

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1119** Session of  
1979

INTRODUCED BY COLE AND STUBAN, MAY 1, 1979

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MAY 1, 1979

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, changing provisions relating to fuel  
3 cost adjustment and valuation of property of a public  
4 utility.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Subsection (c) of section 1307 and section 1311  
8 of Title 66, act of November 25, 1970 (P.L.707, No.230), known  
9 as the Pennsylvania Consolidated Statutes, are amended to read:  
10 § 1307. Sliding scale of rates; adjustments.

11 \* \* \*

12 (c) Fuel cost adjustment.--In any method automatically  
13 adjusting rates to reflect changes in fossil fuel cost under  
14 this section, the fuel cost used in computing the adjustment  
15 shall be limited, in the case of an electric utility, to the  
16 cost of such fuel delivered to the utility at the generating  
17 site at which it is to be consumed, and the cost of disposing of  
18 solid waste from scrubbers or other devices designed so that the  
19 consumption of Pennsylvania-mined coal at the generating site

1 would comply with the sulfur oxide emission standards prescribed  
2 by the Commonwealth. The cost of fuel handling after such  
3 delivery, or of waste disposal, other than as prescribed in this  
4 section, shall be excluded from such computation. The cost of  
5 replacing retail fuel in the event that the utility property is  
6 temporarily or permanently damaged shall be excluded. In any  
7 method automatically adjusting rates to reflect changes in fuel  
8 cost other than fossil fuel cost under this section, the fuel  
9 cost used in computing the adjustment shall be limited, in the  
10 case of an electric utility, to the cost of such fuel delivered  
11 to the utility at the generating site at which it is to be  
12 consumed after deducting therefrom the present salvage or reuse  
13 value of such fuel, as shall be established by commission rule  
14 or order.

15 \* \* \*

16 § 1311. Valuation of property of a public utility.

17 The commission may, after reasonable notice and hearing,  
18 ascertain and fix the fair value of the whole or any part of the  
19 property of any public utility, insofar as the same is material  
20 to the exercise of the jurisdiction of the commission, and may  
21 make revaluations from time to time and ascertain the fair value  
22 of all new construction, extensions, and additions to the  
23 property of any public utility. When any public utility  
24 furnishes more than one of the different types of utility  
25 service, the commission shall segregate the property used and  
26 useful in furnishing each type of such service, and shall not  
27 consider the property of such public utility as a unit in  
28 determining the value of the property of such public utility for  
29 the purpose of fixing rates. For the purposes of this section,  
30 "used and useful" does not include the cost of restoration of

1 the aforesaid property to a used and useful condition in the  
2 event that such property is temporarily or permanently damaged,  
3 nor does it include the cost of restoring the aforesaid property  
4 to a condition consistent with public health and safety when the  
5 aforesaid property is temporarily or permanently damaged. In  
6 fixing any rate of a public utility engaged exclusively as a  
7 common carrier by motor vehicle, the commission may, in lieu of  
8 other standards established by law, fix the fair return by  
9 relating the fair and reasonable operating expenses,  
10 depreciation, taxes and other costs of furnishing service to  
11 operating revenues.

12       Section 2. This act shall take effect immediately and be  
13 retroactive to March 15, 1979.