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Remarks of Brian O. Lipman, Director, Division of Rate Counsel, Regarding Recent Increases In Electricity Rates & the Related Cost Burden on Utility Customers In Certain Areas Presented at the Assembly Telecommunications and Utilities Committee Meeting, October 2, 2024

Introduction

Thank you Chairman DeAngelo, members of the Telecommunications and Utilities Committee and other legislators for inviting me today to discuss this important topic. My name is Brian Lipman, and I am the Director of the New Jersey Division of Rate Counsel. My office is a state agency representing the interests of ratepayers. We are involved in all matters before the Board of Public Utilities ("BPU" or "Board") where a regulated utility seeks to change its rates or terms of service. We also appear before the Federal Energy Regulatory Commission ("FERC") and we are a member of PJM, the regional grid operator. We have, at times also appeared before the Federal Communications Commission. Finally, we try to comment on any pending legislation that will impact bills—I hope that you have all seen letters from our office giving you insight on how pending legislation will impact rates. In all matters, we represent the interests of rate payers, fighting to try and make sure that any rate increases are necessary to provide safe and adequate service, and to ensure that no utility is overearning.

We are here today to discuss rates, specifically a recent increase in electric rates over the past summer. I will address that issue in some detail, but I want to make sure that we are focused on all rates. New Jersey customers do not just pay an electric bill. Many pay a gas bill and a water bill, and when we look at affordability, we must consider the entire burden on rate payers, not just electric. Utilities, especially electric utilities, play a key role in our daily lives. You wake up in the morning to an alarm clock, most likely charged by electricity. You go the bathroom and turn on the water. To get that water to you, the water utility needs electricity. You get in your car. If you need gasoline, that pump needs electric to work. You get a cup of coffee, that deli needed electric to heat your coffee. The electric bill that residents receive is important, but electric rates will impact much more than the bill a customer receives. Higher electric rates are passed on to customers, meaning they pay not just at home, but at every other juncture in their lives. I have heard PJM say that the energy sector is only 5% of the American economy, but it is the first 5%. Without energy, the rest of the economy stalls.

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I want to also highlight the impact of these high bills on our most vulnerable residents. Everyone pays the same rates for electricity, regardless of income. For some, however, these bills are significant, sometimes taking up to fourteen percent of the home's income. For those who can least afford these increases, choices must be made: do I feed my family, do I heat my home, do I pay my rent, do I buy my medication. Over one third of the households in our state, live in functional poverty. About 16% of people in the United States live in energy poverty, where over 6% of their total income is spent on energy. These high bills are not just a nuisance they have real impacts on real lives. And I am not being sensationalist when I say, people will die. We just lived through one of the hottest summers in recent years—again. Air conditioning is no longer a luxury, it is lifesaving. Heat related deaths will increase as we make air conditioning more unaffordable. Likewise, in the winter, if heating becomes unaffordable, people will freeze. It is, of course, important to think about future generations and the air we breathe, but we must not forget about people who can right now, today, not afford their utility bills. No matter what future we seek, we need to ensure that no one is left behind.

And while this hearing is mostly focused on residential customers, I must highlight that these higher rates impact our businesses too. Just as a resident may need to choose whether to pay a utility bill, pay for medicine or pay for food, a business may need to decide whether to lay off employees or simply move out of state to an area with lower energy costs. Every time we raise bills, businesses—employers—are faced with the decision to leave or cut back. Higher electric rates also lead to loss of jobs and harm the economy for New Jersey.

Before I get into data, I think it is important to take a step back and understand that regulated public utilities are in fact for-profit corporations. Despite the word "public," these are not government entities. This is important for two reasons. First, the decision makers at a utility need to answer to shareholders. That means that decisions are made with profits in mind. I am by no means implying that our utilities do not provide safe, adequate service, but we need to remember that they are not doing so out of the goodness of their hearts—they expect to earn a profit. This leads to the second important thing to keep in mind—utility investment comes at a price. In New Jersey, for every dollar a utility invests in capital, it expects to receive about a dollar and ten cents back from its customers. The electric companies are happy to invest in whatever you ask them to (within reason) because that is how they earn their profits. Every time you ask a utility to invest $100,000, rate payers are charged at least $110,000. Why do I say at least? That dime we pay in return? That's literally only return. To the extent that the utility has any administrative costs, has to invest in IT upgrades, hire new people, buy new equipment—all of that is operations, and while they do not earn a return on those items, they do expect rate payers to pay for each of them. Once the investment is done, we want the utility to maintain it, right? They get that in rates too. There is no free ride.

