

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2393 Session of  
2014

INTRODUCED BY KAMPF, MASSER, BARRAR, SANKEY, GINGRICH, COHEN AND  
REED, JUNE 27, 2014

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 27, 2014

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, providing for a program to extend  
3 natural gas delivery to unserved or underserved areas.

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

6 Section 1. Title 66 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 22-A

9 PROGRAM TO EXTEND NATURAL GAS DELIVERY TO UNSERVED OR

10 UNDERSERVED AREAS

11 Sec.

12 2201-A. Petition.

13 2202-A. Program requirements.

14 2203-A. Commission review.

15 § 2201-A. Petition.

16 No later than January 1, 2015, or 60 days after the effective  
17 date of this chapter, whichever is later, each natural gas  
18 distribution company shall file a petition with the commission

1 proposing a pilot or permanent program, including any necessary  
2 tariffs, to extend natural gas distribution service to unserved  
3 or underserved areas within its certificated service territory.

4 § 2202-A. Program requirements.

5 A proposed program shall include:

6 (1) A process for managing and prioritizing customer  
7 requests for extensions of the natural gas distribution  
8 system.

9 (2) A cost-benefit analysis to determine if a customer  
10 contribution is required.

11 (3) A method for determining the amount of a required  
12 customer contribution in aid of construction.

13 (4) A program to enhance the affordability of required  
14 contributions in aid of construction to customers, including  
15 the following provisions:

16 (i) The program shall provide for on-bill financing  
17 for a term of no less than five years.

18 (ii) A customer shall be able to pay a required  
19 customer contribution in full at any time, without  
20 incurring penalties or fees.

21 (iii) The form of financing may include a surcharge,  
22 third-party financing or any other method of recovery  
23 approved by the commission.

24 (5) A provision outlining whether and how refunds or  
25 credits will be provided to customers as other customers  
26 receive service from a completed distribution system  
27 extension project.

28 (6) A provision addressing the treatment and eligibility  
29 of customers participating in a customer assistance program  
30 who request and receive service from a distribution system

1 extension project.

2 (7) A provision addressing situations where a customer  
3 fails to pay a required surcharge or other on-bill financing  
4 mechanism.

5 (8) A customer's natural gas distribution service shall  
6 not be terminated solely for nonpayment of a surcharge or  
7 other on-bill financing mechanism.

8 (9) Any other provisions that will promote economic  
9 distribution system extension to unserved and underserved  
10 areas in a manner that is affordable to customers.

11 § 2203-A. Commission review.

12 The commission:

13 (1) shall review a petition filed pursuant to section  
14 2201-A (relating to petition), after providing notice and an  
15 opportunity to be heard and may approve, disapprove or modify  
16 the filing pursuant to its procedural rules;

17 (2) may establish periodic reporting requirements as  
18 authorized by section 504 (relating to reports by public  
19 utilities) to review the performance and effectiveness of a  
20 program; and

21 (3) shall not require a natural gas distribution company  
22 to extend its distribution system to any area or customer  
23 that does not provide the opportunity to earn a reasonable  
24 return on investment.

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