PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Pennsylvania Public Utility Commission,
Office of Consumer Advocate, et. al.
v.
Duquesne Light Company

Public Meeting held December 20, 2018
3000124-OSA
Docket Nos. R-2018-3000124, et. al.

STATEMENT OF CHAIRMAN GLADYS M. BROWN

Before the Commission for consideration and disposition is the Partial Settlement resolving issues related to Duquesne Light Company's (Duquesne's) proposed rate increase. The Partial Settlement proposes the adoption two items I wish to highlight my support for.

The Partial Settlement includes a proposed Electric Vehicle Chargeup Pilot (EV Pilot). EVs offer a more efficient and cleaner option to travel through increased mileage per unit of energy and reduced emissions. As well, the economic benefits of EVs continue to advance in line with developments in battery technology. These factors have supported interest in EVs, and ultimately sales. In fact, in October of this year aggregate United States EV sales surpassed the 1,000,000 unit milestone – with over 90% of these sales realized after 2010.[1]

This milestone exemplifies the enthusiasm and momentum around the EV marketplace. Nonetheless, there is still work to be done to facilitate charging station access in an economic manner. The EV Pilot supports the buildout of two types of EV chargers. First, it provides for investment in DC fast charging and associated make ready infrastructure for Duquesne itself and the Port Authority of Allegheny County. Second, the EV Pilot supports investment in Level 2 charging stations and associated make-ready infrastructure for third-party entities. Duquesne will utilize information gathered from the EV Pilot to inform itself and this Commission in future rate designs. This proposal aligns with the Commission's recently approved Policy Statement facilitating regulatory clarity for third-party charging.[2]

The Partial Settlement also includes a provision permitting Duquesne to capitalize its development costs for cloud-based information systems. It is the duty of this Commission to construct a regulatory climate which accommodates new technologies and capabilities in order to provide utilities with the tools necessary to satisfy and empower its customers. Permitting for the capitalization of cloud-based development costs aligns the interest of utilities with the new expectations of utility customers. Further, this accounting treatment is consistent with the

[1] https://www.sierraclub.org/articles/2018/12/how-we-got-1-million-electric-vehicles-what-s-driving-us-ev-market
[2] Policy Statement on Third Party Electric Vehicle Charging – Resale/Redistribution of Utility Service Tariff Provisions - Final Policy Statement Order entered November 8, 2018 at Docket M-2017-2604382.

resolution passed by the National Association of Regulatory Utility Commissioners related to the regulatory treatment of cloud computing arrangements.[3]

I applaud Duquesne and the parties in this proceeding for putting these proposals before the Commission and I am pleased to provide my support.

<u>December 20, 2018</u>
Date

Gladys M. Brown, Chairman

[3] "*Resolution Encouraging State Utility Commissions to Consider Improving the Regulatory Treatment of Cloud Computing Arrangements*" - Sponsored by the Committees on Critical Infrastructure, Gas, and Water. Recommended by the NARUC Board of Directors on November 15, 2016. Adopted by the NARUC Committee of the Whole on November 16, 2016.