I am going to spend a lot of time discussing rates, but I want to be clear how we get there. The next time you see a utility telling you that the budget for a particular program is only one million dollars, ask the next question—what is the revenue requirement? A one million program will likely cost ratepayers much more, and we need to be aware of the full cost we are imposing on ratepayers before we approve programs. Rate impact is really the number you need to figure out to fully understand what bills will result from a program.

We are here today because of concerns with bills, but clearly the bills are determined by the rates customers are charged. For today's purposes, I am going to break down electric rates to two main components, state regulated—where we have much more control, and federally regulated, where we have less control, but still do have some influence.

State Rate Impacts

Even though they may not always have the biggest impact, I am going to start with the state rates, and how we get here. Traditionally, a utility would invest in facilities needed to provide service and then come before the BPU in what is called a base rate case to seek recovery of that investment. The great thing about a base rate case is that the BPU (and Rate Counsel) can look at all components of the utility. We can make sure the investment was prudent and we can make sure that the overall financial health of the utility is good, but at the same time that the utility is not overearning. This is important, because looking at the total picture is the only way to truly ensure that the utility is not over earning. If a utility over earns, we never get that money back. The shareholders keep it. In recent years, there has been a change in the traditional paradigm. Much of the utility's rate is now made up of what are called clauses. This is sometimes referred to as single issue ratemaking, which is generally not done, except where the Board has allowed it or a statute requires it. The concern with single issue ratemaking is that we look at the costs for one particular item and allow the utility to charge for that item, but we do not look for any offsets where the utility is saving money and might offset the overall cost to customers. This leads to two outcomes, paying higher rates than we may have had to and allowing the utility to over earn until the next rate case.

So, have rates gone up in the last year? Yes, they have. Rate Counsel is against higher rates generally, but we also cannot put our heads in the sand, costs will go up, rates will go up. The question is how much. Atlantic City Electric ("ACE") and Jersey Central Power and Light ("JCP&L") had increases in base rates this year. Public Service Electric and Gas ("PSE&G") is currently before the Board seeking an increase in base rates. Capital investment has been significant, and therefore the rate increases are significant. And while we are focusing on electric rates, we should be clear, rates for natural gas and regulated water have gone up too. Most ratepayers need to pay for all of that, so these rate increases are hitting customers from multiple utilities. I will start with electric rates and how they have increased, but I will want to return to the other utilities, as they also provide examples of the issues we are seeing.

I am going to start with ACE. While it may seem that many of the increases are small, for ratepayers, it is death by a thousand cuts. I start with ACE partially because they are the ones that many seem focused on, but mostly because they come first alphabetically. In the past year, ACE has had several increases. Since we are comparing this summer to last summer, I am going to start with July of last year, 2023. Since that time, ACE's rates went up nine times. To be fair, the rates went down four times as well, though the overall impact is an increase. For purposes of today's analysis, I am going to start with rates that went into effect on or after September 1, 2023, as that way we can talk about the difference in the rate for ACE from summer 2023 to summer 2024. I am also going to be talking about the "average" customer. This is calculated by looking at total residential use and creating a basic average. Obviously, each individual bill will be impacted differently based on usage, but these numbers are sufficient to give you a basic idea of the impact of each change.

On September 1, 2023, the average ACE customer saw an increase of 1.48% or $2.08 per month. This increase was to pay for transmission rates approved by FERC. They are what is commonly referred to as a pass through. BPU, along with our office, will review the proposed changes to make sure they accurately reflect the charges from PJM, but there is little we can do at the state level to impact these numbers. I will talk later about the federal process and things we could do there. On October 1, 2023, rates went down some and up some. The BPU approved a decrease in the Universal Service Fund amount for all electric utilities that resulted in a decrease of about $1.39 per month for the average customer. ACE, however, also increased rates on two different separate charges. First, ACE self-implemented an increase to the Reconciliation Charge. Without getting too technical, the Reconciliation Charge has to do with the rate charged for Basic Generation Supply that is the cost of the actual electricity. Again, this is not a rate set by ACE or the Board, but is the price for generation that is actually charged to ACE. The price itself is a result of the BGS Auction, but includes a number of related charges. This charge changes depending on sales throughout the year. In this case, it appears that ACE over estimated how much electricity it would sell, and needed to increase the rate to recover an under collection. ACE simply reset the charge to ensure it received full recovery of its BGS (supply) costs from customers. Therefore, on October 1, 2023, the average customer saw an increase in this charge of about $1.65 per month.

