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HOUSE ARMED SERVICES COMMITTEE
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515

July 30, 2025

Mr. Christian Yother
Director
Pennsylvania Bureau of Audits
Pennsylvania Public Utility Commission
Third Floor East
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Dear Director Yother,

In late April, my district experienced a powerful storm with high winds. Some utility electrical equipment was destroyed, and many of my constituents in Western Pennsylvania were left without power for days (some for a week or more). After our local responders and electrical workers successfully restored power, I reached out to my constituents and asked about their experiences—what they faced, what worked, what did not work, and anything else they wanted to convey. I received over 1,200 responses detailing their experiences and thoughts on possible solutions to prevent such lengthy outages in the future and improve recovery.

One constituent raised the idea that the reason for the damage and inconvenience was the lack of internal controls to protect assets and incentives in the public utility industry management system.

As you know, with the public utilities in Pennsylvania, profits are generally derived from the size of the utility's rate base. There is no profit in the maintenance and repairs of assets, so if powerlines or other equipment are reparably damaged, the utility company will pay to have this fixed. However, because this is part of basic upkeep, they usually can't charge customers extra for these repaired lines. Storm damage presents an opportunity to replace infrastructure with newer, more expensive equipment. This is considered "capital spending", expanding the rate base, allowing them to charge more to customers, thereby increasing profits.

The arrangement the Pennsylvania Public Utility Commission (PUC) has with public utilities is similar to a cost-plus-percentage-of-cost type of contracting. The focus is on spending on infrastructure rather than on good performance.

My constituent also identified required audits per Pennsylvania Constitution, ARTICLE VIII. § 10. Audit. (1968); § 10. Audit.

The financial affairs of any entity funded or financially aided by the Commonwealth, and all departments, boards, commissions, agencies, instrumentalities, authorities and institutions of the Commonwealth, shall be subject to audits made in accordance with generally accepted auditing standards.

The website for the Pennsylvania PUC states that “the Bureau of Audits is responsible for the conduct of audit activity of Pennsylvania fixed utilities, including Adjustment Clause Audits, Financial Audits and Management Audits and Management Efficiency Investigations.”

The purpose of a regular audit is to prevent, detect, and reduce any waste, fraud, abuse, and mismanagement to protect taxpayers and utility rate payers. With rising utility costs as a leading financial burden for many of my constituents and those throughout the Commonwealth, we need to be certain utility companies are providing these services with the utmost efficiency.

I would appreciate a timely response to the following questions about utility performance and cost:

- 1) Is the Pennsylvania Bureau of Audits the appropriate entity to conduct independent performance and financial audits of the Pennsylvania PUC? If not, who is?
- 2) When was the last independent audit conducted to assess the internal controls over operations, reporting, compliance, and performance of the Pennsylvania PUC? What about financial audits of large gas and electric utilities?
- 3) When is the next scheduled audit of the PUC for the same purposes? Internal or external?
- 4) What findings has your office gathered from any past audits, what corrections have been made, and what recommendations have you made to increase utility efficiency and decrease the costs of delivery?
- 5) Are there any actions you recommend Congress take at the federal level to decrease utility costs for Western Pennsylvanians?

Pennsylvanians should not be forced to accept week-long blackouts as normal when storms roll through. I see it as my role as a member of House Committee on Transportation and Infrastructure to always fight for the strongest, best infrastructure possible for the people of Pennsylvania's 17th Congressional District. A fuller understanding of the PUC's audits and work will help as I continue to consider federal policy options to achieve this goal.

Thank you for your attention to this matter, and I look forward to your response.

Very respectfully,



Chris Deluzio
Member of Congress