



**2020-21**

ANNUAL REPORT

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PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

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# COMMISSIONERS' LETTER

## THE HONORABLE TOM WOLF

GOVERNOR OF PENNSYLVANIA

## THE HONORABLE JOHN FETTERMAN

LIEUTENANT GOVERNOR OF PENNSYLVANIA

## MEMBERS OF THE PENNSYLVANIA GENERAL ASSEMBLY

We are pleased to submit the FY 2020-21 Annual Report for the Pennsylvania Public Utility Commission (PUC). This report covers actions taken between July 1, 2020, and June 30, 2021. As required by Section 321 of the Public Utility Code, 66 Pa. C.S. § 321, the Annual Report highlights the accomplishments and challenges the PUC faced over the course of the year in fulfillment of our mission as regulators and protectors of the public interest.

When presented with the ever-changing environment of the COVID-19 pandemic, the Commission's many critical functions were immediately transitioned to the remote work environment and continued as the PUC delivered dedicated public service during the last fiscal year.

Despite the challenges posed by a global pandemic, the Commission achieved many important successes, including revising its policy statement on diversity at utilities; advancing the process to assume jurisdiction over pole attachments; approving numerous eligible telecommunications carrier designations for entities receiving federal funds for enhanced rural broadband deployment; encouraging outreach on the FCC's Emergency Broadband Benefit for Pennsylvanians; focusing on energy affordability for income-qualified customers by revising policy on Customer Assistance Programs; bringing uniformity to lead water line replacement; coordinating with regulated utilities and other state agencies to protect critical infrastructure against current and future hazards and threats, such as cyber-attacks, and ensuring utilities are connected with emergency response efforts; continuing investigations and enforcement related to pipeline, electric and motor carrier safety; enhancing customer protections; and releasing multiple audits across the regulated industries.

We look forward to the next fiscal year and continuing our important mission.



Gladys Brown Dutrieuille  
Chairman



John F. Coleman Jr.  
Vice Chairman



Ralph V. Yanora  
Commissioner

A handwritten signature in black ink that reads "Gladys Brown Dutrieuille".

A handwritten signature in black ink that reads "John F. Coleman Jr.". The signature is stylized and somewhat cursive.

A handwritten signature in black ink that reads "Ralph V. Yanora". The signature is written in a cursive style.



# COMMISSION STAFF



**SETH MENDELSON**  
*EXECUTIVE DIRECTOR*



**ROBERT C. GRAMOLA**  
*DIRECTOR  
BUREAU OF  
ADMINISTRATION*



**CHARLES RAINEY**  
*DIRECTOR & CHIEF ALJ  
OFFICE OF  
ADMINISTRATIVE  
LAW JUDGE*



**KELLY MONAGHAN**  
*DIRECTOR  
BUREAU OF  
AUDITS*



**TOM CHARLES**  
*DIRECTOR  
OFFICE OF  
COMMUNICATIONS*



**DAN MUMFORD**  
*DIRECTOR  
OFFICE OF  
COMPETITIVE  
MARKET OVERSIGHT*



**ALEXIS BECHTEL**  
*DIRECTOR  
BUREAU OF  
CONSUMER SERVICES*



**MICHAEL HOLKO**  
*DIRECTOR  
OFFICE OF CYBERSECURITY  
COMPLIANCE AND  
OVERSIGHT*



**MICHAEL ROBERTS**  
*DIRECTOR  
OFFICE OF HUMAN  
RESOURCES*



**RICK KANASKIE**  
*CHIEF PROSECUTOR  
BUREAU OF  
INVESTIGATION &  
ENFORCEMENT*



**RENARDO (RICK) HICKS**  
*CHIEF COUNSEL  
LAW BUREAU*



**JUNE PERRY**  
*DIRECTOR  
OFFICE OF  
LEGISLATIVE AFFAIRS*



**ROSEMARY CHIAVETTA**  
*DIRECTOR  
SECRETARY'S BUREAU*



**KATHRYN SOPHY**  
*DIRECTOR  
OFFICE OF SPECIAL  
ASSISTANTS*



**PAUL DISKIN**  
*DIRECTOR  
BUREAU OF TECHNICAL  
UTILITY SERVICES*

**THE EXECUTIVE DIRECTOR** is responsible for the oversight of the day-to-day management of the Commission's functions and staff. This position is responsible for the overall planning, direction, organization and operation of the Commission. Also, the Executive Director develops, recommends to the Commissioners, and implements the PUC's strategic plans and policies.

**THE BUREAU OF ADMINISTRATION** is responsible for overseeing administrative, fiscal and personnel functions. The Bureau of Administration is comprised of the Office of Human Resources; Management Information Systems, which oversees technology; the Secretary's Bureau; the Office of Administrative Services, which is responsible for office services; and the Financial and Assessment Section that handles budget issues and the financial functions of the Commission.

**THE OFFICE OF ADMINISTRATIVE LAW JUDGE** fulfills a judicial role within the Commission by hearing cases, mediating cases through the alternative dispute resolution process and issuing Decisions. The office's primary duty is to provide fair and prompt resolution of contested proceedings before the Commission. The Administrative Law Judges (ALJs) are attorneys with experience in administrative law who preside over the hearings in cases, which can include consumer complaints, rate filings, investigations, ability to pay/billing disputes and applications.

**THE BUREAU OF AUDITS** performs financial, management, operations, cyber and specialized audits on electric, natural gas, steam heat, wastewater, water and telecommunications utilities. It also reviews adjustment clause rate filings and 1307(e) reconciliation statements. The audits may result in recommendations to refund over-recovered costs and to improve operational procedures that could save utilities and consumers money, improve safety or improve reliability.