The second increase had to do with ACE's Infrastructure Improvement Program ("IIP"). I want to take a moment to explain an IIP and why Rate Counsel continues to oppose this single-issue rate mechanism. IIPs were created by the BPU's regulations in 2017. This is a clause mechanism (single issue ratemaking) that allows utilities to make capital investments and then begin to earn an accelerated return on that investment outside of a base rate case. It means that when the utility comes in for recovery on an IIP project, we cannot look at the overall health of the utility. The only issue before the Board at that time is whether the utility in fact spent the money on the approved project. It is not until the rate case, sometimes five years later, that we look at the prudency of that investment or attempt to offset it with other savings or earnings found elsewhere in the utility's books. This rule has led to billions of additional investment by utilities over the last several years, all of which is charged to ratepayers at an accelerated rate, which means that the utility gets recovery for the project faster than it would if the project was done as part of its normal course of business. Given the time value of money, earning a return more quickly is more expensive than spreading the cost over a longer span of time and therefore, IIP programs are more expensive for ratepayers than if the work was done within the normal course of the utility's business.

For ACE, the Company was approved in 2019 to invest $96.5 million over four years. In fall of 2023, ACE sought to recover $22.9 million of that investment. Again, at this time, because of the BPU's rules, we are not allowed to review prudency or whether the Company actually needs this revenue to complete this project. The only issue is whether the money was actually spent on the actual program approved by the Board in 2019. This IIP roll-in resulted in an increase in rates of about $0.29 per month or 0.20%. While it seems minimal, this was outside a rate case, and will now remain part of the rate for years going forward. This is the result of clauses, they stack charge after charge on top of the utility's base rates.

On December 1, 2023, the bulk of ACE's base rate case increase went into effect. This rate increase was implemented to allow ACE to recover capital investments since its prior rate case in July of 2020. The remainder of the rate case increase was held because Rate Counsel wanted to see proof that advanced meter infrastructure was actually operational within the allowed timeframes before agreeing to recovery for those meters. Therefore, a later increase would be allowed once ACE completed its roll-out and provided proper documentation. As of December 1, ACE received an increase of approximately 3.53% or an increase of $5.16 per month for the average customer. The second increase went into effect on February 1, 2024 after ACE demonstrated that it had in fact activated the agreed-upon number of meters, increasing rates an additional $0.93 per month for the average residential customer.

The good news is that rates did go down some in the beginning of this year. First, due to changes in the PJM transmission rate, on April 1, the average ACE customer saw a decrease of $1.06 or 0.69%. Second, there was a slight decrease in the Societal Benefit Charge ("SBC") which reduced the average ACE customer's bill by about $0.25 per month or about 0.17%. Thus, for the first quarter of 2024, ACE's rates actually decreased slightly.

New BGS rates went into effect on June 1, 2024 as a result of the BGS auction conducted in February of that year. The new rates, which pay for the supply of electricity, increased rates about $7.56 per month. On top of this increase, there was another BGS Reconciliation charge implemented to ensure ACE recovered sufficient funds from ratepayers to pay BGS suppliers for the supply of electricity. This was an additional $6.54 per month increase for ACE's customers. On June 1, 2024, ratepayers saw an increase in rates based upon the Regional Greenhouse Gas Recovery Initiative Charge ("RGGI"). To be clear, this is not the RGGI auction that New Jersey participates in, this is a different charge. Again, in attempt to not get too into the weeds, there are several components of the RGGI charge. There is the solar portion, comprising of the SREC, TREC and SuSi solar energy programs. Here, the SREC charges went down, TREC and SuSi charges went up. There is also an Energy Efficiency ("EE") component, which increased and the

