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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 1780** Session of  
1989

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INTRODUCED BY MRKONIC, BILLOW AND OLASZ, JUNE 28, 1989

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REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 28, 1989

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AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, requiring the approval of the Governor  
3 for rate increases granted to public utilities by the  
4 Pennsylvania Public Utility Commission.

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

7 Section 1. Section 1308(d) of Title 66 of the Pennsylvania  
8 Consolidated Statutes is amended to read:

9 § 1308. Voluntary changes in rates.

10 \* \* \*

11 (d) General rate increases.--Whenever there is filed with  
12 the commission by any public utility described in paragraph  
13 (1)(i), (ii), (vi) or (vii) of the definition of "public  
14 utility" in section 102 (relating to definitions), and such  
15 other public utility as the commission may by rule or regulation  
16 direct, any tariff stating a new rate which constitutes a  
17 general rate increase, the commission shall promptly enter into  
18 an investigation and analysis of said tariff filing and may by

1 order setting forth its reasons therefor, upon complaint or upon  
2 its own motion, upon reasonable notice, enter upon a hearing  
3 concerning the lawfulness of such rate, and the commission may,  
4 at any time by vote of a majority of the members of the  
5 commission serving in accordance with law, [permit such tariff  
6 to become effective, except that absent] send a recommendation  
7 to the Governor permitting the tariff to become effective. If  
8 the Governor returns the recommendation to the commission,  
9 unsigned, within 90 days of the Governor's receipt of the  
10 recommendation, the rate increase may not take effect. If the  
11 Governor signs the recommendation or fails to return it to the  
12 commission, unsigned, within 90 days of the Governor's receipt  
13 of the recommendation, the commission shall order that the  
14 tariff take effect. Absent such order such tariff shall be  
15 suspended for a period not to exceed seven months from the time  
16 such rate would otherwise become effective. Before the  
17 expiration of such seven-month period, a majority of the members  
18 of the commission serving in accordance with law, acting  
19 unanimously, shall, in cases of total approval or disapproval,  
20 make a final decision and order, setting forth its reasons  
21 [therefor, granting or] for denying[, in whole or in part,] the  
22 entire general rate increase requested[.] or make a  
23 recommendation to the Governor approving the entire general rate  
24 increase requested and shall, in cases of partial approval or  
25 disapproval, make a final decision and order, setting forth its  
26 reasons for denying the applicable part of the general rate  
27 increase requested and make a recommendation to the Governor  
28 approving the applicable part of the general rate increase  
29 requested. If the Governor returns the recommendation to the  
30 commission unsigned within 90 days of the Governor's receipt of

1 the recommendation, the tariff may not take effect. If the  
2 Governor signs the recommendation or fails to return it unsigned  
3 within 90 days of the Governor's receipt of the recommendation,  
4 the commission shall order that the tariff take effect. If,  
5 however, such an order has not been made at the expiration of  
6 such seven-month period, the proposed general rate increase  
7 shall go into effect at the end of such period unless the  
8 Governor has timely returned an unsigned recommendation for it  
9 to the commission, but the commission may by order require the  
10 interested public utility to refund, in accordance with section  
11 1312 (relating to refunds), to the persons in whose behalf such  
12 amounts were paid, such portion of such increased rates as by  
13 its decision shall be found not justified, plus interest, which  
14 shall be the average rate of interest specified for residential  
15 mortgage lending by the Secretary of Banking in accordance with  
16 the act of January 30, 1974 (P.L.13, No.6), referred to as the  
17 Loan Interest and Protection Law, during the period or periods  
18 for which the commission orders refunds. The rate in force when  
19 the tariff stating such new rate was filed shall continue in  
20 force during the period of suspension unless the commission  
21 shall grant extraordinary rate relief as prescribed in  
22 subsection (e). The commission shall consider the effect of such  
23 suspension in finally determining and prescribing the rates to  
24 be thereafter charged and collected by such public utility,  
25 except that the commission shall have no authority to prescribe,  
26 determine or fix, at any time during the pendency of a general  
27 rate increase proceeding or prior to a final determination of a  
28 general rate increase request, temporary rates as provided in  
29 section 1310, which rates may provide retroactive increases  
30 through recoupment. As used in this part general rate increase

1 means a tariff filing which affects more than 5% of the  
2 customers and amounts to in excess of 3% of the total gross  
3 annual intrastate operating revenues of the public utility. If  
4 the public utility furnishes two or more types of service, the  
5 foregoing percentages shall be determined only on the basis of  
6 the customers receiving, and the revenues derived from, the type  
7 of service to which the tariff filing pertains.

8 \* \* \*

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