

Prepared Testimony of
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before the

Pennsylvania Senate Consumer Protection and Professional Licensure
Committee

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Good morning, Chairman Tomlinson, Chair Boscola, and members of the Senate Consumer Protection and Professional Licensure Committee. Thank you for your consideration of my nomination to continue my service as a Pennsylvania Public Utility Commissioner. I also would like to thank Senate President Pro Tempore Scarnati and Senate Majority Leader Corman for their support, and I am honored and grateful to Governor Wolf for nominating me to continue to serve the people of Pennsylvania.

Since I last appeared before this committee, I am proud to say that we have come a long way in addressing many key issues facing our utilities, our consumers and our Commonwealth.

We have taken great strides toward replacing aging infrastructure, including “at-risk” cast iron and unprotected steel gas pipelines, and are continuing to accelerate the timetables for removal and replacement of all those pipes – a tremendous safety advance for Pennsylvania. When I first joined the Commission, the estimates for updating these vital pipelines were measured in decades, with some timelines stretching more than a half-century. Now, thanks to focused work on long-term infrastructure planning, and the Distribution System Improvement Charge, many of those replacement projects will be completed in a matter of years. It’s a major step forward in safety, and a wonderful success story for Pennsylvania.

Still, there is unfinished business – which I hope to continue to address if confirmed to a new term. In the area of pipelines, this includes proposed enhancements to the Pennsylvania One Call Law, which I have spoken and testified about numerous times. “Hits” on our underground systems – including gas, water, sewer, electric and telecommunications lines – remain our Number One safety concern. We believe that the combination of increased enforcement, removal of exemptions and added outreach and education efforts can, and will, make a noticeable difference in Pennsylvania. Every time an underground line is struck, it puts workers, utility crews and bystanders at risk, interrupts service, and costs money to make the necessary repairs. Reducing those hits is a win-win proposal. I look forward to continuing to work with you on this initiative, and thank Senator Baker for her strong leadership and support on this issue.

Working collaboratively with the General Assembly to secure the passage of Act 11 of 2012, we expanded the tools available to more rapidly address infrastructure issues, including natural gas – which I just touched upon – along with water lines and our electric grid. This work impacts everything from reducing the number and size of gas leaks, which results in safer communities, more efficient operations and lower emissions; removing lead water lines; helping utilities and communities address important public health concerns quickly and cost-effectively; and helping to ensure that the electric power network that we all depend upon is able to meet our demands, on the coldest and hottest days, and is strengthened against natural disasters, physical threats and cyberattacks.

Also during my tenure, the Commission has worked to address evolving concerns, including new or growing responsibilities, industry trends, and the need for additional pipeline safety and rail safety inspectors. These efforts demonstrate our desire to quickly address issues when they arise, and establish a path forward. With regard to added inspectors, Pennsylvania's growing role as an energy hub has driven development over the past several years that has been a boon to many communities, and has the potential to keep our Commonwealth at the forefront of this issue for decades to come, but it is important that we work to ensure that growth does not come at the expense of safety. Equally important, we have worked to meet these new challenges within our existing PUC complement – balancing our mission with the need to operate efficiently and within a reasonable and appropriate budget. I served as a lead Commissioner for efforts several years ago to modernize and reorganize our agency to best carry out our mission in a changing utility marketplace. To a large extent, this work is ongoing as well.

The Commission also moved rapidly to enhance consumer protections following the energy price spikes of the 2014 Polar Vortex winter – and sanctioned those energy suppliers who attempted to take advantage of our citizens. My colleagues and I ordered more than \$20 million in consumer refunds, along with millions of dollars in fines and numerous requirements for suppliers to change their marketing and business practices. Our residents now have more information at their fingertips, in the form of clear disclosures on energy contracts and detailed information on monthly bills. They also have access to accelerated switching, within three business days, allowing them to quickly take advantage of offers that may save them money or provide other benefits. While none of us has a crystal ball that will identify future concerns, I will note that, since the Commission took steps to beef up consumer protections, we have seen colder winters and higher energy demands, but we have not seen the issues of 2014 repeat themselves.

The Commission also continues a vigorous customer-education program, including in-person events across the state and partnerships with legislators. The PUC is a neutral and trusted source of information and comparisons of competitive offers, and PAPowerSwitch.com and PAGasSwitch.com are our two official shopping websites. Together, these efforts provide consumers with the tools they need to make informed decisions about choosing electric generation suppliers and natural gas suppliers.

Another area marked by progress and collaboration with the General Assembly involves transportation regulations. Ride-hailing services, or Transportation Network Companies, were an unknown when I first joined the Commission – and now, working together, we have a statewide framework that allows these services to grow in Pennsylvania, while also ensuring oversight of issues like insurance coverage, vehicle safety, driver integrity and consumer protections. Additionally, I have been deeply involved in the Commission's ongoing efforts to revisit all of our transportation regulations – removing barriers for qualified businesses and exploring what utility transportation services will look like in the years to come.

So, as you can see, we have covered a lot of ground at the PUC since the last time I appeared before you in 2012, but the work is not over – and, with your confirmation, I want to press forward with efforts to address a variety of new challenges and opportunities, including:

- Energy issues, including how we collectively address questions about the future role of nuclear, coal and renewable energy generation.
- Infrastructure, including efforts to encourage greater consumer and business access to Pennsylvania’s bountiful supply of low-cost natural gas.
- Addressing the growing need for the next generation of highly skilled utility workers, in order to ensure that tomorrow’s systems function safely and reliably.
- The role of new energy technologies, including Combined Heat and Power systems, Distributed Energy Resources, and microgrids – which have the potential to further increase energy efficiency, while also enhancing grid reliability or resiliency in storm or disaster situations.
- Utility ratemaking for the future – including concepts like decoupling.
- Enhanced cyber and physical security for our vital infrastructure.
- And how we serve the most vulnerable members of our community, and what those programs should look like in the future.

Additionally, if confirmed to another term, I wish to take advantage of opportunities to serve, and in some cases lead, national and regional task forces and committees on issues important to Pennsylvania utility customers such as natural gas access and expansion, pipeline safety, energy development, natural gas technology and the PJM Interconnection.

If I were to summarize my guiding principle for PUC policy and cases into a single word, it would be “balance.” That may be a simple word, but it strikes to the core of everything we do:

- The balance between safe and reliable service and reasonable rates.
- The balance between consumers and utilities.
- The balance between the needs of our communities and the concerns of the individual.
- The balance between innovation and oversight.
- The balance between policy and regulation.
- The balance between the Commission and the General Assembly. I understand that I am an independent member of an independent Commission. The General Assembly sets the policies through the laws you pass – policies that the PUC carries out.

Whether we are discussing multi-million dollar projects, or addressing an individual consumer complaint about service or billing, balance is always going to be the concept that everything else revolves around, and I believe my track record since joining the PUC in 2010 demonstrates that quest for balance in everything I have said and done.

Before I conclude my remarks, I want to acknowledge and thank my colleagues on the Commission: Chairman Brown, Vice Chairman Place, Commissioner Powelson and Commissioner Sweet. It is a pleasure to work with such a collegial and professional group. We come from diverse backgrounds and experiences, and, as a result, we do not always agree; however, I would offer that a healthy dialogue is critical to good decision-making and that there is universal agreement on the importance and impact of the work done by the Commission.

I appreciate your time and consideration today, and, with your support, I look forward to continuing to serve the Commonwealth as a Public Utility Commissioner. Again, thank you for your time and I would be happy to answer your questions.