

# Introduction to Regulation



Commissioner Wendell F.  
Holland

Pennsylvania Public Utility  
Commission

400 North Street

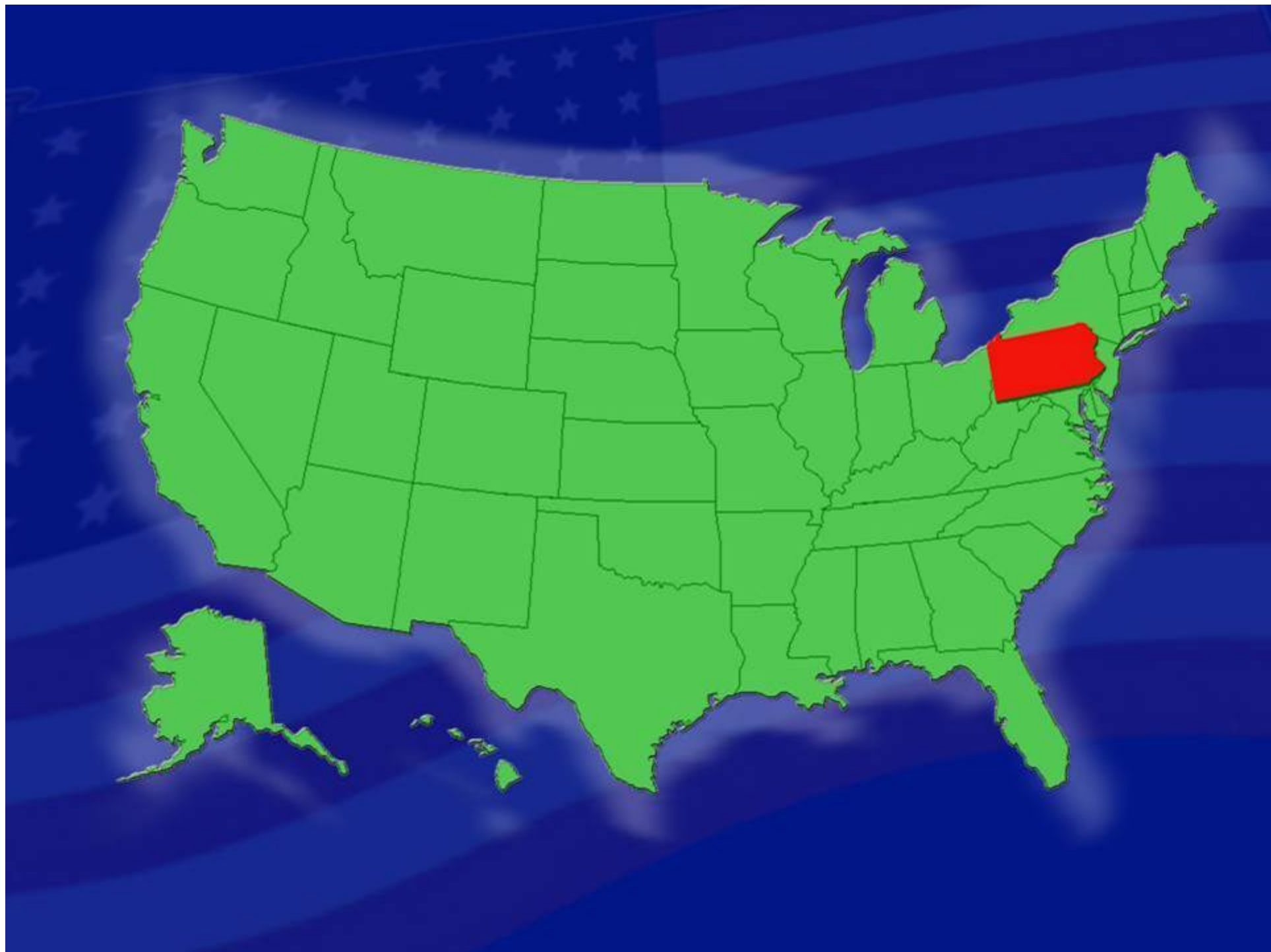
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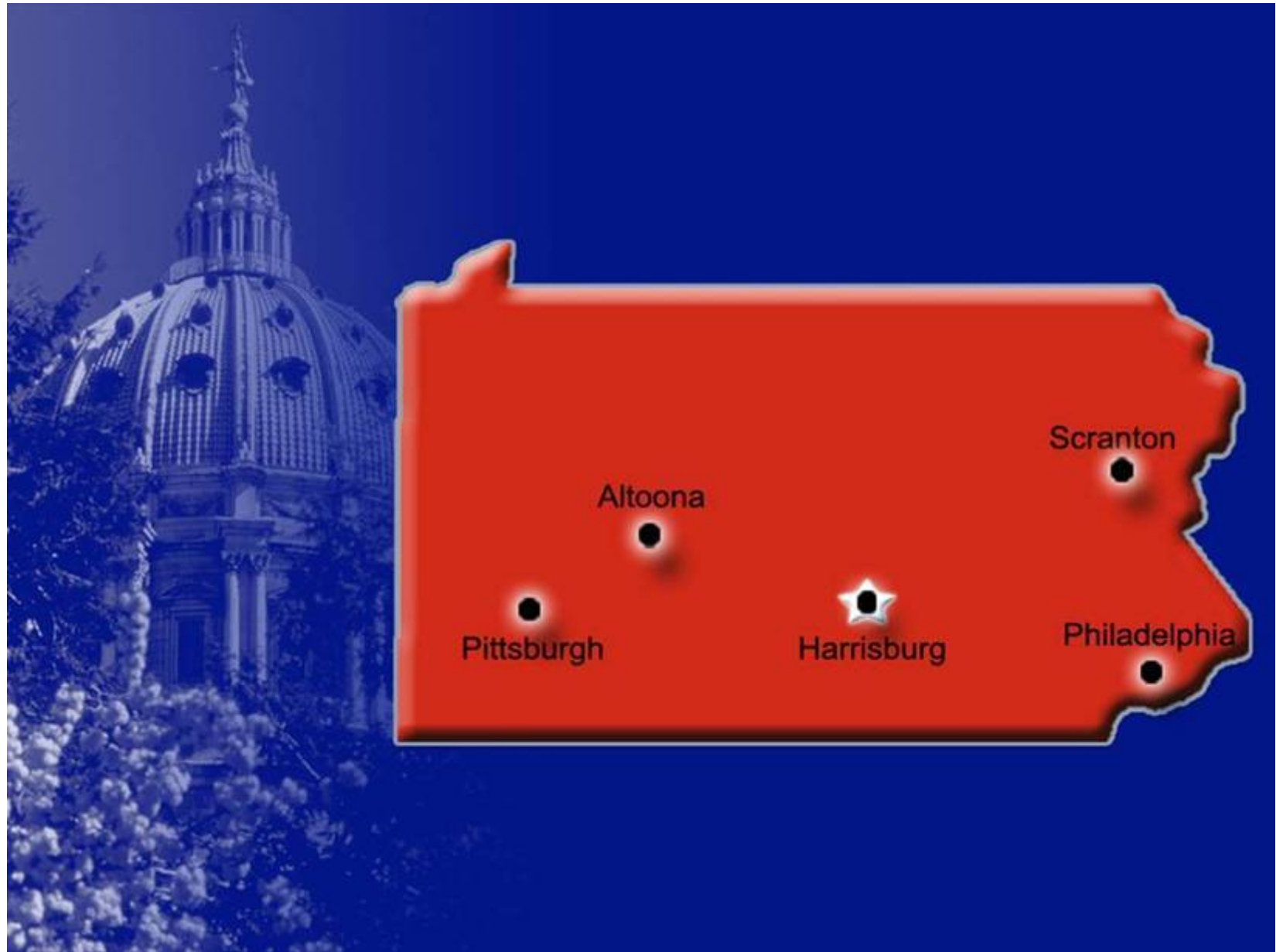


