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May 31, 2017

Via Electronic Filing

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

Re: Alternative Ratemaking Methodologies, Docket No. M-2015-2518883

Dear Secretary Chiavetta:

On March 2, 2017, a Tentative Order was entered in the above-referenced proceeding in which the Commission solicited comments from stakeholders on the reasonableness and efficacy of employing certain alternative ratemaking methodologies specifically for electric, natural gas, and water and wastewater utilities. Pursuant to the Secretarial Letter issued on March 23, 2017, Comments to the March 2, 2017 Tentative Order are due within 90 days of the entry date of that Order, or by May 31, 2017, and Reply Comments are due within 150 days of the entry date of that Order, or by July 31, 2017.

The Pennsylvania State University (PSU) previously filed comments on the use of alternative ratemaking methodologies, specifically revenue decoupling, which had been the subject of the Commission's March 3, 2016 *en banc* hearing in the referenced proceeding.¹ In its Comments, PSU observed that before the Commission can adopt an alternative ratemaking methodology, it must consider the characteristics of the affected utilities and their respective customers. The questions posed by the Tentative Order appear designed, in part, to elicit such information from the Commonwealth's electric, natural gas, and water and wastewater utilities.

¹ Comments of The Pennsylvania State University, *Alternative Ratemaking Methodologies*, Docket No. M-2015-2518883 (filed Mar. 16, 2016).

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PSU intends to continue participating in this matter. However, since the answers to the legal and policy questions posed by the Commission depend in large part upon the information it has requested regarding individual utilities, which is held by the utilities themselves, PSU will not be filing initial comments in this phase of the proceeding. PSU expects to file reply comments as provided by the Tentative Order and hereby reserves the right to do so.

Please do not hesitate to contact the undersigned should you have any questions regarding this matter.

Very truly yours,



Thomas J. Sniscak
Christopher M. Arfaa

TJS/CMA/das

cc: Chairman Gladys M. Brown
Vice Chairman Andrew G. Place
Commissioner David W. Sweet
Commissioner Robert F. Powelson
Commissioner John F. Coleman
Honorable Charles E. Rainey, Jr.
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA ELECTRONIC AND FIRST CLASS U.S. MAIL

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Dated this 31st day of May, 2017