose alternative ratemaking mechanisms and rate designs in distribution base rate proceedings.

The Commission voted 5-0 to approve a **motion** by Chairman Gladys Brown Dutrieuille <http://www.puc.state.pa.us/pcdocs/1627037.pdf> that establishes PUC guidelines for fixed utilities and interested stakeholders on what factors to consider when investigating alternative ratemaking methodologies in a Section 1308 rate proceeding - including how the ratemaking mechanism and rate design will support improvements in utility reliability.

"There are considerable shifts in the rate-setting environments for electric, natural gas, and water utilities. Look no further than the increased adoption of rooftop solar, increased investment in natural gas fueled microturbine combined heat and power units, and the significant movement toward consolidation in the water and wastewater industries," said Chairman Brown Dutrieuille in her motion. "Recognizing these trends, amongst others, the Commission sets out with the instant proceeding."

Chairman Brown Dutrieuille noted that during the pendency of this proceeding, Gov. Tom Wolf signed into law Act 58 of 2018 (Act 58), which gave the Commission express statutory authority to approve alternative rate mechanisms for electric, natural gas, and water or wastewater utilities - and what notices of such ratemaking requests are to be given to customers.

The Commission is finalizing the policy statement after its approval of an **implementation Order for Act 58** http://www.puc.pa.gov/about_puc/press_releases.aspx?ShowPR=4202 , and careful

consideration of extensive comments from stakeholders on alternative ratemaking methodologies that can further promote federal and state policy objectives, provide incentives to improve system efficiency and ensure that utilities receive adequate revenue to maintain safe, secure and reliable service.

Commissioner Andrew G. Place, in a **statement** of support <http://www.puc.state.pa.us/pcdocs/1627031.pdf>, highlighted the opportunities to address emerging technologies in the context of alternative rate design and ratemaking mechanisms, noting, "I continue to be interested in proposals that remove barriers and provide incentives to utilize energy efficiently, encourage development of cost-effective distributed energy resources, and encourage more efficient use of our energy distribution infrastructure."

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

Visit the PUC's website at <http://www.puc.pa.gov/> for recent news releases and video of select proceedings. You can also follow us on Twitter, Facebook, LinkedIn, Instagram and YouTube. Search for the "Pennsylvania Public Utility Commission" or "PA PUC" on your favorite social media channel for updates on utility issues and other helpful consumer information.

Docket No.: M-2015-2518883 <http://www.puc.state.pa.us/about>

[puc/consolidated_case_view.aspx?Docket=M-2015-2518883](http://www.puc.state.pa.us/consolidated_case_view.aspx?Docket=M-2015-2518883)

Source: PUC Press Release, 7/11/2019

PUC Announces Appointments to Consumer Advisory Council

On July 11, 2019, the Pennsylvania Public Utility Commission (PUC) announced a series of appointments to its **Consumer Advisory Council** <http://www.puc.pa.gov/pcdocs/1627050.pdf> (CAC), which provides input to the PUC on issues important to utility customers. Members of the CAC will serve through June 30, 2021.

New CAC members appointed by the Commission today include:

- **Mary Bach** is a long-time independent consumer advocate from Murrysville, Westmoreland County. A former high school teacher, Bach is volunteer chair of AARP's Pennsylvania Consumer Issues Task Force and has long been a strong voice for consumers across Pennsylvania.
- **Carl W. Bailey**, of Philadelphia, has 35 years of experience working with community development and small business growth. He currently serves on the advisory committee for Pennsylvania Low Income Home Energy Assistance Program (LIHEAP) and has also been a strong leadership voice for AARP programs in Pennsylvania.
- **Lenora M. Best** has an extensive background in consumer protection

policy. A retired PUC manager, Best brings decades of experience working with utility and consumer organizations. She is a resident of Lower Paxton Township, Dauphin County.

