

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Pennsylvania Public Utility Commission *et al.*
v. UGI Penn Natural Gas, Inc.

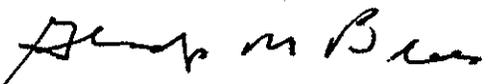
Public Meeting held August 31, 2017
2580030-ALJ
Docket No. R-2016-2580030

STATEMENT OF CHAIRMAN GLADYS M. BROWN

Before the Commission is the Recommended Decision (RD) of Administrative Law Judge Mary D. Long (ALJ) in the matter pertaining to UGI Penn Natural Gas, Inc.'s (UGI) proposed base rate increase. The RD approves a full Settlement reached by all active Parties. The Settlement constitutes a reasonable body of terms that I believe is in the public interest. In particular, I am encouraged by the terms contained in paragraph 26 of the settlement, which permit UGI to capitalize the development costs for cloud-based information systems. This accounting treatment is wholly consistent with the resolution passed by the National Association of Regulatory Utility Commissioners related to the regulatory treatment of cloud computing arrangements.¹

The information technology landscape is ever-evolving. With this comes an equally significant evolution in the expectations of utility customers. It is the duty of Commissioners to construct a regulatory climate which accommodates new technologies and capabilities in order to provide utilities with the tools necessary to satisfy and empower their customers. Permitting for the capitalization of cloud computing helps to align the interest of regulated utilities with the expectations of 21st century customers. Nevertheless, the Commission always maintain its steadfast obligation to ensure all costs embedded in rates, regardless of accounting treatment, are prudent.

August 31, 2017
Date



Gladys M. Brown, Chairman

¹ "Resolution Encouraging State Utility Commissions to Consider Improving the Regulatory Treatment of Cloud Computing Arrangements" - Sponsored by the Committees on Critical Infrastructure, Gas, and Water. Recommended by the NARUC Board of Directors on November 15, 2016. Adopted by the NARUC Committee of the Whole on November 16, 2016.