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VIA eFiling

Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

Re: Implementation of Act 58 of 2018 Alternative Ratemaking for Utilities
Docket No.: M-2018-3003269

Dear Secretary Chiavetta:

Pennsylvania-American Water Company is submitting the attached Comments in response to the Pennsylvania Public Utility Commission's Tentative Implementation Order entered August 23, 2018, for the above-captioned docket.

Should you have any questions concerning this filing, please contact me.

Sincerely,

Susan Simms Marsh

Attachment

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of Act 58 of 2018 :
Alternative Ratemaking for Utilities : **Docket No. M-2018-3003269**

**COMMENTS OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

I. INTRODUCTION

On June 28, 2018, Governor Wolf signed into law Act 58 of 2018, which amends Chapter 13 of the Pennsylvania Public Utility Code (“Code”), 66 Pa.C.S. §§ 1301 et seq. (relating to rates and distribution systems). Specifically, Act 58 adds Section 1330, 66 Pa.C.S. § 1330 (relating to alternative ratemaking for utilities), that permits the Pennsylvania Public Utility Commission (“Commission”) to approve an application by a utility to establish alternative rates and rate mechanisms.

On August 23, 2018, the Commission issued a Tentative Implementation Order (“Tentative Order”) seeking written comments on the proposed implementation of Section 1330 of the Code. Pennsylvania-American Water Company (“Pennsylvania American” or “PAWC”) appreciates the opportunity provided by the Commission to submit written comments to the Tentative Order.

II. COMMENTS

A. Section 1330(a) – Declaration of Policy

Pennsylvania American agrees with the Commission’s position to consider all policy goals provided for in law and regulation.

B. Section 1330(b) – Alternative Rate Mechanisms

Pennsylvania American agrees with the Commission's interpretation of Section 1330(b)(1) requiring public utilities to file a Section 1308(d), 66 Pa. C.S. § 1308(d), in order to request Commission approval of an alternative rate or rate mechanism so long as the public utility is not required to refile an already Commission approved alternative rate or rate mechanism.

C. Section 1330(c) – Customer Notice

Pennsylvania American supports the Commission's proposed revision to the notice language provided for in 52 Pa. Code § 53.45(b)(1)(i). Additionally, Pennsylvania American agrees with the Commission proposed requirement to provide bill inserts as provided for in 52 Pa. Code § 53.45(4). However, Pennsylvania American requests the Commission consider permitting the use of a direct mail to customers in lieu of bill inserts. The direct customer mailer would include the prescribed information.

With regard to the proposal to post the notice on the public utility website as well as provide a link to the notice on the public utility customer and customer class designated home page, Pennsylvania American agrees with the proposal.

D. Section 1330(d) – Commission

Pennsylvania American agrees that base rate proceedings before the Commission include an in-depth review and examination of a public utility's financial status and operations. The information a public utility is required to submit as part of a base rate proceeding is detailed and comprehensive. As such, no additional filing requirements are needed in order to implement Section 1330.

With regard to alternative rate mechanisms involving annual reconciliation or adjustments, the Commission decided it will not propose additional procedures and Pennsylvania American agrees with the Commission's decision

III. CONCLUSION

Pennsylvania American appreciates the opportunity to provide comments on the proposed implementation of Section 1330 of the Public Utility Code, 66 Pa. C.S. § 1330, and looks forward to reviewing the written comments filed in this proceeding.

Respectfully submitted,



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Date: October 5, 2018