

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2060

Session of
1976

INTRODUCED BY MRS. GILLETTE, MESSRS. SCHMITT, TAYLOR, ABRAHAM,
MRS. TOLL, MESSRS. IRVIS, MANDERINO, STAPLETON, COHEN, ROSS,
GLEESON, RUGGIERO, GIAMMARCO, MCINTYRE, MORRIS, GILLESPIE,
OLIVER, HAMMOCK AND ITKIN, JANUARY 21, 1976

AS REPORTED FROM COMMITTEE ON CONSUMER PROTECTION, HOUSE OF
REPRESENTATIVES, AS AMENDED, MARCH 3, 1976

AN ACT

1 Amending the act of May 28, 1937 (P.L.1053, No.286), entitled
2 "An act relating to the regulation of public utilities;
3 defining as public utilities certain corporations, companies,
4 associations, and persons; providing for the regulation of
5 public utilities, including, to a limited extent,
6 municipalities engaging in public utility business, by
7 prescribing, defining, and limiting their duties, powers, and
8 liabilities, and regulating the exercise, surrender or
9 abandonment of their powers, privileges, and franchises;
10 defining and regulating contract carriers by motor vehicle
11 and brokers in order to regulate effectively common carriers
12 by motor vehicle; conferring upon the Pennsylvania Public
13 Utility Commission the power and duty of supervising and
14 regulating persons, associations, companies, and
15 corporations, including, to a limited extent, municipal
16 corporations subject to this act, and administering the
17 provisions of this act; authorizing the commission to fix
18 temporary rates; placing the burden of proof on public
19 utilities to sustain their rates and certain other matters;
20 authorizing a permissive or mandatory sliding scale method of
21 regulating rates; providing for the supervision of financial
22 and contractual relations between public utilities and
23 affiliated interests, and supervision and regulation of
24 accounts and securities or obligations issued, assumed, or
25 kept by persons, associations, companies, corporations or
26 municipal corporations subject to this act; conferring upon
27 the commission power to vary, reform, or revise certain
28 contracts; conferring upon the commission the exclusive power
29 to regulate or order the construction, alteration,
30 relocation, protection, or abolition of crossings of
31 facilities of public utilities, and of such facilities by or

1 over public highways, to appropriate property for the
2 construction or improvement of such crossings, and to award
3 or apportion resultant costs and damages; authorizing owners
4 of such property to sue the Commonwealth for such damages;
5 providing for ejectment proceedings in connection with the
6 appropriation of property for crossings; conferring upon the
7 commission power to control and regulate budgets of public
8 utilities; imposing upon persons, associations, companies,
9 and corporations (except municipal corporations) subject to
10 regulation, the cost of administering this act; prescribing
11 and regulating practice and procedure before the commission
12 and procedure for review by the courts of commission action;
13 giving the court of common pleas of Dauphin County exclusive
14 original jurisdiction over certain proceedings; prescribing
15 penalties, fines, and imprisonment for violations of the
16 provisions of this act and regulations and orders of the
17 commission, and the procedure for enforcing such fines and
18 penalties; and repealing legislation supplied and superseded
19 by or inconsistent with this act," ~~further providing for the~~ <—
20 ~~designation, implementation, and regulation of lifeline~~
21 ~~utility rates and charges and further defining discrimination~~
22 ~~in rates.~~ PRESCRIBING FURTHER CRITERIA AND STANDARDS FOR THE <—
23 SETTING OF RATES; AND PERMITTING THE IMPLEMENTATION OF
24 LIFELINE RATES.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. Section ~~304~~ 301, act of May 28, 1937 (P.L.1053, <—
28 No.286), known as the "Public Utility Law," AMENDED MARCH 21, <—
29 1939 (P.L.10, NO.11), is amended to read:

30 ~~Section 304. Discrimination in Rates. No public utility~~ <—
31 ~~shall, as to rates, make or grant any unreasonable preference or~~
32 ~~advantage to any person, corporation, or municipal corporation,~~
33 ~~or subject any person, corporation, or municipal corporation to~~
34 ~~any unreasonable prejudice or disadvantage. No public utility~~
35 ~~shall establish or maintain any unreasonable difference as to~~
36 ~~rates, either as between localities or as between classes of~~
37 ~~service. Unless specifically authorized by the commission, no~~
38 ~~public utility shall make, demand, or receive any greater rate~~
39 ~~in the aggregate for the transportation of passengers or~~
40 ~~property of the same class, or for the transmission of any~~
41 ~~message or conversation for a shorter than for a longer distance~~

1 ~~over the same line or route in the same direction, the shorter~~
2 ~~being included within the longer distance, or any greater rate~~
3 ~~as a through rate than the aggregate of the intermediate rates.~~
4 ~~Nothing herein contained shall be deemed to prohibit the~~
5 ~~establishment of reasonable zone or group systems, or~~
6 ~~classifications of rates, including a lifeline rate and charge~~
7 ~~schedule or, in the case of common carriers, the issuance of~~
8 ~~excursion, commutation, or other special tickets at special~~
9 ~~rates, or the granting of nontransferable free passes, or passes~~
10 ~~at a discount to any officer, employe, or pensioner of such~~
11 ~~common carrier. No rate charged by a municipality for any~~
12 ~~public utility service rendered or furnished beyond its~~
13 ~~corporate limits shall be considered unjustly discriminatory~~
14 ~~solely by reason of the fact that a different rate is charged~~
15 ~~for a similar service within its corporate limits.~~

