

44TH DISTRICT
STATE SENATOR
KATIE MUTH

SENATE BOX 203044
THE STATE CAPITOL
185 MAIN CAPITOL
HARRISBURG, PA 17120-3044
717-787-1398
FAX: 717-783-4587

338 MAIN STREET
ROYERSFORD, PA 19468
610-792-2137
FAX: 610-948-3037



Senate of Pennsylvania

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EMAIL: senatormuth@pasenate.com
FACEBOOK: @SenatorMuth
X: @SenatorMuth
INSTAGRAM: @SenatorMuth
WEBSITE: www.SenatorMuth.com

April 9, 2026

Stephen DeFrank
Chairman
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Dear Chairman DeFrank,

Please accept this letter as my formal request for the Pennsylvania Public Utility Commission (PUC) to suspend and investigate the proposed rate increases by PECO contained in docket numbers R-2026-3060859 (Electric) and R-2026-3060860 (Gas). I also ask that the cases be consolidated and public input hearings be held on the substance of the proposed PECO electricity and gas utility rate increases. Finally, I request that at least one public input hearing be held in my Senate District which encompasses 34 different municipalities across parts of Berks, Chester, and Montgomery Counties. Senate District 44 and the surrounding communities in southeast Pennsylvania are facing multiple hyperscale artificial intelligence (AI) data center proposals that would require substantial expansion of electric distribution infrastructure. PECO's rate increase request includes plans to upgrade high voltage distribution lines and substations across our region to serve these proposed hyperscale AI data centers – most of which have not obtained local government approval to build these massive industrial facilities that require the same electric and water usage needs of a small city.

The two rate requests filed by PECO with the Commission seek \$520 million in rate increases for electric and gas utility delivery in 2027. If approved, a typical residential electric customer's bill would rise by \$20.08, or 12.5%, per month. A typical residential gas customer would see a rate increase of \$14.52, or 11.4%, per month. It is also important to note that PECO previous rate hikes for electricity and gas that were approved in 2024, and kicked in at the beginning of 2025, resulted in record profits – increasing PECO's net income by 47.7% to \$814 million in 2025 over the previous year. Furthermore, the CEO of PECO's parent company, Exelon, earned more than \$15.6 million in 2025 – while ratepayers had their electricity rates increased by 10% in 2025 and another 1.8% this current year. Under the terms of the 2024 rate increase agreement, PECO was not allowed to apply for another increase until March 16, 2026 – and PECO wasted no time in applying for another rate increase on March 30, 2026.

In their filing, PECO cites four reasons for their proposed rate increase: (1) earn a fair return on the substantial investments used and useful in the Company's provision of safe and reliable electric service to customers; (2) support additional investments in utility infrastructure; (3) deploy new information technology; and, (4) recover higher operating expenses necessary to provide electric utility service – all at a cost of a \$429 million rate increase for electricity and a \$81 million rate increase for gas utility service.

It is no secret that these continued increases are driven not by the needs of Pennsylvania families and small businesses, but by the greed of multi-billion dollar corporations whose only goal is to increase their bottom line. Current ratepayers are already footing the bill for utilities, like PECO, to upgrade their infrastructure to support and attract energy-intensive, hyperscale AI data center development. This is particularly concerning given the scale of infrastructure required – massive substations, high voltage distribution line upgrades, and grid reinforcements – that could permanently increase the rate base and further shift financial burden from corporations to captive ratepayers.

Ratepayers in the three counties within my Senate District have been forced to pay numerous rate increases in recent years for both gas and electricity because of speculative proposals to build hyperscale AI data centers in their backyards. It is imperative that the Commission hears directly from my constituents since they are directly impacted by several proposed hyperscale AI data centers that are causing their monthly utility bills to become more unaffordable. PECO is making record profits, and at the same time asking working people, families, seniors, individuals on fixed incomes, school districts and small businesses across our region to pay more for the same services, all while gearing up to serve massive, energy-hungry hyperscale AI data centers that will put serious strain on the grid. Everyday ratepayers should not be subsidizing billion-dollar upgrades for the pet projects of big tech bros while struggling to keep up with rising utility costs.

I request that the PUC suspend and investigate the proposed rate increases by PECO contained in docket numbers R-2026-3060859 (Electric) and R-2026-3060860 (Gas). I also request that the PUC schedule a public hearing in Senate District 44 on PECO's proposed rate increases as soon as possible. Our residents and their ratepayers cannot continue to shoulder the burden of their profiteering and exploitative business practices.

Thank you for your consideration and please do not hesitate to contact my office if your team needs assistance identifying potential locations within Senate District 44 for a public hearing. There are many accessible options that would also be convenient for residents of neighboring Senate Districts as well.

In service,

A handwritten signature in black ink, appearing to read 'Katie Muth', with a stylized flourish at the end.

Katie Muth
Pennsylvania State Senator