

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 258

Session of
1985

INTRODUCED BY LLOYD, KUKOVICH, TIGUE, OLIVER, GREENWOOD,
J. L. WRIGHT, HALUSKA, FREEMAN, TRELLO, REBER, LINTON,
AFFLERBACH, CLARK, BLAUM, MORRIS, LUCYK, PERZEL, BELARDI AND
CAWLEY, FEBRUARY 6, 1985

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
MARCH 26, 1985

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, providing for retirement of electric
3 generating units; AND PROVIDING FOR FUEL PURCHASE AUDITS BY
4 RATEPAYER PETITION. <—

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

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

9 § 520. Retirement of electric generating units.

10 (a) Removal from normal operation.--No public utility shall
11 discontinue an electric generating unit from normal operation
12 unless it has petitioned for and obtained the approval of the
13 commission. The commission may, upon its own motion or upon
14 complaint, prohibit a public utility from discontinuing an
15 electric generating unit from normal operation if the commission
16 determines that it would be more cost-effective for the
17 utility's ratepayers if the unit were to remain in normal

1 operation, either with or without capital additions or operating
2 improvements, than if the utility were to implement its plan for
3 replacing the power which the unit is, or could be made, capable
4 of producing.

5 (b) Return to normal operation.--The commission may, upon
6 its own motion or upon complaint, order a public utility to
7 return an electric generating unit to normal operation if the
8 commission determines that it would be more cost-effective for
9 the utility's ratepayers if the unit were to be returned to
10 normal operation, with or without capital additions or operating
11 improvements, than if the utility were to implement its plan for
12 providing the power which the unit is, or could be made, capable
13 of producing.

14 (c) Procedure.--The commission may hold such hearings as it
15 deems necessary in making the determinations required by
16 subsection (a) or (b). The affected public utility shall have
17 the burden of proof in any proceeding pursuant to this section.

18 (d) Regulations.--The commission may adopt such regulations
19 as it deems necessary to carry out its powers and duties under
20 this section.

21 (e) Exclusion.--This section shall not apply to a nuclear
22 generating unit.

23 (f) Definition.--As used in this section the term "normal
24 operation" means the continuing availability of an electric
25 generating unit to meet consumer demand except during:

26 (1) Scheduled outages for repairs, test or other
27 procedures essential to the unit's further use.

28 (2) Unscheduled outages caused by the unit's physical
29 malfunctioning or breakdown.

30 SECTION 2. TITLE 66 IS AMENDED BY ADDING A SECTION TO READ: <—

1 § 1320. FUEL PURCHASE AUDITS BY PETITION.

2 (1) WHENEVER 500 OR MORE RATEPAYERS OF A PUBLIC UTILITY
3 REQUEST THE COMMISSION TO AUDIT THE UTILITY'S PURCHASES OF
4 FUEL FOR GENERATING PURPOSES, THE COMMISSION SHALL CONDUCT AN
5 AUDIT COVERING THE TWO YEARS PRIOR TO THE DATE OF THE
6 PRESENTATION OF THE RATEPAYERS' PETITION, PROVIDED THAT:

7 (I) THE UTILITY DOES ITS OWN TESTING OR PROCURES ITS
8 OWN ANALYSIS OF ITS FUEL.

9 (II) THE NET ENERGY COST OF THE UTILITY FOR THE MOST
10 RECENTLY COMPLETED FISCAL YEAR EXCEEDS THAT OF THE PRIOR
11 FISCAL YEAR BY MORE THAN 5%.

12 (III) THE COMMISSION HAS NOT COMPLETED A FUEL
13 PURCHASE AUDIT OF THE UTILITY IN THE PAST TWO YEARS.

14 (2) THIS AUDIT, WHICH SHALL BE COMPLETED WITHIN ONE YEAR
15 OF THE PRESENTATION OF THE PETITION, SHALL INCLUDE, BUT NOT
16 BE LIMITED TO, A COMPARISON OF UNIT PRICE PAID FOR FUEL FOR
17 GENERATING PURPOSES, CONSIDERING SUCH FACTORS AS ASH, SULFUR
18 CONTENT AND BRITISH THERMAL UNITS.

19 (3) THE AUDIT SHALL SEEK TO DETERMINE WHETHER THE PUBLIC
20 UTILITY'S FUEL PURCHASING PROCEDURES ARE CONDUCTED IN SUCH A
21 MANNER AS TO RESULT IN THE GREATEST BENEFIT TO THE
22 ENVIRONMENT AND THE RATEPAYERS.

23 (4) THE COMMISSION'S AUDIT REPORT SHALL CONTAIN
24 RECOMMENDATIONS AS TO METHODS BY WHICH THE UTILITY'S FUEL
25 PURCHASING PROCEDURES CAN BE ADJUSTED SO AS TO RESULT IN THE
26 GREATEST BENEFIT TO THE RATEPAYERS AND THE ENVIRONMENT.

27 (5) THE COMMISSION SHALL TAKE THE AUDIT REPORT INTO
28 CONSIDERATION AT THE UTILITY'S NEXT REQUEST FOR A RATE
29 ADJUSTMENT.

30 (6) COPIES OF THE AUDIT REPORT SHALL BE MAILED TO EACH

1 OF THE PETITIONERS WHO REQUEST THE AUDIT.

2 Section 2 3. This act shall take effect in 60 days.

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