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Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
Submitted electronically via PUC E-File and via USPS

RE: Docket Number M-2025-3054271 - Tentative Order and Large Load Model Tariff

Dear Commissioners,

Please accept this public comment letter outlining my concerns on the Commission's Tentative Order and proposed Model Tariff for Large Load Customers at Docket Number M-2025-3054271. The Tentative Order reflects an important recognition of the increasing risks presented by very large new loads, including data centers and similar high-intensity facilities. It also attempts to provide a statewide framework for addressing those risks. However, many of the limitations in the Tentative Order presented by the Commission are discretionary choices that fail to provide meaningful safeguards to protect ratepayers.

My comment explains where the Tentative Order remains too narrow and how my legislation, the Pennsylvania Ratepayer Protection Act ([Senate Bill 1114](#)), uses existing Commission authority to provide a clearer, more consistent, and more protective framework for ratepayers.

Grid Reliability and Large Load Growth

The Tentative Order proposes to apply the Model Tariff only to customers at or above 50 megawatts individually or 100 megawatts in the aggregate. Testimony and filings submitted throughout this process indicated that many load additions, including emerging data center requests, can impose significant strain on infrastructure even when they are below 50 megawatts, depending on the configuration and location. Loads as low as 5 to 20 megawatts can require significant infrastructure planning and improvements, especially if they are located within the

territory of a smaller electric distribution company (EDC). Limiting tariff applicability to 50 megawatts fails to reflect these realities. Nothing in the Public Utility Code requires the Commission to begin at such a high threshold or prevents the Commission from classifying customers in a more granular way based on system impact.

The provisions within the Ratepayer Protection Act directly improve on this issue by establishing lower and more realistic applicability thresholds. In the legislation, large load customers are defined at 20 megawatts for larger electric distribution companies ($\geq 2,500$ MW peak load) and 1 megawatt for smaller ones ($< 2,500$ MW peak load). The framework also requires aggregation of affiliated facilities, common ownership, and adjacent parcels so that companies cannot structure projects to avoid classification under this definition.

These lower thresholds and anti-circumvention rules more accurately reflect the types of load additions that affect reliability and planning. Senate Bill 1114 demonstrates that the Commission already has the authority to adopt a broader definition and that doing so is necessary to address the risks identified in the hearing record.

Cost Allocation and Ratepayer Risk

A consistent concern throughout this docket has been the risk of cost shifting from large load customers to residential and small business customers. Large load interconnections often require substantial upgrades to existing infrastructure, and without clear protections those costs may be rolled into rate base. The Tentative Order recognizes this risk and proposes tools such as contributions in aid of construction, collateral, minimum billing demand, and exit fees. However, the proposed Model Tariff's framework still allows Electric Distribution Company's (EDCs) unchecked discretion and includes limiting concepts, such as assigning responsibility for certain incremental distribution facilities based on whether the large load customer "receives the majority of benefits" from that facility, which can leave room for costs to be treated as broadly beneficial and recovered from other customers.

The Ratepayer Protection Act strengthens these protections by requiring that the costs associated with serving large-load customers be directly assigned to those customers or allocated exclusively to the large-load class. It requires the Commission's model tariff to include consistent, transparent CIAC calculations for distribution infrastructure required to serve large load customers, as determined by the Commission, and to require security deposits or other financial security. It also ensures that minimum revenue obligations and enforceable exit-fee provisions are incorporated into large-load tariffs and contracts.

Minimum Contract Terms

The Tentative Order finds that minimum contract terms are needed to protect ratepayers when serving very large customers whose load may require major system upgrades. The Order proposes a minimum contract length of five years and leaves most other details to the judgment of each EDC. The Commission states that choosing a longer mandatory term would require balancing ratepayer protection with commercial feasibility and local conditions. The Commission also notes that although approved tariffs in Indiana, Ohio, and West Virginia use twelve-year minimum terms, most large load tariffs in the United States use a five-year minimum or maximum term. As a result, the proposed five-year requirement offers a basic level of stability but still allows significant variation in contract design and does not ensure that contract terms match the lifespan of the facilities built to serve these loads. These contract terms fail to cover the realistic length of operations of a typical large load facility and risk passing costs to other non large-load customers.

The Ratepayer Protection Act provides a more detailed and uniform contract structure. It requires a minimum contract term of twenty years for any large load customer and requires the customer to give five years written notice before the contract expires stating whether it intends to renew or not. The contract must state the date or estimated date when service will begin, and it must require the customer to pay a minimum amount based on its projected usage for the entire contract period. The bill requires contracts to include key commercial terms, allows contracts to address delays that are within the parties' control, and prohibits any terms that would interfere with the Commission's oversight or hide contract provisions. This applies to new large load contracts and to existing arrangements that trigger major new investments after the effective date.

Community Impacts

Large load growth has broad implications beyond interconnection timing and cost allocation. Communities are concerned about water use, land development, increased generation needs, and the long-term reshaping of their local electric infrastructure. The Tentative Order acknowledges these impacts but largely confines its response to transparency measures within the interconnection and planning process. Without stronger tariff requirements and reporting obligations, communities may continue to bear the consequences of decisions made through confidential agreements.

The Ratepayer Protection Act addresses these concerns by requiring annual reports to the General Assembly on the cumulative impacts of large-load growth, mandating consistent tariff provisions across all electric distribution companies, and requiring disclosure of large-load contracts to statutory advocates for oversight. These transparency measures do not expand the Commission's jurisdiction but ensure the planning, capacity, and infrastructure decisions related to large loads are visible to policymakers and the public. The legislation provides a more

transparent framework for understanding the system-wide implications of large-load development.