**THE OFFICE OF COMMUNICATIONS** is charged with handling Commission media relations, external communications, internal communications, consumer education and communications technology, in addition to acting as the lead staff for the Consumer Advisory Council. The bureau is responsible for issuing press releases, responding to media calls, conducting consumer-education campaigns, distributing educational materials, creating internal and external publications, coordinating the PUC's websites and social media, and managing livestreaming and communications technology.

**THE OFFICE OF COMPETITIVE MARKET OVERSIGHT** serves as the Commission's electric and natural gas choice ombudsman, and oversees the development and functioning of the competitive retail electric and natural gas supply markets, in addition to providing a forum for informal dispute resolution.

**THE BUREAU OF CONSUMER SERVICES** investigates and issues decisions on informal complaints from residential and small commercial customers, and enforces the PUC's customer service regulations. The bureau also serves as an intermediary between utilities and consumers, mediates complaints, makes payment agreements, and is responsible for implementing and monitoring universal service and energy policy. The bureau prepares annual reports for the Commission and legislature on complaint handling, customer service performance, universal services and collection performance.

**THE OFFICE OF CYBERSECURITY COMPLIANCE AND OVERSIGHT** advises the Executive Director and Commissioners on policy issues and procedural improvements involving cybersecurity oversight functions of regulated utilities; drafts proposed cyber-related regulations; and oversees the preparation of documents related to cybersecurity policies and procedures.

**THE OFFICE OF HUMAN RESOURCES** is responsible for planning, organizing and directing a comprehensive human resource services program for the Public Utility Commission. This includes personnel and position management, labor relations, staff development, equal opportunity, recruitment and placement, employee benefits and services, personnel and leave transactions, and complement management. The bureau provides administrative and advisory services to the Executive Director, the Director of Administration and PUC management.

**THE BUREAU OF INVESTIGATION AND ENFORCEMENT** serves as the prosecutory bureau for purposes of representing the public interest in ratemaking matters. The bureau also prosecutes service matters before the Office of Administrative Law Judge, and enforces regulatory compliance with the state and federal motor carrier safety, electric safety, and gas pipeline safety laws and regulations. The bureau handles rail safety enforcement proceedings and investigates referrals from other bureaus. The bureau also prepares administrative reports for the Commission.

**THE LAW BUREAU** acts as the Commission's in-house legal counsel in three main areas: advisory, representational and enforcement, providing legal advice to the Commission regarding electric, natural gas, telecommunications, water/wastewater and transportation matters, as well as proposed legislation, and regulatory and policy statements. The bureau's director serves as Chief Counsel to the Commission. The Law Bureau represents the Commission before state and federal courts and before other state and federal agencies.

**THE OFFICE OF LEGISLATIVE AFFAIRS** acts as the liaison between the PUC and the Governor's Office, the General Assembly and the Pennsylvania Congressional Delegation; identifies legislation that may affect the Commission or public utilities and obtains staff analysis; provides relevant information to the legislature; and promotes the Commission's position on legislation and issues with the General Assembly.

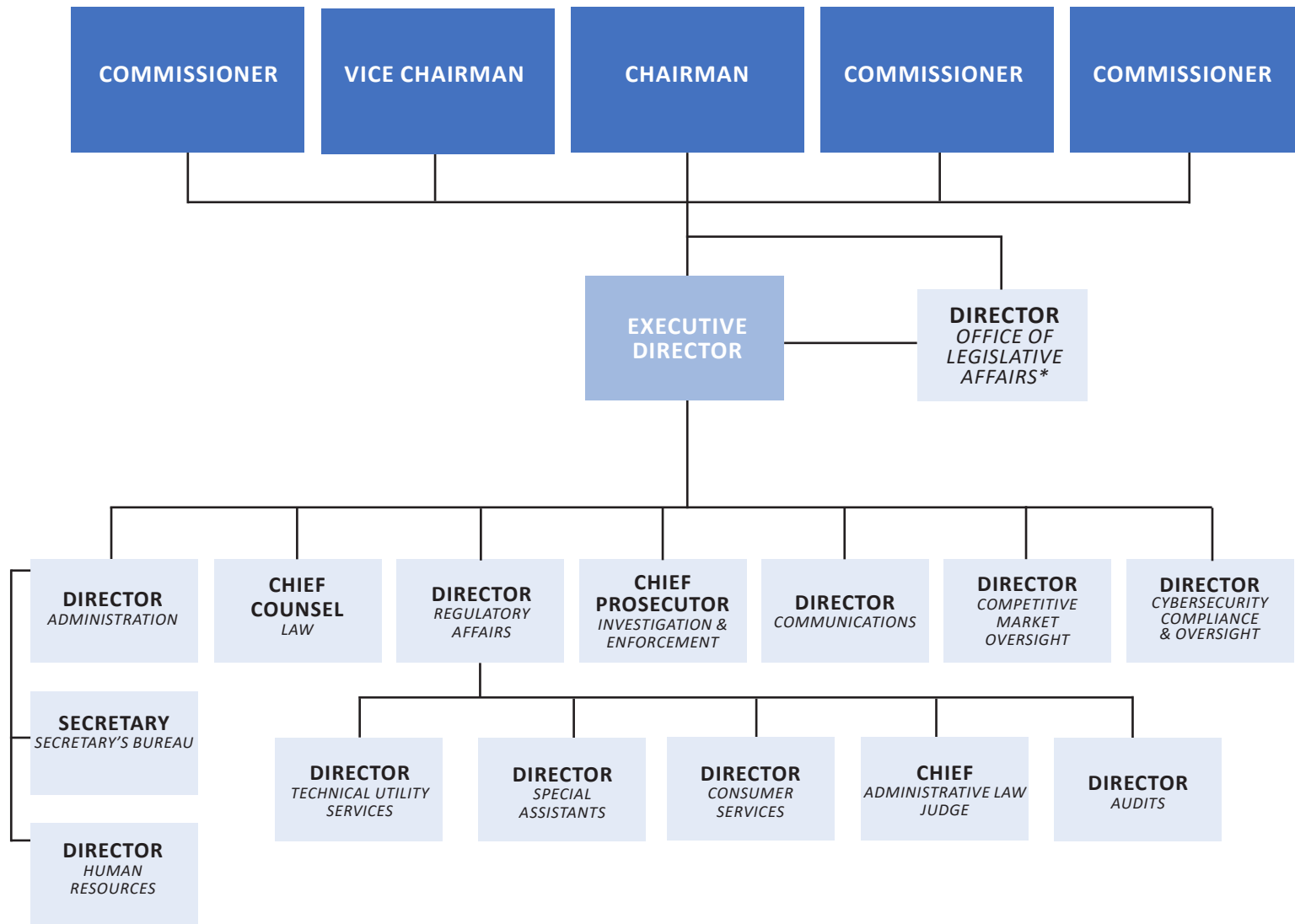
**THE DIRECTOR OF REGULATORY AFFAIRS** oversees the PUC's bureaus with regulatory functions, including the Bureau of Audits, the Bureau of Consumer Services, the Office of Special Assistants, the Bureau of Technical Utility Services and the Office of Administrative Law Judge. The Director of Regulatory Affairs also is responsible for planning, organizing, coordinating, directing and overseeing regulatory staff.

