

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 53

Session of
1981

INTRODUCED BY KUKOVICH, WILSON, COHEN, HOFFEL, PISTELLA,
DAWIDA, MICHLOVIC, KOWALYSHYN, LLOYD, ITKIN, J. D. WILLIAMS
AND EVANS, APRIL 21, 1981

REFERRED TO COMMITTEE ON RULES, APRIL 21, 1981

In the House of Representatives, April 21, 1981

1 WHEREAS, Rate structures of electric utilities have undergone
2 substantial changes as a result of the many energy related
3 events of the last decade; and

4 WHEREAS, Due to dramatic increases in electricity prices over
5 the past ten years, different states, including Pennsylvania,
6 have initiated examinations on the many aspects of traditional
7 ratemaking; and

8 WHEREAS, Improvements in electric utility rate design and
9 related regulatory programs have great potential for reducing
10 the cost of electric utility services to consumers, for
11 encouraging energy conservation and efficient use of existing
12 facilities, and for minimizing the need for expensive new
13 electrical generating and transmission capacity; and

14 WHEREAS, A declining block rate structure prices successive
15 blocks of kilowatt-hour usage at lower per unit prices which
16 does not always accurately reflect the cost of supplying
17 additional electricity; and

1 WHEREAS, Since the unit price is lower as more electricity is
2 consumed, a declining block rate structure encourages additional
3 consumption, contrary to the goal of energy conservation; and

4 WHEREAS, In twenty-four states, state utility commissions
5 have either prohibited or restricted the use of declining block
6 rates in whole or partial recognition of that conservation goal;
7 and

8 WHEREAS, Since 1977, the Pennsylvania Public Utility
9 Commission has been in the forefront in acting to eliminate
10 declining block rate structures whenever such rate structures
11 are not cost justified or conservation oriented; therefore be it

12 RESOLVED (the Senate of Pennsylvania concurring), That the
13 General Assembly commends the Public Utility Commission for its
14 policy toward declining block rate structures and urges the
15 commission to extend this policy Statewide for electric
16 utilities under its ratemaking authority; and be it further

17 RESOLVED, That a copy of this resolution be transmitted to
18 each commissioner of the Public Utility Commission and the
19 National Association of Regulatory Utility Commissioners.