Urgent Need for Stronger Regulatory Guardrails

The Tentative Order identifies a suite of tools that can mitigate the risks associated with large load customers, including minimum contract durations, load ramp schedules, collateral requirements, CIAC, minimum billing demand, exit fees, and reporting obligations. However, the Order generally treats these tools as optional or flexible and does not require utilities to adopt them consistently. This approach risks uneven protections across the Commonwealth and does not fully utilize the authority the Commission already possesses.

The Ratepayer Protection Act demonstrates how these tools can be strengthened and applied uniformly. It requires long-term contracts of at least 20 years, mandates collateral and CIAC calculations, requires enforceable exit fees, and directs the Commission to adopt load ramp schedules tailored to infrastructure adequacy. The legislation also includes a requirement that large load customers be subject to clear emergency curtailment rules, ensuring that noncritical large loads are curtailed before residential or small business customers during system emergencies. These provisions align directly with the issues the Commission raised in the Tentative Order and provide a model for stronger, more comprehensive action with this proceeding.

Overall Relationship to the Pennsylvania Ratepayer Protection Act

The Ratepayer Protection Act was drafted in response to the issues raised in previous public hearings and from my constituents, as well as the issues reflected in the Tentative Order. The legislation does not directly expand the Commission's jurisdiction in many respects. Instead, it requires the Commission to use the authority it already has in a consistent and transparent manner. The legislation lowers the applicability threshold, strengthens cost-causation protections, mandates uniform long-term contracts, requires disclosure of large-load agreements to statutory advocates, and ensures that emergency curtailment rules prioritize residential and small business customers. Each of these provisions corresponds directly to a weakness identified in the Tentative Order and uses existing Commission powers to create a stronger and more protective statewide standard.

Recommendations for Commission Action

In light of the record in this proceeding, the Tentative Order, and the Commission's existing authority, I respectfully urge the Commission to adopt binding regulations grounded in statutes that establish enforceable requirements governing large load customers. Rather than issuing a nonbinding model tariff that utilities may adopt at their discretion, the Commission should promulgate regulations that uniformly apply across all electric distribution companies and ensure

consistent, enforceable ratepayer protections statewide. At a minimum, such regulations should incorporate the following principles:

1. The definition of “large load customer” should be expanded to include loads of 20 megawatts or greater for electric distribution companies with a system peak load of at least 2,500 megawatts and loads of 1 megawatt or greater for smaller electric distribution companies, and should include aggregation of affiliated facilities, common ownership, and adjacent or functionally related premises.
2. Cost-allocation requirements should be strengthened to ensure that the full cost of infrastructure required to serve large load customers is paid for by those large load customers.
3. Long-term contract requirements should be standardized at a minimum of twenty years, aligning contract duration with the useful life of the infrastructure constructed to serve these customers.
4. Adopt explicit emergency curtailment rules requiring that noncritical large loads be curtailed before any residential or small business customers, and should ensure that utilities can isolate and shed these loads without compromising broader service.
5. Transparency and reporting requirements should be expanded to include annual reporting on large load development and infrastructure impacts, so that advocates, lawmakers, and the general public can monitor cumulative effects across the Commonwealth.
6. Suspend approval of all new large-load electric service until binding regulations are adopted to ensure full cost responsibility, grid reliability, and protection of existing ratepayers.

Additional Protections in the Ratepayer Protection Act (Senate Bill 1114)

The recommendations above focus on actions the Commission can and should take through the adoption of binding regulations, rather than through a voluntary model tariff framework. Separately, the Pennsylvania Ratepayer Protection Act includes additional statutory safeguards that both complement and reinforce the need for enforceable Commission regulations, and that address issues not resolved through tariff based approaches.

The Ratepayer Protection Act makes confidentiality provisions unenforceable when they would restrict disclosure of the terms of a large load service contract. This protection also extends to related agreements involving a large load customer, so that side agreements cannot be used to hide contract terms or the related factual information from oversight.

The legislation also creates an external accountability channel by mandating an annual report to specified General Assembly committees on trends and implications of large load growth. The bill also strengthens independent oversight by requiring utilities to provide filed large load contracts to statutory advocates, such as the Office of Consumer Advocate, subject to appropriate confidentiality requirements. These provisions underscore the General Assembly’s intent that

large load development be subject to meaningful transparency, oversight, and enforceable safeguards.

Conclusion

While the Tentative Order is an important acknowledgment of the risks that large load growth poses for Pennsylvania ratepayers, its limited reliance on a model tariff framework falls short of providing the uniform, enforceable protections required to address those risks at scale. This limitation is not the result of any statutory barrier but reflects a set of overly cautious policy choices about how far the Commission is willing to go in this proceeding.

The Ratepayer Protection Act demonstrates that stronger, more uniform, and more comprehensive protections are achievable and appropriate under existing law. I respectfully urge the Commission to move beyond a purely advisory model tariff and to adopt binding regulations that reflect the full scope of the challenges identified in this record, ensure consistent statewide application, and provide durable protections for Pennsylvania consumers as large load development accelerates.

Thank you for the opportunity to comment and for your continued work to safeguard the public interest.

In service,

A handwritten signature in black ink, appearing to read "Katie Muth", with a long, sweeping underline.

Senator Katie J. Muth
Senate District 44