

**BEFORE THE  
HOUSE APPROPRIATIONS COMMITTEE**

**Representative William F. Adolph, Jr., Chairman**

**Opening Remarks of  
SONNY POPOWSKY  
CONSUMER ADVOCATE**

**Regarding**

**FISCAL YEAR 2012-2013 BUDGET  
OFFICE OF CONSUMER ADVOCATE**

**Harrisburg, Pennsylvania  
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**CHAIRMAN ADOLPH, CHAIRMAN MARKOSEK, AND MEMBERS OF THE  
HOUSE APPROPRIATIONS COMMITTEE**

My name is Sonny Popowsky. I have served as the Consumer Advocate of Pennsylvania since 1990, and I have worked at the Office of Consumer Advocate since 1979. Thank you for this opportunity to discuss the Office of Consumer Advocate's proposed budget for Fiscal Year 2012-2013.

The OCA's Legislative Budget Request that was filed in October 2011 for Fiscal Year 2012-2013 is \$5,173,000. Our budget request represents a **decrease** of \$16,000 from our current year's budget authorization of \$5,189,000. Similarly, our current year's budget authorization represented a **decrease** of \$11,000 from the budget authorization for the prior Fiscal Year of 2010-11. On February 7, 2012, the Governor announced his proposed budget for all Commonwealth agencies. I am pleased to report that the Governor's proposed budget for the OCA for Fiscal Year 2012-2013 is \$5,173,000, which is the amount that we have requested.

In reviewing the OCA's budget, it is important to recognize that our budget is **not** derived from the General Fund, but is funded through a separate assessment on the utilities that fall under the jurisdiction of the Pennsylvania Public Utility Commission. While the OCA is administratively located within the Pennsylvania Office of Attorney General, the OCA budget is wholly separate and independent from the budget of the Attorney General. Finally, the OCA's budget is separate from that of the Pennsylvania Public Utility Commission, which is also funded through assessments on the Commonwealth's utilities.

By law, the OCA budget may not exceed five one hundredths of one percent (0.05%) of the prior calendar year's total intrastate gross revenues of the utilities that are

these issues, I was appointed in 2010 by the Secretary of Energy to serve as the first state consumer advocate on the United States Department of Energy's Electricity Advisory Committee. Earlier this year, I was named Vice Chair of that Committee.

In the natural gas industry, the OCA has participated in a number of base rate cases as well as merger cases involving natural gas utilities. The OCA also continues to represent consumers across Pennsylvania in the annual PUC review of every major natural gas distribution company's purchased gas costs. As in the electric industry, the OCA seeks to ensure that natural gas consumers continue to have access to the least cost "supplier of last resort" service from their regulated natural gas distribution company while also educating residential consumers about how to choose alternative natural gas suppliers. In the last year, the natural gas industry in Pennsylvania has been greatly affected by the dramatic developments in the Marcellus Shale, and the OCA has been involved in a number of proceedings to ensure that Pennsylvania consumers benefit from these developments. The OCA also participates in proceedings at the FERC that involve the major interstate pipelines that serve Pennsylvania's retail natural gas distribution companies.

In telecommunications, the OCA has participated in cases involving telephone competition, mergers, and basic service pricing in Pennsylvania. The OCA continues to focus on the goal of ensuring that Pennsylvania maintains and enhances the provision of reliable and affordable universal telephone service throughout the Commonwealth. This has included efforts to maintain reasonable limits on basic telephone rates, particularly in rural areas, and to expand the Lifeline telephone discount programs to low-income consumers who might otherwise not be able to afford service. The OCA also participated

in a number of service quality cases to ensure customers are receiving reliable service. At the federal level, the OCA works with the National Association of State Utility Consumer Advocates to provide the consumers' perspective in proceedings before the Federal Communications Commission (FCC).

In the water and wastewater industries, the OCA continues to represent consumers in base rate increase cases, acquisitions, and other application proceedings involving both large and small utilities. As water and wastewater infrastructure expand in order to meet the needs of Pennsylvania consumers for safe and adequate service, the OCA has expanded its own efforts to ensure that rates are maintained at reasonable and affordable levels. In addition, the OCA has participated in a number of service quality cases to ensure that consumers are receiving safe and adequate water and wastewater service, and has also worked to extend public water service at a reasonable cost to unserved areas. The OCA also has supported the development of programs that assist low-income consumers in paying their water bills.

In the next fiscal year, the OCA expects to continue all of these litigation activities while also anticipating potential filings for system improvement plans and rate surcharges by a number of utilities pursuant to the recently enacted House Bill 1294.

In addition to its litigation activities, OCA participates on behalf of utility consumers in state and federal legislative and policy debates. I have been called on to present formal testimony in the Pennsylvania General Assembly, the United States Congress, the Pennsylvania Public Utility Commission, and the Federal Energy Regulatory Commission regarding critical utility issues that affect Pennsylvania consumers.

The OCA also responds to individual utility consumer complaints and inquiries. The OCA maintains a toll-free calling number (800-684-6560) which is staffed from 8 a.m. to 5 p.m. Monday through Friday.

The OCA also devotes substantial resources to educating consumers about changes in the utility industry. The Consumer Advocate, Consumer Liaison, and other members of OCA staff have helped plan and participate in consumer presentations, roundtables, and forums across the Commonwealth to help educate consumers about changes in the utility industry and to advise them about cases that affect them. During the last fiscal year, the OCA participated in nearly one hundred consumer outreach events across Pennsylvania, many of which were sponsored by members of the General Assembly. In addition, the OCA keeps consumers and members of the General Assembly informed through regular letters and bulletins about upcoming cases and public hearings. The OCA also provides consumer information and education through its website at [www.oca.state.pa.us](http://www.oca.state.pa.us). This includes our popular electric and natural gas shopping guides which provide residential consumers with apples-to-apples price comparisons of their choices for electric generation and natural gas commodity service. These shopping guides are available online and are mailed in hard copy free of charge to all consumers who request them.

The OCA acknowledges and is grateful for the support that this Committee has provided over the years in considering the OCA's annual budget requests. Through our Legislative Budget Request for Fiscal Year 2012-2013, the OCA asks the members of the General Assembly to permit the OCA to receive the budgetary resources needed to continue our service to Pennsylvania utility consumers.