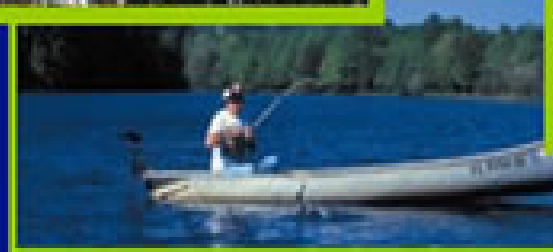
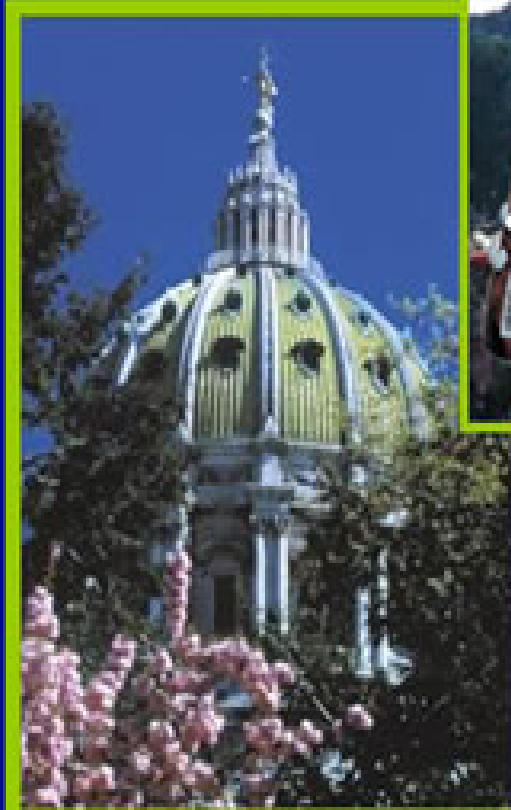












# The Commonwealth of Pennsylvania



- The 6th most populous state (12.4 million)
- The 32nd State by land size (44,817 sq. miles or 116,075 sq. km)
- Nickname - “The Keystone State”
- Capital – Harrisburg
- Major city – Philadelphia (1.5 million)



# PUC Mission Statement



The Pennsylvania Public Utility Commission ensures safe, reliable and reasonably priced electric, natural gas, water, telephone and transportation service for Pennsylvania consumers, by regulating public utilities and by serving as responsible stewards of competition.





# About the PUC



The PUC is comprised of 5 full-time members nominated by the Governor for staggered 5-year terms. Commissioners must be approved by a majority in the state Senate.



- Each Commissioner has 1 vote in Public Meetings
- Can meet in Executive Session on personnel, litigation, other confidential matters
- Each Commissioner has several Assistants, usually for each of the primary industries we oversee. At least 1 Assistant serves as Counsel to that Commissioner.