16 ~~Section 2. The act is amended by adding a section to read:~~

17 ~~Section 314. Lifeline Rate and Charge Schedule. (a) The~~
18 ~~commission shall immediately promulgate a regulation or~~
19 ~~regulations requiring every gas and electric utility to file~~
20 ~~within one year from the effective date of this act, a tariff~~
21 ~~including a lifeline rate, which shall be applied to the initial~~
22 ~~block of the rate design or rate structure proposed.~~

23 ~~(b) The first block of any tariff filed by any gas or~~
24 ~~electric utility after the effective date of this act shall be~~
25 ~~designated a "lifeline block" and shall apply only to the~~
26 ~~minimum volume of gas or the minimum quantity of electricity~~
27 ~~necessary to meet the energy needs of the average residential~~
28 ~~user as calculated by each utility pursuant to subsection (f)~~
29 ~~and approved by the commission.~~

30 ~~(c) The lifeline block shall be based upon average gas or~~

~~electric consumption during the calendar year 1975 by actual residential users, notwithstanding a user's inclusion in any other classification contained in existing tariffs.~~

~~(d) The lifeline rate shall consist of the product of the volume of average residential consumption for the calendar year 1975, calculated as provided in subsection (f), and the per unit charge.~~

~~(e) The lifeline volume as determined in accordance with subsection (f) shall be applicable to all customers of a utility, regardless whether a customer's use is classified as industrial, commercial, residential, or as any other type of service, except that the lifeline rates shall not be applicable to the demand factor in any rate in which such demand factor is a component.~~

~~(f) A utility shall determine the average residential consumption of its residential users for the calendar year 1975 by either of the following methods:~~

~~(1) calculating average use for all residential consumption during calendar year 1975; or~~

~~(2) calculating average use separately for residential heating customer consumption and for residential non heating customer consumption;~~

~~except that a utility need not use the same method for all classifications of service.~~

~~(g) The lifeline rate shall be the greater of any minimum charge or that amount chargeable within the lifeline block and shall be applied to the initial rate block service or at least an equivalent amount of service.~~

~~(h) At all times a lifeline rate shall be maintained at a cost to the user which shall be at least twenty five per centum~~

~~lower per unit than that in any other consumption block,
exclusive of any surcharges.~~

~~(i) The commission may by order prescribe a lifeline rate
for any utility which has not filed a new tariff containing a
lifeline rate or rates by January 1, 1977.~~

~~(j) The commission may not approve an increase in rates to
any class of user to compensate for actual or anticipated losses
in utility revenues attributable to use of lifeline service
unless it approves a proportionate increase in rates for all
classes in the same tariff.~~

SECTION 301. RATES TO BE JUST AND REASONABLE.--(A) EVERY
RATE MADE, DEMANDED, OR RECEIVED BY ANY PUBLIC UTILITY, OR BY
ANY TWO OR MORE PUBLIC UTILITIES JOINTLY, SHALL BE JUST AND
REASONABLE, AND IN CONFORMITY WITH REGULATIONS OR ORDERS OF THE
COMMISSION: PROVIDED, THAT ONLY PUBLIC UTILITY SERVICE BEING
FURNISHED OR RENDERED BY A MUNICIPAL CORPORATION, OR BY THE
OPERATING AGENCIES OF ANY MUNICIPAL CORPORATION, BEYOND ITS
CORPORATE LIMITS, SHALL BE SUBJECT TO REGULATION AND CONTROL BY
THE COMMISSION AS TO RATES, WITH THE SAME FORCE, AND IN LIKE
MANNER, AS IF SUCH SERVICE WERE RENDERED BY A PUBLIC UTILITY.

~~(B) IN DETERMINING WHETHER RATES ARE JUST AND REASONABLE THE
COMMISSION SHALL CONSIDER THE COST OF SERVICE, VALUE OF SERVICE,
CONSERVATION OF NATURAL RESOURCES USED IN THE PRODUCTION OR
GENERATION OF UTILITY SERVICE, AND THE PROTECTION AND PROMOTION
OF THE PUBLIC HEALTH, SAFETY AND WELFARE.~~

~~(C) THE COMMISSION MAY, AFTER NOTICE AND HEARING, REQUIRE OR
PERMIT EACH GAS, ELECTRIC OR STEAM HEAT UTILITY TO FILE A TARIFF
WHICH INCLUDES A LIFELINE RATE DESIGNED TO PROMOTE THE
CONSERVATION OF NATURAL RESOURCES; SUCH LIFELINE RATE SHALL BE A
REDUCED RATE APPLICABLE TO THE INITIAL BLOCK OF A RATE DESIGN OR~~

1 RATE STRUCTURE.

2 Section 3 2. This act shall take effect immediately.

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