**THE SECRETARY'S BUREAU** is the PUC's official point of contact with the public. The Secretary serves as the prothonotary of the Commission, and all documents and filings received by the Commission must be officially filed with the Secretary. The bureau processes, docket and assigns all filings to the appropriate bureaus within the Commission for review and recommendation. All official Commission actions and Decisions are issued over the Secretary's signature. The Secretary's Bureau coordinates the Commission's Public Meeting agendas, records the minutes of each Public Meeting, and issues all Commission Orders, Decisions and Secretarial Letters. The Secretary also is the Commission's official Right-to-Know Officer.

**THE OFFICE OF SPECIAL ASSISTANTS** is the Commission's advisory support bureau, providing legal and technical advice to the Commission primarily regarding challenges to Administrative Law Judge Decisions, as well as policy issues; drafts proposed Opinions and Orders containing a review of the facts, the applicable law and a proposed resolution of the issues raised in contested proceedings; drafts Opinions and Orders pursuant to motions adopted at Public Meeting; and reviews petitions for relief following the issuance of Commission Orders.

**THE BUREAU OF TECHNICAL UTILITY SERVICES** serves as the principal technical advisory bureau to the Commission regarding fixed and transportation utility regulatory matters, as well as an adviser to the PUC on technical issues for electric, natural gas, water and wastewater, and telecommunications utilities. The bureau also offers policy recommendations on rates, tariffs and regulatory matters; processes utility applications; and coordinates emergency operations of utilities.

# ORGANIZATIONAL CHART



*\*Dual reporting relationship to Commissioners and Executive Director*

# PUC BUDGET

## EXECUTIVE GOVERNMENT OPERATIONS

### GENERAL GOVERNMENT FUND

	GENERAL FUND Estimated 2020-21 Expenditures	GENERAL FUND Approved 2021-22 Budget
<b>State Funds:</b>		
<i>Personnel</i>	\$63,199,000	\$64,167,000
<i>Operating</i>	14,652,000	14,100,000
<i>Fixed Assets</i>	210,000	210,000
<b>Total State Funds</b>	<b>\$78,061,000</b>	<b>\$78,477,000</b>
<b>Federal Funds:</b>		
<i>Personnel</i>	\$4,452,000	\$4,006,000
<i>Operating</i>	570,000	1,122,000
<b>Total Federal Funds</b>	<b>\$5,022,000</b>	<b>\$5,128,000</b>
<b>Other Funds</b>	\$0	\$0
<b>Total Commission Budget</b>	<b>\$83,083,000</b>	<b>\$83,605,000</b>

### OTHER REVENUE SOURCES

	2020-21 RECEIPTS
Unconventional Gas Well Fund – Act 13	\$1,000,000
Unconventional Gas Well – Act 13 Admin.	528,950
Application Fees	55,145
Assessments & Supplemental Fees	63,400,829
UCR	4,945,527
Filing & Administration Fees	633,274
Damage Prevention Fines	514,282
Violation of Order Fines	96,909
Federal – Gas Pipeline Safety	4,414,000
Federal – Motor Carrier (Motor Carrier Safety Administration Program)	1,138,000
<b>Total</b>	<b>\$77,021,074</b>