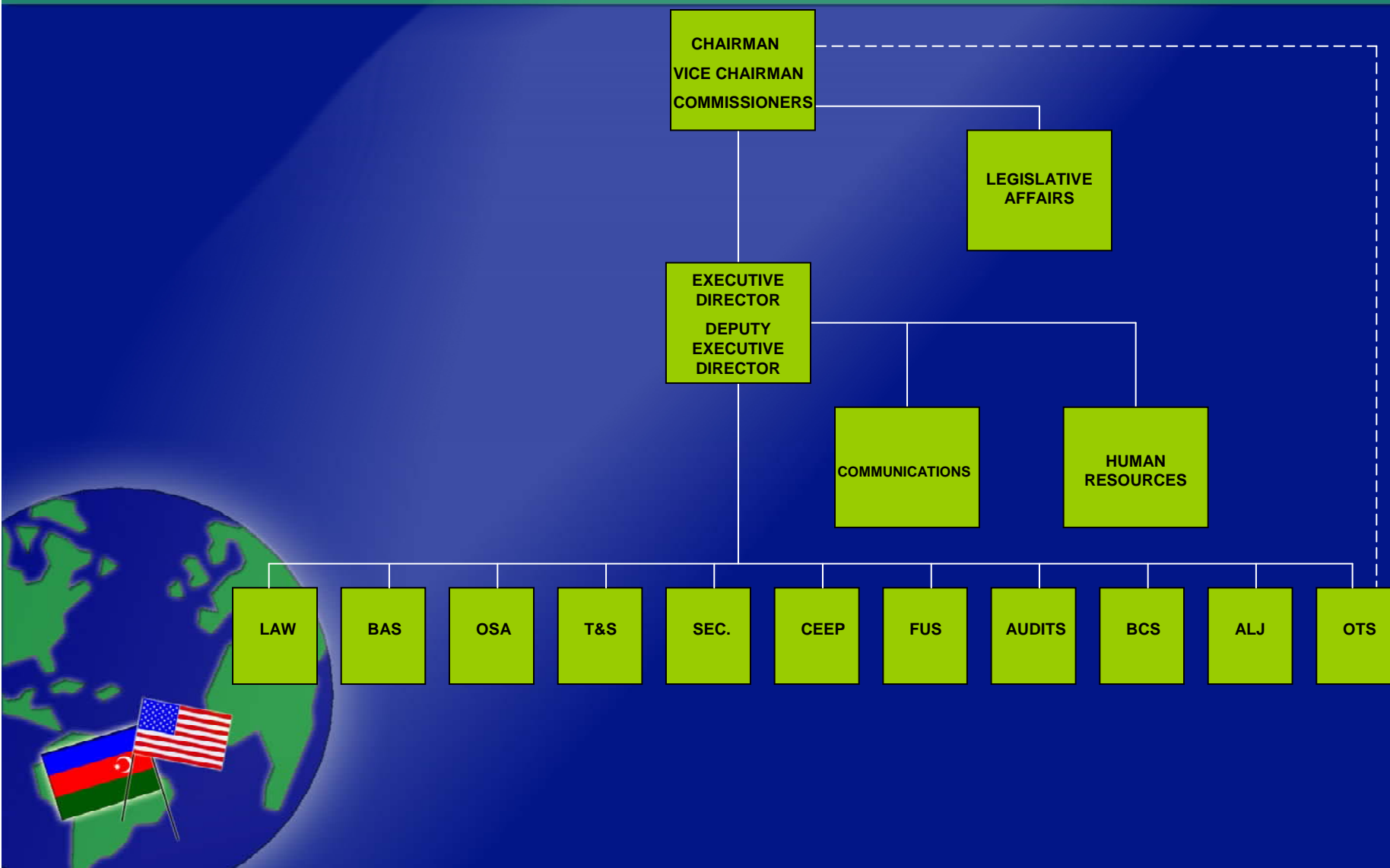
# About the PUC, cont'd



- There are more than 500 employees at the PUC. We're based in Harrisburg, but have regional offices in Altoona, Philadelphia, Pittsburgh and Scranton.



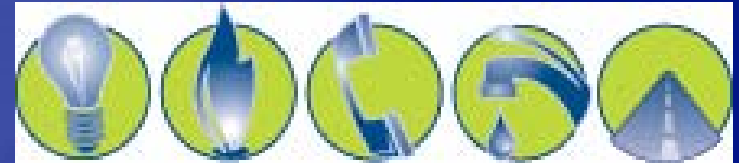
# Organizational Chart



# Utilities We Regulate



- Electricity
- Natural Gas
- Local Telephone Service
- Water/ Wastewater
- Transportation Services



# Creation and Purpose of the PUC



- Created by General Assembly and has duties that given by the statute
- Funded by assessments on public utilities which generally recover costs from ratepayers
- PUC's original purpose was to protect consumers from potential monopolies to imposing unreasonably high rates or proving inadequate service





