

Helping More Pennsylvanians to Benefit from our Abundant Gas Supplies

Pennsylvania sits atop a sea of natural gas, yet the benefits of this resource pass millions of our citizens by. Families in one neighborhood have access to natural gas utility service while those in the next community do not. Factors like streams, rocks, and low population densities can push the cost of main expansions out of reach for new customers. As a result, these citizens miss out on savings of \$1,000 per year or more in lower heating costs and Pennsylvania as a whole loses the benefits of cleaner air and increased economic development.

Because building natural gas infrastructure is expensive, bringing service to new customers has always been challenging. Over the past several years, gas utilities in Pennsylvania have responded to this challenge by obtaining approval of innovative new policies, such as establishing special rates in expansion areas and allowing new customers to pay their portion of extension costs over a period of years. In 2016, the Pipeline Infrastructure Task Force formed by Governor Tom Wolf recommended that Pennsylvania take the next step and do what many other states have done—provide funding for building new gas infrastructure. This led to the introduction of House Bill 107, which would allow gas utilities to seek approval from the Public Utility Commission to implement a distribution system extension charge.

The House Consumer Affairs Committee held a public hearing on the bill and later approved it as amended by a unanimous, bipartisan vote. The legislation would allow the PUC to approve an extension charge if it is in the public interest and will facilitate economically feasible extensions without unduly burdening existing customers. The level of the charge is subject to a strict cap and an average residential customer could pay, at most, a dollar or less per month. New customers will still be required to pay a share of the extension costs in most cases, although low income customers are relieved from doing so. Finally, the bill will “sunset” after ten years, which assures the legislature will revisit it to verify that it is benefiting the Commonwealth as a whole.

House Bill 107 represents the type of common sense approach that can make a positive difference in the lives of many families. This fall, our legislators should finish the job of bringing our state’s natural gas resources to more Pennsylvanians.

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(August 22, 2018)