### 2020-21 APPLICATION FEES, FILING FEES & FINES

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	2020-21 TOTAL
Unconventional Gas Well – Act 13 Admin.	\$0	\$2,000	\$17,200	\$509,750	\$528,950
Filing & Fees	10,325	4,325	5,820	34,675	\$55,145
Assessment & Supplemental Fees	136,922	61,746	68,501	260,265	\$527,434
UCR	20,135,974	45,657,701	2,020,735	106,997	\$67,921,407
Filing & Administrative Fees	0	3,330,598	1,613,410	1,519	\$4,945,527
Damage Prevention	115,250	69,700	121,810	76,900	\$383,660
Violation of Order	18,052	1,316,644	1,052,774	237,309	\$2,624,779
<b>Total</b>	<b>\$20,416,523</b>	<b>\$50,442,714</b>	<b>\$4,900,250</b>	<b>\$1,227,415</b>	<b>\$76,986,902</b>



# INTRODUCTION

The PUC regulates more than 9,000 entities, including the following in-state services: electricity; natural gas; telecommunications and broadband (availability and speed in accordance with Pennsylvania statutory standards); water and wastewater collection and disposal; steam heat; transportation of passengers and property by motor coach, truck, taxicab and transportation network companies (TNCs); pipeline transmission of natural gas and hazardous materials; and public highway-railroad crossings.

## ORGANIZATION

**MARCH 31, 1937** – The Pennsylvania Public Utility Commission is created by the Pennsylvania General Assembly.

**MISSION STATEMENT** – 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.

**LOCATIONS** – Harrisburg, Philadelphia, Pittsburgh and Scranton.

**FUNDING** – The PUC is funded by assessments on the regulated entities based upon intrastate revenues and by federal grant monies. Assessments are paid into the state Treasury's General Fund for use solely by the Commission.

**REGULATORY FILINGS** – Utility mergers, rate adjustment requests, acquisitions and affiliated interest agreements.

During this fiscal year, the PUC's Public Meetings were accessed via telephone conference call, to ensure they are accessible to all interested parties.



# PUC ACTIONS RELATED TO COVID-19



## THE COMMISSION'S WORK CONTINUES

While physical offices remained closed, the PUC continued to be fully operational with personnel working remotely during the COVID-19 pandemic.

The Commission's many critical functions were immediately transitioned to the telework environment and allowed regular services to continue through the last fiscal year, including:

- Telephonic [public meetings](#) – The PUC successfully conducted every PUC Public Meeting that was scheduled for 2020 and 2021, even with the challenging circumstances;
- Telephonic evidentiary and public input [hearings](#);
- Telephonic and virtual meetings of the [Damage Prevention Committee](#);
- Telephonic and virtual meetings of the [Consumer Advisory Council](#);
- A remote [consumer services hotline](#); and
- Fiscal transactions and the [eFiling](#) of documents with the Commission. These innovations permitted the Secretary's Bureau to:
  - Continue functioning at normal levels and process approximately 25,000 filings;
  - Serve more than 10,000 documents; and
  - Respond timely to more than 100 Right-to-Know requests during the pandemic emergency.

In July 2020, the Commission issued a [Secretarial Letter](#) permitting modifications to the PUC's Emergency Order on administrative deadlines and procedural rules for the Commission's filing and service requirements related to the March 6, 2020, Governor Tom Wolf Proclamation of Disaster Emergency in response to the COVID-19 pandemic.



## PROTECTING THE PUBLIC

In August 2020, PUC Chairman Dutrieuille [issued a letter](#) seeking comment about the PUC's moratorium on utility terminations, and asking for input regarding protections for at-risk consumers, should the PUC's moratorium on all utility terminations be lifted.

The PUC also issued a [Secretarial Letter](#) directing all electric, natural gas, water, wastewater and telecommunications utilities to comply with a temporary reporting requirement as it relates to customers at risk of termination.

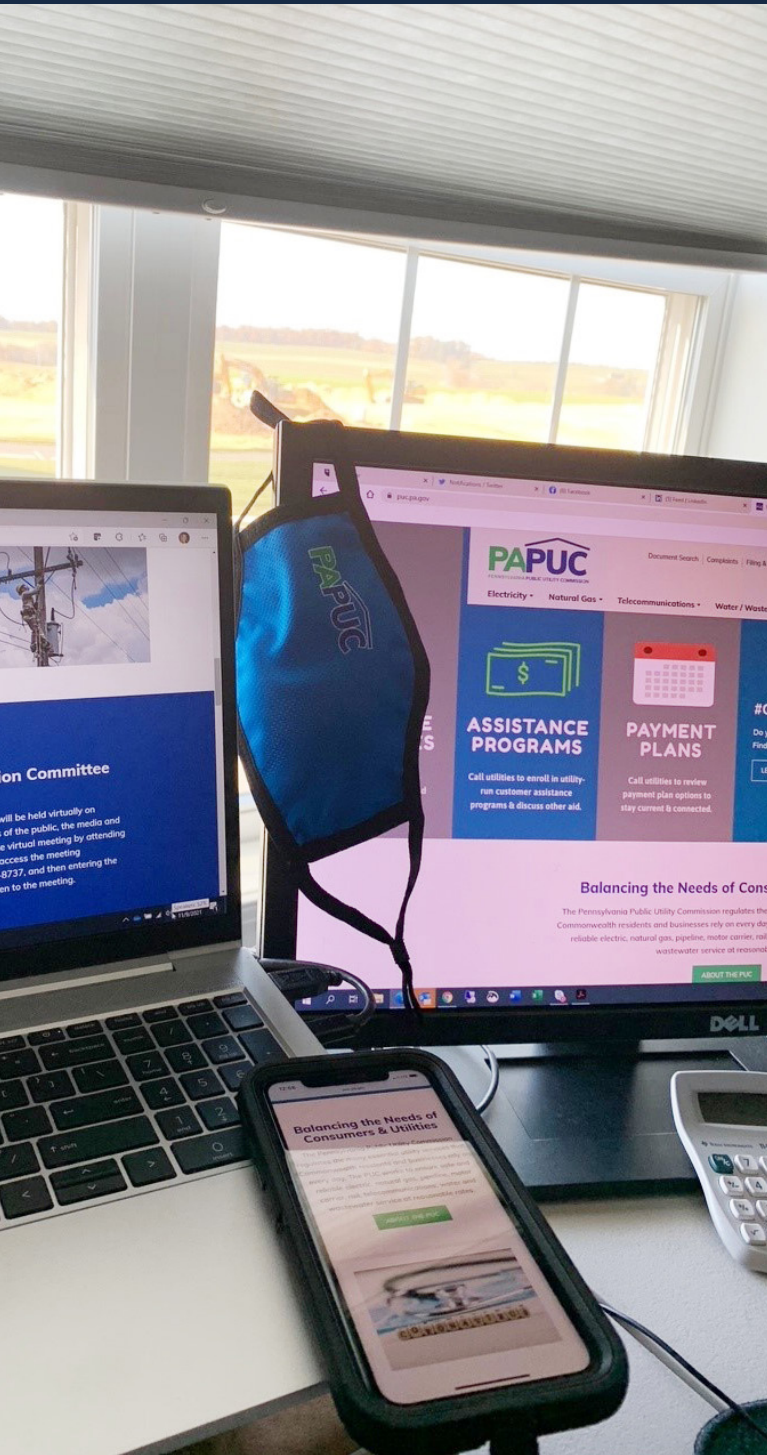
Additionally, the Commission adopted a series of [enhanced consumer protections](#) intended to safeguard families and small businesses struggling financially because of the COVID-19 pandemic – and also established a framework for future discussions about utility assistance and economic recovery.