- **Sylvia P. Simms** is an advocate for high-quality education - especially in low-income neighborhoods. A Philadelphia resident, Simms is the founder PARENT POWER, a training program to get families more involved in their children's education and has been involved with community improvement efforts for more than a decade.

The Commission also ratified the following new member appointment:

- **Justin Udo**, a reporter for KYW Newsradio in Philadelphia and former Western Pennsylvania resident, brings a journalistic background to the CAC - blending research and storytelling that includes consumer and community issues Udo has been appointed to the CAC by Lt. Gov. John Fetterman.

The following reappointments from state executive offices and legislators were ratified by the PUC today:

- **Sonny Popowsky**, former Pennsylvania Consumer Advocate (serving from 1990 to 2012), is a nationally regarded expert on state and national consumer and utility issues. Popowsky, of Philadelphia, has been reappointed by Gov. Tom Wolf.
- **Ralph G. Douglass**, of Bensalem, Bucks County, is semi-retired from service as President of PECA Inc., an electronics design and manufacturing firm, for which he continues to provide consulting services. Douglass currently serves as chairman of the CAC and has

been reappointed by Sen. Robert M. Tomlinson (R-Bucks), the Majority Chairman of the Consumer Protection and Professional Licensure Committee.

Also reappointed by the PUC are the following at-large CAC members:

- **Patrick M. Cicero**, Director of the Pennsylvania Utility Law Project (PULP), a statewide legal aid office, based in Harrisburg, that serves low-income households in utility and energy matters. He is a resident of Mechanicsburg, Cumberland County and currently serves as vice chairman of the CAC.
- **Timothy B. Hennessey** is owner of Phoenix Festival Productions, an event-planning company in North Coventry Township, Chester County. He is a former member of the Pennsylvania Department of Environmental Protection's Cleanup Standards Scientific Advisory Board.
- **Chad Quinn**, of Lawrence County, is Chief Executive Officer of Pittsburgh-based Dollar Energy Fund, which works to improve the quality of life for households experiencing hardships by providing utility assistance and other services that lead to self-sufficiency.
- **Joseph E. Toner III**, Chairman of the Uwclan Township Board of Supervisors and President of the Chester County Association of Township Officials.

The **Consumer Advisory Council** http://www.puc.pa.gov/about_puc/consumer_advisory_council.aspx advises the PUC Commissioners on matters related to the protection of consumer interests under the jurisdiction of the PUC. Council meetings

are held bimonthly and are open to the public. Members serve without compensation.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

For recent news releases and video of select Commission proceedings or more information about the PUC, visit our website at <http://www.puc.pa.gov/>. Follow the PUC on Twitter - @PA_PUC for all things utility. "Like" Pennsylvania Public Utility Commission on Facebook for easy access to information on utility issues.

Source: PUC Press Release, 7/11/2019

Pennsylvania Makes Largest Rainy Day Fund Transfer in Nearly Two Decades

After restoring stability to Pennsylvania's finances, Governor Tom Wolf announced a \$317 million deposit into the commonwealth's Rainy Day Fund, the largest transfer in nearly two decades. The governor was joined by Pennsylvania Treasurer Joe Torsella and Lt. Gov. John Fetterman for the announcement at the Capitol.

Following a \$22 million deposit last year, the first in nearly 10 years, the state's

savings account will have a total balance of \$340 million - over 1,000 times more than when the governor took office.

"This contribution to the Rainy Day Fund is not just a sign that our economy is strong today, but that it will continue to grow because we are building the safety net we need for any future challenges," said Gov. Wolf. "I am proud of the legislature for recognizing that responsible financial planning includes making good spending decisions alongside saving for the future."

"None of us has the luxury of knowing when the next economic downturn, or environmental crisis, or natural disaster will strike," said Treasurer Torsella. "But we can take steps to better prepare ourselves to continue serving the people of this Commonwealth when it does and make sure that we don't have to cut programs or raise revenue at the worst possible time. I commend Governor Wolf and the General Assembly for their continued commitment to shoring up the Rainy Day Fund and hope to see this continue far into the future."

