

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2188 Session of 2012

INTRODUCED BY REESE, EVANKOVICH, DUNBAR, BAKER, COX, CREIGHTON,
GEORGE, GOODMAN, GROVE, HARHAI, HENNESSEY, JOSEPHS, LAWRENCE,
MAHER, MALONEY, MURT, O'NEILL, PETRARCA, PICKETT, RAPP,
SWANGER AND TALLMAN, FEBRUARY 8, 2012

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, FEBRUARY 8, 2012

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, further providing for duties of
3 electric distribution companies.

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

6 Section 1. Section 2807(f) of Title 66 of the Pennsylvania
7 Consolidated Statutes is amended by adding a clause to read:

8 § 2807. Duties of electric distribution companies.

9 * * *

10 (f) Smart meter technology and time of use rates.--

11 (1) Within nine months after the effective date of this
12 paragraph, electric distribution companies shall file a smart
13 meter technology procurement and installation plan with the
14 commission for approval. The plan shall describe the smart
15 meter technologies the electric distribution company proposes
16 to install in accordance with paragraph (2).

17 (2) Electric distribution companies shall furnish smart

meter technology as follows:

(i) Upon request from a customer that agrees to pay the cost of the smart meter at the time of the request.

(ii) In new building construction.

(iii) In accordance with a depreciation schedule not to exceed 15 years.

(iv) Customers may request to opt out of receiving smart meter technology under subparagraph (iii) by notifying, in writing, the electric distribution company. Meters for customers who opt out will be replaced according to a useful life depreciation schedule.

(3) Electric distribution companies shall, with customer consent, make available direct meter access and electronic access to customer meter data to third parties, including electric generation suppliers and providers of conservation and load management services.

(4) In no event shall lost or decreased revenues by an electric distribution company due to reduced electricity consumption or shifting energy demand be considered any of the following:

(i) A cost of smart meter technology recoverable under a reconcilable automatic adjustment clause under section 1307(b), except that decreased revenues and reduced energy consumption may be reflected in the revenue and sales data used to calculate rates in a distribution rate base rate proceeding filed under section 1308 (relating to voluntary changes in rates).

(ii) A recoverable cost.

(5) By January 1, 2010, or at the end of the applicable generation rate cap period, whichever is later, a default

1 service provider shall submit to the commission one or more
2 proposed time-of-use rates and real-time price plans. The
3 commission shall approve or modify the time-of-use rates and
4 real-time price plan within six months of submittal. The
5 default service provider shall offer the time-of-use rates
6 and real-time price plan to all customers that have been
7 provided with smart meter technology under paragraph (2)
8 (iii). Residential or commercial customers may elect to
9 participate in time-of-use rates or real-time pricing. The
10 default service provider shall submit an annual report to the
11 price programs and the efficacy of the programs in affecting
12 energy demand and consumption and the effect on wholesale
13 market prices.

14 (6) The provisions of this subsection shall not apply to
15 an electric distribution company with 100,000 or fewer
16 customers.

17 (7) An electric distribution company may recover
18 reasonable and prudent costs of providing smart meter
19 technology under paragraph (2)(ii) and (iii), as determined
20 by the commission. This paragraph includes annual
21 depreciation and capital costs over the life of the smart
22 meter technology and the cost of any system upgrades that the
23 electric distribution company may require to enable the use
24 of the smart meter technology which are incurred after the
25 effective date of this paragraph, less operating and capital
26 cost savings realized by the electric distribution company
27 from the installation and use of the smart meter technology.
28 Smart meter technology shall be deemed to be a new service
29 offered for the first time under section 2804(4)(vi). An
30 electric distribution company may recover smart meter

1 technology costs:

2 (i) through base rates, including a deferral for
3 future base rate recovery of current basis with carrying
4 charge as determined by the commission; or

5 (ii) on a full and current basis through a
6 reconcilable automatic adjustment clause under section
7 1307.

8 * * *

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