All of these efforts were followed by the Commission's original response to the Governor's Proclamation of Disaster Emergency in 2020, at which time the Commission had [issued](#):

- Three Emergency Orders declaring a moratorium on termination of service by all jurisdictional utilities;
- A suspension of door-to-door and in-person marketing by energy suppliers – which have since been modified twice; and
- A suspension of regulatory and statutory deadlines.

The Commission maintained successful internal and external communications during the COVID-19 pandemic, with regular messages to employees, press releases on Commission actions shared publicly, consumer-education infographics, videos and tips distributed electronically and over social media, virtual outreach events, and a special COVID-19 [webpage](#).

# 2020-21 ACCOMPLISHMENTS



## ■ DIVERSITY, EQUITY AND INCLUSION

The PUC revised its [Policy Statement](#) on diversity at utilities, moving to require diversity reporting by its regulated public utilities. The revised policy statement provides guidelines identifying the information major jurisdictional utility companies should report to describe their efforts to employ and contract with members of diverse groups. It also encourages utility companies to use a common form to file annual diversity reports with the Commission.

## ■ BROADBAND ISSUES

The PUC advanced the process to assume jurisdiction over pole attachments – as well as the approval of the first-ever, all-services distributed overlay for the [814 area code](#).

The PUC encouraged Pennsylvania consumers to learn more about the [Emergency Broadband Benefit \(EBB\)](#) that was started by the Federal Communications Commission (FCC).

## ■ CONSUMER ISSUES

The PUC addressed energy affordability for low-income customers by revising policy on Customer Assistance Programs. In addition, it launched a new [Commission website](#) designed to make navigation easier; enhance searches; allow content to be viewable on any device; and create a clean, modern look and feel. The PUC also continued to enhance [PAPowerSwitch](#) and [PAGasSwitch](#) for electric and natural gas shopping.

PUC consumer educators reached front-line community partners through the virtual Be Wise and [Be Utility Wise](#) consumer-education conferences.

## ■ WATER/WASTEWATER ISSUES

A major goal for the PUC is to bring uniformity to the replacement of lead water service lines and damaged wastewater laterals under [Act 120 of 2018](#). The Commission, at its Sept. 17, 2020, Public Meeting, initiated a [Notice of Proposed Rulemaking](#) to implement Act 120 of 2018 proposing to modify its regulations at Title 52 to establish certain standards, processes and procedures for these critical issues.



## ■ CYBERSECURITY

The PUC continued to coordinate with [regulated utilities](#) to help them protect themselves from cyber-attacks and connecting utilities with emergency response efforts, and issued multiple cybersecurity advisories, including a [notice](#) on ransomware threats and [steps](#) to address vulnerabilities.

## ■ SAFETY ISSUES

The PUC has continued to take actions against underground facility owners, excavators and project owners as part of its [PA One Call](#) enforcement jurisdiction, noting that, during this past fiscal year, the Damage Prevention Committee (DPC) addressed the largest number of cases in its meeting history, with eight discussion cases and 70 omnibus cases during its Dec. 15, 2020, virtual Teams meeting.

In 2021, the DPC issued its second [annual report](#), including an overview of its Alleged Violation Reports (AVRs) and the subsequent actions taken, such as the issuance of warning letters, administrative penalties and locator or excavator education.

The PUC also sought public comment on [proposed changes](#) in regulations for customer-owned pipeline system service lines, and [enhancements](#) to regulations for petroleum and hazardous liquids pipelines.

## ■ IMPACT FEES

The Commission successfully distributed the largest amount in [impact fees](#) – more than \$250 million – pushing the eight-year total to nearly \$1.7 billion collected and distributed to communities across the state.