Community Solar Energy Pilot ("CSEP") program charge, which also went up. Overall, the average ACE customer saw a RGGI rider increase of about $0.65 or 0.3% on their monthly bill. There was also an increase based on the Conservation Incentive Program Rate Adjustment. This is an adjustment created by the Legislature that purports to compensate the electric company for lost revenues due to energy efficiency measures that are implemented by customers. This means that when customers attempt to save money by implementing energy efficiency measures in their homes, ACE, and the other gas and electric utilities in our state, can actually make up for a portion of those revenues they lost due to energy efficiency efforts and charge it back to all customers. This was part of the New Jersey Clean Energy Act passed in 2018. For 2023, ACE received an increase in rates due to the Conservation Incentive Program of about $2.94 per month. Finally, there was a decrease in the NGC/SBC rates, as it was determined that ACE was over collecting on these clauses based on usage, and therefore the rate could be reduced. This resulted in a decrease of about $1.46 per month. To be clear, these reviews happen periodically throughout the year, and changes are made as needed to try and create a rate that is close to the actual needed recovery for each component within the NGC/SBC clauses.

So, overall, the average ACE ratepayer would be paying about $23.64 more in June of 2024 when compared to June of 2023. Already, we are seeing a significant increase for the average customer. And to be clear, not every, probably no customer, is the average customer. So this is a ballpark figure of the increase the average customer would see based on the prior year. The rate, however, only tells part of the story. The rate is multiplied by usage. The rate impacts that the Board estimated and that I am providing assumes usage of about 643 KWh per month. If usage is higher, the increase will be higher. Unfortunately, for this past summer usage was at an all-time high. ACE has reported that the average residential customer used significantly more than average electricity this summer, 31% more than June, 28% more in July and 10% more in August. Overall, it appears usage was up about 20% this year. It is not entirely clear why there was more usage. It does appear that 2023 was significantly cooler than 2024, especially in June and July, and air conditioners are a significant part of the summer load. No matter the cause, overall electric consumption in the summer of 2024 was at an all-time high, directly after 2023, which was a particularly low-consumption summer. Put this together with the increases in rates that I detailed, the result is significantly higher bills for ACE customers in the summer of 2024 as compared to the summer of 2023.

This analysis does not only apply to ACE. I could go through the same analysis for PSE&G, JCP&L and Rockland Electric Company, ("RECO"). For these companies, I am going to simply provide some summaries. For PSE&G, the average customer saw an increase in rates of about $6.52. Recall, the increase in rates requested in PSE&G's most recent rate case has not gone into effect yet. At the same time, PSE&G saw a significant increase in usage, about 28% in June, 19% in July and 8% in August. This is compared to a year (2023) where usage was at a five-year low, so the increase is all the more dramatic. The data implies that weather played a role in this increased usage, but that may not capture the full reason. Again, compared to summer of 2023 bills, PSE&G customers saw significant increases this summer. Bills in JCP&L went up for an average ratepayer about $12.36 and for RECO, about $20.49. With similar weather, throughout the state, we can assume that usage was up in their territories as well. Overall, the combination of a higher rate with higher usage led to significantly higher bills for New Jersey customers.

I want to be clear about these rates. These rates that we have been discussing do not include offshore wind. Those costs have not been incurred, and therefore have not yet been passed on to ratepayers. While I am unable to give you an exact number, we can all agree that the rate impact of offshore wind, especially when we include required transmission, will be dramatic. Similarly, this does not include the rates associated with the gas and electric companies' proposed $7 billion in Energy Efficiency programs currently pending before the Board. Those petitions were filed pursuant to the mandates in the Clean Energy Act ("CEA"). The requirements of that statute significantly impacted our ability to reduce the costs associated with those programs, or more importantly to reduce revenue requirement associated with running those programs. As a result of the CEA, utilities can earn money from all ratepayers in order to offer energy efficiency programs regardless of whether the ratepayer participates in the program. The cost of these programs includes the costs of the rebates that ratepayers can take advantage of but, as mentioned earlier, it also includes an additional charge related to make up for lost revenues that the companies experience as a result of customers' lower usage which is associated with implementing energy efficiency measures. It also includes a return on the investment. Those costs associated with the latest round of energy efficiency programs are not yet in rates, but they will also significantly increase rates.

