

PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120

Alternative Ratemaking Methodologies

Public Meeting March 2, 2017
2518883-LAW
Docket No. M-2015-2518883

STATEMENT OF COMMISSIONER ROBERT F. POWELSON

Before the Public Utility Commission (Commission) for consideration is the Tentative Order regarding Alternative Ratemaking Methodologies (Tentative Order). First and foremost, I would like to use this opportunity to thank the Commission's Emerging Leader Group for focusing the Commission's attention on alternative ratemaking methodologies. I would also like to thank Kriss Brown in the Law Bureau for all of his work on this issue as well as all of the *en banc* hearing participants and commenters for their thoughtful contributions on this topic.

Pennsylvania has long been a leader in innovative rate setting mechanisms, such as cost trackers, the Distribution System Improvement Charge, and the use of the fully projected future test year. Increased use of additional alternative rate design mechanisms, such as revenue decoupling and performance incentive mechanisms, may be a viable solution to reconcile the current need for the utility industry to balance declining demand with the energy efficiency and conservation efforts.

Recognizing that a "one-size fits all" rate design approach may not be feasible, the Tentative Order issued today seeks comment regarding the appropriate alternative ratemaking mechanisms which will be most beneficial for the electric, natural gas, and water/wastewater industry while adequately ensuring robust consumer protections. I look forward to receiving comments on what actions the Commission can implement, either by policy statement or through the rulemaking process, to increase the utilization of alternative ratemaking mechanisms which benefit the interests of all of the stakeholders involved in this process.

Date: March 2, 2017


ROBERT F. POWELSON
COMMISSIONER