## ■ ELECTRIC RETAIL MARKETS

The PUC amended the customer information disclosure [regulations](#) at Chapter 54 to enhance customer protections and give consumers the information necessary when shopping in the state’s competitive retail electricity market.

## ■ AUDITS

This past fiscal year, the Commission released 32 audit reports covering 67 years of Section 1307(e) reconciliation statements and reviewing and approving approximately 380 adjustment clause filings. The Management Audit staff released three Management Efficiency Investigation reports, one Management Audit and the 516 Annual Report for Calendar Year 2020-21. The PUC also released its report on [Lyft's](#) driver background check process with several recommendations for improvements.

# 2020-21 AUDITS UPDATE



## ■ ELECTRIC

The PUC released 19 reports covering 38 years of Section 1307(e) reconciliation statements, involving default service, purchased power, non-utility generation, transmission service costs, generation supply service, energy efficiency and conservation, and universal service programs.

The Commission also reviewed and processed 161 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 72 Section 1307(e) reconciliation statements that were reviewed and processed.

## ■ NATURAL GAS

During Fiscal Year 2020-21, the PUC released 11 reports covering 24 years of Section 1307(e) and Section 1307(f) reconciliation statements, involving purchased gas costs, gas cost rates, energy efficiency, other post-employment benefits, restructuring and universal service audits.

The PUC also reviewed and processed 48 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 32 Section 1307(e) reconciliation statements that were reviewed and processed.

During Fiscal Year 2020-21, the PUC performed management and operations audits or management efficiency investigations, including:

- ▶ **COLUMBIA GAS COMPANY** – A management and operations audit, released on July 16, 2020, made 18 recommendations to the company for improvement resulting in projected annual savings of \$332,000. Columbia Gas Company indicated acceptance of all 18 recommendations in its implementation plan.
- ▶ **ESSENTIAL UTILITIES (PEOPLES GAS, PEOPLES NATURAL GAS)** – A management and operations audit, released on May 6, 2021, made 47 recommendations to the companies for improvement, resulting in projected annual savings of \$78,000. The companies indicated acceptance or acceptance in part of 46 recommendations in its implementation plan.

## ■ **STEAM HEAT**

During Fiscal Year 2020-21, the PUC released one report covering two years of Section 1307(e) reconciliation statements covering steam cost rates for Energy Center Pittsburgh.

The PUC also reviewed and processed 22 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional three Section 1307(e) reconciliation statements that were reviewed and processed.

## ■ **WATER/WASTEWATER**

During Fiscal Year 2020-21, the PUC completed zero purchased water audits.

The PUC also reviewed and processed 37 filings requesting changes to established adjustment clause rates and implementing revised surcharge rates, and an additional 10 Section 1307(e) reconciliation statements that were reviewed and processed.

During Fiscal Year 2020-21, the PUC performed management and operations audits or management efficiency investigations, including:

- ▶ **ESSENTIAL UTILITIES (AQUA PA)** – A management and operations audit, released on May 6, 2021, made 47 recommendations to the company for improvement resulting in projected annual savings of \$339,000. The company indicated acceptance or acceptance in part of 46 recommendations in its implementation plan.
- ▶ **SUEZ WATER COMPANY** – A management efficiency investigation, released on Oct. 8, 2020, by the PUC indicated the company implemented 13 of the 26 prior recommendations reviewed and took some action on the eight recommendations. The audit report identified 23 follow-up recommendations for improvement.
- ▶ **THE YORK WATER COMPANY** – A management and operations audit, released on June 17, 2021, made seven recommendations to the company, resulting in qualitative improvements. The company indicated acceptance of all seven recommendations in its implementation plan.

## ■ **2020-21 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) AUDITS**

During Fiscal Year 2020-21, the PUC completed zero distribution system improvement charge audits.

## ■ **TELECOMMUNICATIONS AUDITS**

The Commission initiated and completed fieldwork for the Telecommunications Device Distribution Program and Print Media Access System for the three years ending June 30, 2019. The report will be released in fall 2021.



# RATE INCREASE REQUESTS



During the fiscal year, the following rate increase requests were filed and/or finalized with the Commission. Information about the [ratemaking process](#) is available on the PUC website.

## ELECTRIC

### ► DUQUESNE LIGHT COMPANY (R-2021-3024750)

**REQUESTED RATE INCREASE** – \$115 million (20.2%)

**APPROVED RATE INCREASE** – Ongoing

**PRIMARY REASON** – To continue capital investments in system improvements, information technology, operation and maintenance expenses and absorbing DSIC Rider charges (\$29.2 million) into base rates.

### ► PECO ENERGY COMPANY (R-2021-3024601)

**REQUESTED RATE INCREASE** – \$246 million (7.0%)

**APPROVED RATE INCREASE** – Ongoing

**PRIMARY REASON** – To perform necessary upgrades to its electric infrastructure and the advancement of clean technologies.

### ► PIKE COUNTY LIGHT & POWER COMPANY (R-2020-3022135)

**REQUESTED RATE INCREASE** – \$1,933,600 (24.7%)

**APPROVED RATE INCREASE** – Ongoing

**PRIMARY REASON** – To provide sufficient operating revenues to meet operating expenses, including depreciation, taxes and fixed charges, and to provide a reasonable rate of return.

### ► UGI UTILITIES INC. – ELECTRIC DIVISION (R-2021-3023618)

**REQUESTED RATE INCREASE** – \$8.7 million (10.0%)

**APPROVED RATE INCREASE** – Ongoing

**PRIMARY REASON** – To continue its increased distribution plant investments, including accelerated replacement of aging electric distribution plant; and increased operating expenses, including wages, salaries and benefits.