I know the question you are now asking is what, can New Jersey do to protect its electric customers. Unfortunately, because a large portion of this bill is not controlled by state regulation, there is no simple fix. About two thirds of the bill are federally regulated costs. We can, however, do better in New Jersey. First, we can stop passing legislation that increases utility bills. Rate Counsel usually weighs in with letters on many proposed legislative initiatives and we explain why the bill will result in an increase to customers. Maybe some have seen our letters and voted in favor of the bill anyway with the justification that it would likely only be a minor increase. But, every utility mandate passed by the Legislature results in an increase in rates. For example, the Zero Emission Credits that the Legislature passed to force ratepayers to subsidize PSE&G's nuclear power plants cost ratepayers an average of about $2.75 a month for the past six years. And, of course it is not just in the electric arena where legislation has caused bills to increase. In a recent Aqua Water case, more than half the increase was to pay for remediation of lead lines not owned by the Company. In a recent American Water case, recent legislation, the Resiliency and Environmental System Improvement Charge, increased bills by $2.32 per month.

Similarly, clauses approved by the Board increase rates and should stop. IIPs are causing rates to go up more quickly, at a more frequent pace of one to two times a year. These single-issue clauses are also increasing capital investment by the utilities. We can argue about whether this is needed investment, but to be clear, increased and faster investment leads to higher bills. All things being equal, the IIPs are leading to higher bills for all customers. Again, in the water realm, you can see that in American Water's rate case, the Distribution System Improvement Charge clause cost water customers $4.68 per month and RESIC clause cost wastewater customers $3.95 per month. This is on top of the overall increases of $5.33 per month for water and $5.12 per month for wastewater. To be clear, for an average water customer, the case resulted in a $12.33 per month increase, $7.00 of which is based upon infrastructure clauses.

We also need to be more deliberate in how we spend our ratepayers' money. I am constantly lamenting to my colleagues from other states that somehow New Jersey always finds the most expensive way of doing things. We pay too much for solar, too much for Energy Efficiency and too much for electric vehicles. Every time we overspend, two things happen. First, our ratepayers' bills are higher than they should be and second, we are not getting the best value for the money spent. I would hope that we could all agree that getting more solar energy and spending less would be better. Getting more Energy Efficiency and spending less for it would be better. We do not do that. Rather, we find more and more expensive ways. We are over subsidizing solar, paying an unnecessary return on Energy Efficiency investment, allowing utilities to get more heavily involved in EV charging. The Legislature must consider the ratepayer impact of each of its actions, not on an individual basis, but holistically. These small increases quickly add up to a significant impact on the bill. This summer has clearly demonstrated that moving forward with every idea, regardless of the cost to ratepayers, simply will not work.

Federal Rate Impacts

I would like to spend some time on the federal part of the bill as well, specifically the FERC regulated rates. While much of my time will be spent on the impact of the most recent PJM base residual auction, I would be remiss if I did not also discuss transmission planning and rate recovery at the federal level. Both of which are problematic. There has been a lot of talk about the recent PJM auction, so I will start there.

PJM is our regional grid operator. New Jersey along with 12 other states and DC are within the PJM region. As part of its functions, PJM runs several markets, one of them being a capacity market for capacity in the PJM region. Now, I need to take a step back and explain two things. First, capacity. Capacity is the ability to produce electricity when called upon. This is not a payment for the production of anything. Rather, it is a payment to generators for the promise that if we need your power, you will provide it. If we do need that power, we will pay for that separately as part of an energy payment. Second, the term market. This is not a real market based upon the simple concept of supply and demand. Rather, this is a market construct where PJM imposes a number of administrative rules to run the market. These rules, often influenced by the very parties participating in the capacity auction can, as I will explain shortly, have a significant impact on the clearing price, that is the price we pay, for capacity.

For New Jersey, the PJM capacity market cleared a price of $270 per Megawatt day. This is an increase of about nine times last year's market. To put that into perspective, this will likely result in an increase of about $12 to $15 per month for the average New Jersey ratepayer, beginning in June of 2025. What is worse, PJM is not done. There is an independent market monitor who reviews the PJM market outcomes. The monitor's findings in regard to the past auction are troubling. The monitor found that the results of the auction "were significantly affected by flawed market design decision." Significantly, the monitor found the auction "prices do not solely reflect supply and demand fundamentals." This means that we are paying higher prices, not because there is less supply and higher demand, but because of the rule changes implemented by PJM. For example, PJM's rules do not require a generator subject to a special reliability must run contract to bid into the auction. In the past auction, two such units in Maryland did not bid into the auction. Had just these two units been required to bid into the auction, there would have been about $5 billion in savings to PJM customers and the clearing price would have dropped by over $100 per Megawatt day. The market monitor found that other rule changes by PJM caused prices to increase, and that without significant rule changes, the next auction will likely be even higher, perhaps as high as $695 per Megawatt day. Importantly, the next auction is to be held this December.