# Creation and Purpose of the PUC, cont'd.



- Advancements in technology and changes in state and federal laws allow other companies to provide services previously only offered by monopolies
- Competitive markets, rather than the PUC, now regulate certain aspects of these services
- Two key functions of PUC in today's world – regulate traditional public utilities and oversee development of competitive markets



# To name a few Electric companies



- Allegheny Power (West Penn Power)
- Duquesne Light Company (DQE)
- First Energy (Pennsylvania Power Company, Met Ed, Penelec)
- Pennsylvania Power & Light Company (PPL)
- Philadelphia Electric Company (PECO/Exelon Company)
- UGI Corporation



# To name a few Natural Gas companies

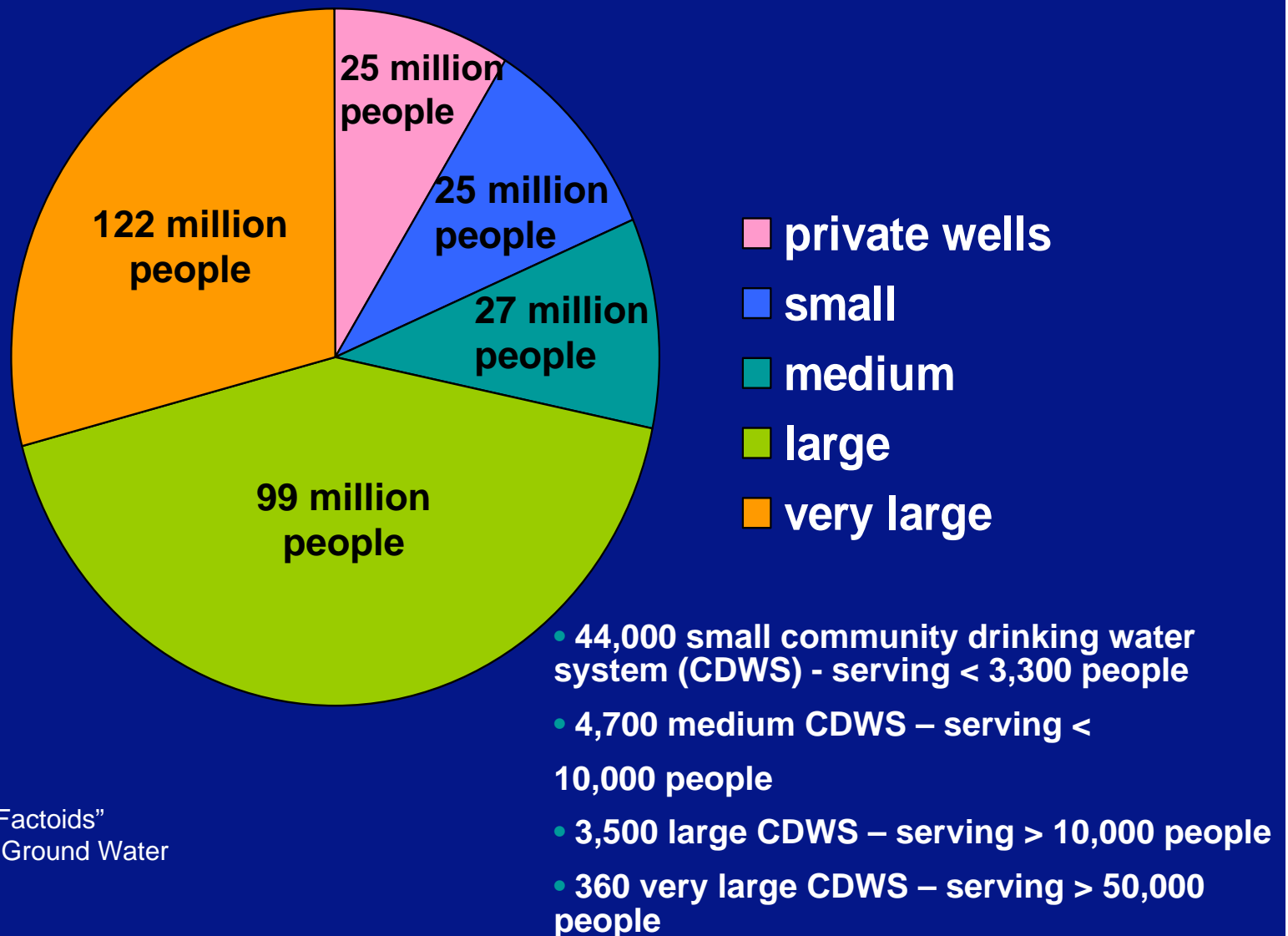


- Carnegie Natural Gas Company
- Chartiers Natural Gas Company, Inc.