## NATURAL GAS

### ► COLUMBIA GAS OF PA INC. (R-2020-3018835)

**REQUESTED RATE INCREASE** – \$100.4 million (17.5%)

**APPROVED RATE INCREASE** – \$63,548,905 (11.1%)

**PRIMARY REASON** – Pipeline replacement program, to provide safe and reliable natural gas service at the lowest reasonable price to its customers, to recover its costs, and to earn a fair rate of return.

### ► PECO ENERGY COMPANY (R-2020-3018929)

**REQUESTED RATE INCREASE** – \$68.7 million (8.9%)

**APPROVED RATE INCREASE** – \$29,118,484 (4.9%)

**PRIMARY REASON** – To continue its substantial investments in new and replacement gas facilities.

### ► PHILADELPHIA GAS WORKS (R-2020-3017206)

**REQUESTED RATE INCREASE** – \$70 million (10.5%)

**APPROVED RATE INCREASE** – \$35 million (5%)

**PRIMARY REASON** – To maintain its financial status and current favorable bond ratings, to enable PGW to continue its significant efforts to improve safety, efficiency and reliability of its system, and to continue to improve customer service.

### ► PIKE COUNTY LIGHT & POWER COMPANY (R-2020-3022134)

**REQUESTED RATE INCREASE** – \$262,000 (16.0%)

**APPROVED RATE INCREASE** – \$225,000 (13.7%)

**PRIMARY REASON** – To provide sufficient operating revenues to meet operating expenses, including depreciation, taxes and fixed charges, and to provide a reasonable rate of return.

► **UGI UTILITIES INC. – GAS DIVISION (R-2019-3015162)**

**REQUESTED RATE INCREASE** – \$74.6 million (8.5%)

**APPROVED RATE INCREASE** – \$20 million (2.3%)

**PRIMARY REASON** – To earn a fair return on investments, to support ongoing Commission-approved infrastructure replacement programs, to enhance information technology systems, to increase training opportunities for personnel, and to recover higher levels of certain operating expenses that support the provision of safe and reliable gas distribution services.

► **COLUMBIA GAS OF PA INC. (R-2021-3024296)**

**REQUESTED RATE INCREASE** – \$98.3 million (15.2%)

**APPROVED RATE INCREASE** – Ongoing

**PRIMARY REASON** – Increases in operating expenses and the return and depreciation requirements associated with ongoing plant additions and replacements under its accelerated pipeline replacement program.

► **VICINITY ENERGY PHILADELPHIA INC. (R-2021-3024060)**

**REQUESTED RATE INCREASE** – \$1.9 million (5.1%)

**APPROVED RATE INCREASE** – Ongoing

**PRIMARY REASON** – To allow it to continue operating its system in a prudent and reliable manner, and to earn a fair rate of return on its capital.

**WATER/WASTEWATER RATE INCREASE REQUESTS**

► **PENNSYLVANIA AMERICAN WATER COMPANY – WATER (R-2020-3019369)**

**REQUESTED RATE INCREASE** – \$121,792,204 (19.0%)

**APPROVED RATE INCREASE** – \$48,971,866 (7.6%)

**PRIMARY REASON** – To earn a reasonable return on the fair value of its property used and useful in the public service, and to maintain the integrity of its existing capital. Includes an allocation of up to \$35,171,958 of the company's revenue requirements for wastewater service, pursuant to Act 11 of 2012.

► **PENNSYLVANIA AMERICAN WATER COMPANY – WASTEWATER (R-2020-3019371)**

**REQUESTED RATE INCREASE** – \$16,854,164 (23.1%)

**APPROVED RATE INCREASE** – \$21,531,012 (29.4%)

**PRIMARY REASON** – To earn a reasonable return on the fair value of its property used and useful in the public service, and to maintain the integrity of its existing capital.

► **PITTSBURGH WATER AND SEWER AUTHORITY – WATER (R-2020-3017951)**

**REQUESTED RATE INCREASE** – \$37,894,392 (32.6%)

**APPROVED RATE INCREASE** – \$14,152,579 (12.5%)

**PRIMARY REASON** – To invest in infrastructure needed to maintain and improve its safety, reliability and customer service levels.

► **PITTSBURGH WATER AND SEWER AUTHORITY – WASTEWATER (R-2020-3017970)**

**REQUESTED RATE INCREASE** – \$20,282,447 (31.0%)

**APPROVED RATE INCREASE** – \$4,848,584 (7.8%)

**PRIMARY REASON** – To invest in infrastructure needed to maintain and improve its safety, reliability and customer service levels.

► **REYNOLDS DISPOSAL COMPANY – WASTEWATER (R-2020-3019612)**

**REQUESTED RATE INCREASE** – \$215,646 (42.3%)

**APPROVED RATE INCREASE** – \$134,896 (30.2%)

**PRIMARY REASON** – To restore the company’s rate of return and net operating income to a more reasonable level, and to recover a return on and a return of investments in facilities that have occurred since 2011 and that are anticipated to occur by the end of 2020.

