February 13, 2018

Majority Chair Harper, Minority Chair Freeman, and Members of the Committee:

On behalf of 200,000 Americans for Prosperity activists across Pennsylvania, I write you in support of House Bill 1405 which reforms how electricity is regulated in boroughs across the state, and promotes greater transparency and accountability. HB 1405 protects borough residents by taking rules already applied to other types of electricity providers and applying them to providers serving boroughs. With these reforms, residents of boroughs in Pennsylvania will no longer be subject to arbitrary and frequent electricity rate hikes.

Currently, electricity providers for boroughs do not face the same rules that apply other types of providers in Pennsylvania. HB 1405 limits the uses of fees levied and collected by boroughs to construction, improvement, repair, maintenance, and operation of facilities related to electricity. This change brings the regulation of boroughs in alignment with regulation of other types of electricity providers and limits the reasons boroughs can raise electricity rates.

House Bill 1405 promotes greater transparency and accountability reforming borough electricity ratemaking. Under the proposed legislation, boroughs would be required to hold and advertise a public meeting to discuss changes to electricity rates. Moreover, boroughs would be limited to raising electricity rates no more than once every three months and can be sued if a borough resident believes a ratemaking is unreasonable.

Residents of Pennsylvania's boroughs deserve the same protections that apply to all other Pennsylvanians when it comes to purchasing electricity. HB 1405 protects residents of boroughs by reforming the way their electricity providers are regulated and promotes greater transparency and accountability. Americans for Prosperity proudly supports HB 1405. Thank you for your work on this important issue and we look forward to working with you.

Anna L. McCauslin
Deputy State Director
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