

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1841 Session of
2003

INTRODUCED BY LEWIS, BUNT, PRESTON, ALLEN, BUXTON, CAPPELLI,
J. EVANS, FICHTER, HANNA, HARHART, HERSHEY, MANN, R. MILLER,
ROONEY, SAYLOR, T. STEVENSON AND YOUNGBLOOD, JULY 9, 2003

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JULY 9, 2003

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, providing for recovery of costs
3 related to delivery system improvement and relocation
4 projects designed to enhance system security, reliability,
5 integrity, safety and long-term viability.

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

8 Section 1. Section 1307 of Title 66 of the Pennsylvania
9 Consolidated Statutes is amended by adding a subsection to read:

10 § 1307. Sliding scale of rates; adjustments.

11 * * *

12 (g.2) Recovery of costs related to electric distribution
13 company delivery system improvement and relocation projects
14 designed to enhance system security, reliability, integrity,
15 safety and long-term viability.--

16 (1) An electric distribution company, as defined in
17 section 2803 (relating to definitions), may file a tariff
18 establishing a sliding scale of rates or other mechanism for
19 the automatic adjustment of its rates to provide for recovery

1 of the fixed costs (depreciation and pretax return)
2 associated with nonrevenue-producing delivery system
3 improvement and relocation projects, as approved by the
4 commission, that are completed and placed in service between
5 base rate proceedings. The commission by order shall
6 prescribe the specific procedures to be followed in
7 establishing the automatic rate adjustment mechanism.

8 (2) The commission shall include as part of that order a
9 requirement that the electric distribution company shall not
10 initially establish an automatic rate adjustment mechanism
11 pursuant to this section unless the commission has had an
12 opportunity to review the electric distribution company's
13 rates in a general rate case as set out in section 1308(d)
14 (relating to voluntary changes in rates), filed after the
15 effective date of this section and in accordance with the
16 commission's orders in the electric distribution company's
17 restructuring proceeding under section 2806(d) (relating to
18 implementation, pilot programs and performance-based rates).

19 (3) The total fixed costs recovered through an automatic
20 rate adjustment mechanism established pursuant to this
21 section shall not exceed 5% of the electric distribution
22 company's total intrastate delivery system operating revenue
23 for the previous calendar year.

24 * * *

25 Section 2. This act shall take effect in 60 days.