► **WONDERVIEW SANITARY FACILITIES INC. – WASTEWATER (R-2020-3019055)**

**REQUESTED RATE INCREASE** – \$15,605 (16.7%)

**APPROVED RATE INCREASE** – \$11,119 (11.9%)

**PRIMARY REASON** – To recover increased operating costs.

► **AUDUBON WATER COMPANY – WATER (R-2020-3020919)**

**REQUESTED RATE INCREASE** – \$934,236 (41.1%)

**APPROVED RATE INCREASE** – \$702,996 (30.9%)

**PRIMARY REASON** – To restore the company’s rate of return and net operating income to a more reasonable level, and to recover a return on and a return of investments in facilities that have occurred since 2012 and that are anticipated to occur by March 31, 2022.

► **CITY OF BETHLEHEM – WATER (R-2020-3020256)**

**REQUESTED RATE INCREASE** – \$908,421 (10.9%)

**APPROVED RATE INCREASE** – \$689,932 (8.3%)

**PRIMARY REASON** – To provide sufficient revenues to continue to furnish adequate, safe and reliable water service pursuant to state and federal drinking water standards, to continue to operate, maintain and renew its facilities, and meet its financial obligations, and to achieve an adequate rate of return.

► **COMMUNITY UTILITIES OF PENNSYLVANIA INC. – WATER (R-2021-3025206)**

**REQUESTED RATE INCREASE** – \$757,517 (36.6%)

**APPROVED RATE INCREASE** – Pending

**PRIMARY REASON** – To realize a reasonable rate of return on its actual and forecasted capital investment, and to recover forecasted operating expenses.

► **COMMUNITY UTILITIES OF PENNSYLVANIA INC. – WASTEWATER (R-2021-3025207)**

**REQUESTED RATE INCREASE** – \$998,705 (37.4%)

**APPROVED RATE INCREASE** – Pending

**PRIMARY REASON** – To realize a reasonable rate of return on its actual and forecasted capital investment, and to recover forecasted operating expenses.

► **PITTSBURGH WATER AND SEWER AUTHORITY – WATER (R-2021-3024773)**

**REQUESTED RATE INCREASE** – \$25,555,325 (20.3%)

**APPROVED RATE INCREASE** – Pending

**PRIMARY REASON** – To cover operating costs and to invest in infrastructure needed to maintain and improve its safety, reliability and customer service levels.



► **PITTSBURGH WATER AND SEWER AUTHORITY – WASTEWATER (R-2021-3024774)**

**REQUESTED RATE INCREASE** – \$15,325,560 (20.8%)

**APPROVED RATE INCREASE** – Pending

**PRIMARY REASON** – To account for the allocation of operating and debt service costs to stormwater rates.

► **PITTSBURGH WATER AND SEWER AUTHORITY – STORMWATER (R-2021-3024779)**

**REQUESTED RATE INCREASE** – \$23,729,641 (4,157.1% - note that this is the first time the Authority is charging stormwater rates and is the first stormwater tariff to be put into effect)

**APPROVED RATE INCREASE** – Pending

**PRIMARY REASON** – To cover operating costs and to invest in infrastructure needed to maintain and improve its safety, reliability and customer service levels.

► **BOROUGH OF HANOVER – WATER (R-2021-3026116)**

**REQUESTED RATE INCREASE** – \$1,563,100 (27.6%)

**APPROVED RATE INCREASE** – Pending

**PRIMARY REASON** – To provide sufficient revenues to continue to furnish adequate, safe and reliable water service pursuant to state and federal drinking water standards, to continue to operate, maintain and renew its facilities, and meet its financial obligations, and to achieve an adequate rate of return.

## TELECOMMUNICATIONS

The Chapter 30 companies filed their Annual Price Stability Index/Service Price Index filings for 2021. During the fiscal year, the Commission approved the rate filings as submitted. However, there are pending complaints from prior years questioning the impact of the 2017 Tax Cuts and Jobs Act corporate tax reform on these annual rate filings.

The Commission lowered the end-user Telecommunications Relay Service (TRS) Surcharge rate from \$0.08/month to \$0.04/month.

The Commission also approved the Pennsylvania Universal Service Fund (USF) Annual Rate Adjustment Administrator’s Report with recommendations about the Pennsylvania USF’s size for Calendar Year 2021.

# 2020-21 MERGERS



## ■ **PIKE COUNTY LIGHT & POWER AND LEATHERSTOCKING GAS COMPANY: ACQUISITION OF THE COMPANIES' PARENT HOLDING COMPANY "CORNING NATURAL GAS HOLDING COMPANY" BY ARGO INFRASTRUCTURE PARTNERS LP**

Approval of the transaction was filed with the Commission on April 30, 2021, whereby Argo Infrastructure Partners LP would acquire Corning Natural Gas Holding Company, the ultimate parent company of Pike County Light & Power and Leatherstocking Gas Company. On June 1, 2021, the Office of Small Business Advocate protested the joint application and requested hearings. The joint application is currently before the Office of Administrative Law Judge.

## ■ **TELECOMMUNICATIONS TRANSFERS OF CONTROL**

The Commission considered 18 applications that comprised a total of 72 dockets and an extensive number of certificated carriers during the prior fiscal year. The joint application of Windstream Holdings Inc. (Windstream) due to its bankruptcy was conditionally approved by the Commission on Aug. 25, 2020, and Windstream accepted the Commission's conditions for approval on Sept. 2, 2020. The Commission subsequently issued its final approval of the joint application on Sept. 3, 2020. The joint application of Frontier Communications Corp. (Frontier) due to its bankruptcy was approved by the Commission on Jan. 19, 2021. Each of these holding companies have extensive regulated service operations in Pennsylvania, with Windstream operating 30 jurisdictional entities, and Frontier operating 10 jurisdictional entities within the Commonwealth.

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