Rate Counsel, along with Board Staff, both our counterparts in other states and many other advocates have asked PJM to fix the market rules, or at a minimum to delay the December auction to determine how the rules should be changed to ensure that the rules are not causing prices to so dramatically increase. So far, PJM has been unreceptive to those requests, outright denying the consumer advocates' request. The state utility commissions' request is currently pending. This next auction can result in devastating results for New Jersey ratepayers, and the lack of action on PJM's part is troubling. Indeed, some parties have filed complaints at FERC, and we suspect others will follow. While you do not have legislative control over PJM, it is important that you support the Board and Rate Counsel as we advocate on behalf of New Jersey ratepayers before PJM. There is significant concern about PJM's ability to remain neutral in the operation of its markets and other actions, and inquiries by this body will certainly ensure that PJM understand the importance of its actions to its customers.

PJM also controls the transmission of electricity throughout the region and into New Jersey. Transmission consists of the bigger wires bringing the power to the electric distribution company that provides you service. These lines are large, expensive, and right now, largely unregulated. While PJM runs the transmission system and is supposed to be planning for the needs of the entire system, it does not in fact own the transmission lines. They are owned by the Transmission Owners within each state. In New Jersey, that is the electric company affiliates, Exelon, FirstEnergy, PSE&G and ConEd. Because PJM does not own the transmission lines, along with the lines planned by PJM, each transmission owner can build its own transmission projects. When they do so, they do without any oversight. At PJM, they merely tell PJM they are planning the project. PJM may, though not always, do a no-harm analysis, that is they will determine if the project will do any harm to the current system. Assuming it does not, PJM takes no further action. In some states, the utility will have to go to the local commission to seek approval. Not in New Jersey. There is no law requiring the transmission owner to seek approval from any entity in New Jersey to determine if the line is in fact needed or if it is properly sized. There is also no review of those issues at the federal level. Rather, once it is built, the transmission owner rolls it into their federal formula rate. If we are lucky, we get a chance to see it and make sure they actually spent the money they are claiming recovery for. We do not have the ability to review or challenge the need or overall cost of the project. These formula rates are presumed to be reasonable by the FERC, and the current FERC rules make it extremely difficult to review, let alone challenge any charge. While changes to the formula rate process at FERC are needed, unfortunately that is beyond your jurisdiction. These costs are completely controlled by the transmission owner. In the past ten years, transmission costs have increased from approximately 8.9% of the PJM bill to 26%. In other words, they have more than doubled as a part of the bill. Transmission is expensive, and there is significantly more transmission planning taking place right now.

One solution is to ensure that transmission built in New Jersey is actually needed and that it is the least cost solution. This body has the power to pass legislation that would require review of these projects. This review would allow the Board, Rate Counsel and any other interested party to review the proposed transmission to ensure it is in fact needed and that it is the lowest cost solution. Such review could reduce transmission costs. At the least it would require a level of self-control that is not required right now. Pennsylvania has such legislation and would be a good model to start the process here. Those tremendous pass through costs that I discussed before could possibly be curbed with such legislation. I would be happy to discuss this proposed legislation or other ideas that might curb some of the transmission costs being imposed by PJM.

Conclusion

Are rates higher this year? Absolutely. Rates are going up everywhere, at the state and federal level. Every time you require a utility to invest, rates go up. Every time you create a new clause, rates go up. While each increase may be small by itself, they quickly add up to significant money. Sadly, what we are seeing right now is the tip of the iceberg. There are even more very large increases on the horizon. We need to make sure that we are careful how we implement the changes we want for New Jersey and that we do not try and shift all the costs to ratepayers. I will leave you with this thought. While utility rate increases may be an easier method to achieve certain goals, since ratepayers are a captive customer, they are implemented in an inherently unfair manner. This is because all ratepayers regardless of income, will pay the same increased rates. A millionaire and a Section 8 tenant are both residential customers as far as the electric company is concerned. We must do the hard work to rely on other ways, outside of utility rates, to fund our needs that are less regressive and better share the burden among those who can better afford it.

Thank you for the opportunity to speak with you today. I hope that this committee continues to look at the issue of affordability and takes that into account when setting policy and enacting legislation. Rate Counsel stands ready to help you understand the rate impact of proposed legislation and looks forward to working with you to achieve a future with affordable rates for all.