In the wake of the 2008 economic downturn, the Rainy Day Fund was used to compensate for a decrease in state revenue. To pay bills, the commonwealth used more than \$755 million from the fund, leaving just \$60,000. Governor Wolf made it a priority to bring financial stability to the commonwealth after years of structural deficits so that state government is better prepared for the future.

"Our reliance on the Rainy Day Fund during the Great Recession is even more of a reason to build the fund as high as we can during our good years," said Gov. Wolf. "Because the future always has unknowns, the best plan is preparedness. A sufficient Rainy Day Fund ensures

Pennsylvanians won't have to cope with devastating cuts to programs like education if we face other economic bumps in the road.

"This is the second of what I hope will become many significant contributions into our Rainy Day Fund."

Source: Governor Wolf's Press Office, 7/9/2019

Gov. Wolf: PAsmart is creating the Skilled Workforce that Businesses Need

After delivering on his bold budget plan to invest in education and job training for Pennsylvania workers, Governor Tom Wolf today visited Phoenix Contact USA near Harrisburg to highlight how his PAsmart initiative is expanding apprenticeships and other job training opportunities.

"PAsmart is investing in training people to have the skills and experience that growing businesses need to thrive," said Governor Wolf. "By closing the training gap, we can ensure workers can compete for good, well-paying jobs and every employer can find the talented people it needs to succeed and grow our economy."

The governor launched the innovative PAsmart initiative last year and secured a \$10 million increase to \$40 million for the program this year. PAsmart provides \$20 million for science and technology education, \$10 million for apprenticeships and job training, and new this year, an additional \$10 million for career and technical education.

"Pennsylvania businesses are hiring, but they can't find enough skilled workers for all of the open jobs," said Governor Wolf. "PAsmart recognizes that a four-year college isn't for everyone, but people need the job training that apprenticeships and career and technical education provide."

In the first year of PAsmart, the Department of Labor & Industry awarded grants to more than 100 pre-apprenticeship and registered apprenticeship programs serving over 2,600 workers. Apprenticeships give workers the opportunity to earn a paycheck while learning and gaining on-the-job training with an employer.

Apprenticeship opportunities are available in traditional industries such as welding, machining, carpentry and plumbing, as well as non-traditional industries, including mental health services, human services, early childhood education, scientific research, and information technology.

"Data is showing that the path to prosperity for the next generation of students no longer runs exclusively through a four-year college," said Eric D. Palmer, executive director of the Greater Altoona Career & Technology Center. "Graduates earning industry certifications, who have combined their technical skills with rigorous and challenging academic accomplishments, will form the foundation of our state's rapidly evolving economy."

PAsmart also invests in Pennsylvania's nationally leading Next Generation Industry Partnerships, which create collaboration among businesses to improve the training for their workforce.

Other workforce development accomplishments under Governor Wolf include:

- Increasing the number of apprentices in Pennsylvania to 16,682;
- Increasing the number of career and technical education (CTE) students earning industry-recognized credentials by 34.2 percent;
- Increasing the number of credentials earned by students enrolled in CTE programs by 27.2 percent;
- Advancing Pennsylvania to third in the nation in the number of nationally recognized STEM ecosystems and making the commonwealth the fifth largest producer of STEM graduates;
- Approving more than \$4 million in funding through the new Manufacturing PA initiative for nine new training programs across Pennsylvania to give more than 340 job seekers the skills they need to secure a stable, high-paying job in manufacturing.

Governor Wolf has set a goal of increasing the number of workers with training after high school from 47 percent to 60 percent by 2025.

At Phoenix Contact USA, the governor met several apprentices while touring the manufacturing and logistics sections of the company's Dauphin County facility.

Source: Governor Wolf's Press Office, 7/9/2019

This newsletter provides general information, not legal advice as to any specific matter. It should not be used as a substitute for appropriate legal advice.

#####