- Columbia Gas Of Pennsylvania, Inc.
- Dominion Peoples
- Equitable Gas Company
- Exelon Corporation (PECO Gas)
- Honesdale Gas Company
- North East Heat & Light Company



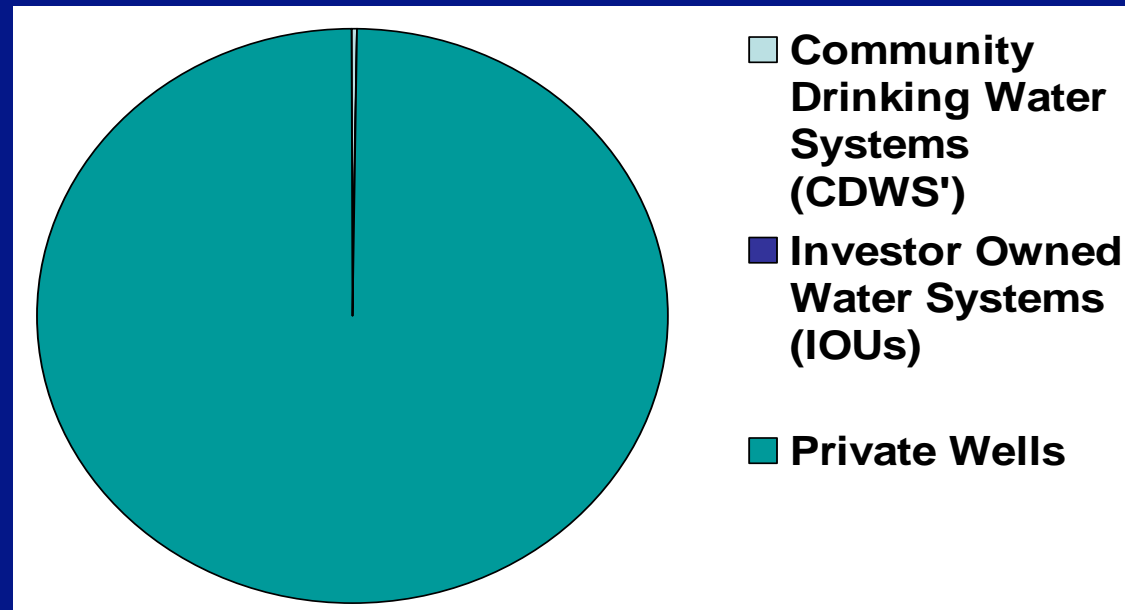
# U.S. Water Industry Demographics

- Total U.S. Population: 285 million
- Total U.S. Community Drinking Water Systems: 53,000



Source: U.S. EPA "Factoids"  
Drinking Water and Ground Water  
Statistics for 2003

# Pennsylvania Water Industry by Ownership



- **CDWS'** - All drinking water systems, including local government owned systems, other publicly-owned systems, and IOUs
  - 2,200 CDWS'
  - The Pennsylvania Department of Environmental Protection regulates the water quality of all CDWS'
- **IOUs** – Of the 2,200 CDWS,' 100 are IOUs
  - The rates and service of IOUs are regulated by the Pennsylvania Public Utility Commission
- **Private Wells** - 1.2 million