

Committee Hearing
*The Delay and Delivery of State Road and
Bridge Projects*
Senate Transportation Committee

**Remarks of
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President and CEO
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Energy Association of PA - Introduction

- Good morning Chairman Rafferty, Chairman Wozniak and members of the Committee. I am Terry Fitzpatrick, President & CEO of the Energy Association of Pennsylvania (EAP), a trade association of electric and natural gas utilities operating in Pennsylvania.
- EAP performs a number of functions:
 - Help member companies to share best practices.
 - Sponsor educational conferences on industry operations and consumer issues.
 - Advocacy before state agencies and policymakers- such as the PUC and the General Assembly.

EAP Electric & Natural Gas Members

Electric Utility Members

Citizens' Electric Company
Duquesne Light Company
Metropolitan Edison Company
PECO Energy Company
Pennsylvania Electric Company
Pennsylvania Power Company
Pike County Light & Power Company
PPL Electric Utilities Corporation
UGI Utilities, Inc. (Electric Division)
Wellsboro Electric Company
West Penn Power Company

Gas Utility Members

Columbia Gas of PA
National Fuel Gas Distribution Corp.
PECO Energy Company
Peoples Natural Gas Company
Peoples TWP LLC
Philadelphia Gas Works
Pike County Light & Power Company
UGI Central Penn Gas, Inc.
UGI Penn Natural Gas, Inc.
UGI Utilities, Inc. (Gas Division)
Valley Energy, Inc.

PA Electric & Natural Gas - Quick Facts

Electric Utility Members

- Aka, “electric distribution companies” or “EDCs”.
- Distribute electricity to just under six million residential, commercial and industrial customers in Pennsylvania.
- Employ approximately 9,000 men and women in their Pennsylvania operations.

Gas Utility Members

- Aka, “natural gas distribution companies” or “NGDCs”.
- Distribute gas to just under three million residential, commercial and industrial customers in Pennsylvania.
- Employ approximately 5,200 men and women in their Pennsylvania operations.

Regulation of Electric & Gas Utilities

- Public Utility Commission regulation of rates and service.
- Service quality – reliability and safety.
- Increased focus on replacing aging infrastructure – for example, Act 11 of 2012 – more timely cost recovery.
- Need for coordination with PennDOT and its district offices (as well as municipalities across the state) to achieve reasonable and consistent policies regarding utility infrastructure and to accommodate utility work on roads and bridges.

Utility/PennDOT Coordination- UHLC

EAP members cooperate with PennDOT to Resolve Problems and Seek Solutions, including:

- Participation in the quarterly meetings of the Utility Highway Liaison Committee (UHLC).
- The UHLC is a long standing forum for representatives of utility companies, PennDOT's Central and District Offices, the Federal Highway Administration and the PA Turnpike Commission.
- Utilities involved include the cable, telecommunications, electric, natural gas, sewer and water industries.
- **UHLC purpose** - to facilitate communication and promote collaboration to achieve solutions to problems involving highway/utility planning, design, construction, maintenance, safety and service.

Utility/PennDOT Coordination- Regulatory Changes

Another example of cooperation between EAP members and PennDOT:

- Working with PennDOT as part of a stakeholder group to provide input into upcoming regulatory changes to Chapter 459, Occupancy of State Highways by Utilities.
- Includes participation in monthly meetings since the fall of 2015.
- Involves a line by line review of the regulatory language and proposed changes, with the opportunity to discuss the impact of these regulations on utility industries.
- Example of a utility driven suggestion: In keeping with current industry practice, allow for color coded utility occupancy and relocation plans as an option. PennDOT has responded with a willingness to develop engineering guidance to allow for this as Chapter 459 currently precludes color coded plans in the permitting process.

Utility/PennDOT Coordination- Policy Changes

Another example of cooperation between utility representatives and PennDOT:

- Representatives of electric, natural gas, and water utilities, as PennDOT highway occupancy permittees, have been meeting with PennDOT to address significant challenges associated with the Department's requirements regarding utility trench compaction, backfill, testing, and inspection.
- PennDOT has committed to work on further policy guidance to address utilities' concerns regarding recent policy changes concerning trench compaction.
- Utilities are committed to providing consistent quality work and to maintain bonds securing all their permitted work.
- Utilities appreciate this opportunity and hope to achieve common sense solutions to the problems caused by these requirements, which are currently burdensome and expensive.

Energy Association of PA - Summary

- The Energy Association of Pennsylvania and its electric and gas utility members recognize the importance of the successful delivery of state road and bridge projects, since we are dedicated to infrastructure improvement ourselves.
- We look forward to continued opportunities to work collaboratively with PennDOT and Turnpike Commission representatives to resolve problems, address challenges, and provide for common sense approaches to highway occupancy requirements.

Solutions to Help Reduce the Costs and Time of Project Delays

- More advanced planning on projects with all affected utilities and other parties.
- Improve communications on projects.
- Improve consistency utilizing best practices among PennDOT districts.
- Improve PennDOT process for updating contact lists on projects.

Thank You

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