



## Industrial Energy Consumers of Pennsylvania

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June 5, 2018

Senator Robert Tomlinson  
Chairman, Senate Consumer Protection and  
Professional Licensure Committee  
Room: 281 Main Capitol  
Harrisburg, PA 17101

Re: House Bill 1782

Dear Senator Tomlinson:

On behalf of The Industrial Energy Consumers of Pennsylvania (IECPA), we are writing to your office today regarding House Bill 1782 (Delozier), legislation that would provide an alternative ratemaking option for utilities in the Commonwealth. We are respectfully requesting that the Committee consider the inclusion of a limited consumer protection provision to this bill.

The Industrial Energy Consumers of Pennsylvania (IECPA) is a non-profit organization of the largest energy consumers in Pennsylvania. IECPA was formed in 1982 to address energy issues before appropriate government bodies and interested organizations. IECPA represents companies operating at more than 25 locations in Pennsylvania providing over 30,000 family-sustaining jobs.

The guaranteed revenue recovery mechanisms that would be permitted under House Bill 1782 reduce the incentive for regulated monopoly public utilities to operate as efficiently as possible, shift unmanageable risks to ratepayers, and restrict the full review of a utility's operations that is necessary in setting just and reasonable rates. As noted by the State's Consumer Advocate when testifying on this matter in the House "To give up the essential protections and efficiencies of the traditional ratemaking process would require clear and measurable goals beyond the statutory obligation to provide safe, adequate, reliable and continuous service, clear benefits to consumers, and necessary consumer protections."

Without statutory protections for energy consumers that require the consideration of user impact, an alternative ratemaking proposal will leave the protection for industrial energy users, and all consumers, to an administrative process that lacks structural guiderails. This does not benefit manufacturing. This does not make the Commonwealth more competitive.

We believe that the overall intent of the legislation can be preserved with the inclusion of a consumer protection change to this bill and hope that you and the Committee can support this change either in committee or as a floor amendment.

Sincerely,

IECPA Executive Director

Cc: Members of the Senate Consumer Affairs and Professional Licensure Committee

**IECPA Member Companies:** Air Products & Chemicals, AK Steel, Arconic, ArcelorMittal USA LLC, Benton Foundry, Carpenter Technology, East Penn Manufacturing, Knouse Foods Cooperative, Praxair, Inc., Procter & Gamble Paper Products, USG Corporation