

AMENDMENTS TO HOUSE BILL NO. 1294

Sponsor: REPRESENTATIVE DePASQUALE

Printer's No. 2050

1 Amend Bill, page 4, lines 17 through 30, by striking out all
2 of said lines and inserting

3 (d) Commission.--Prior to the filing of any alternative
4 regulatory mechanism by a fixed utility or a city natural gas
5 distribution operation, the commission, by regulation or order,
6 shall:

7 (1) Establish safety and reliability standards and
8 reporting requirements for each type of fixed utility or city
9 natural gas distribution operation. The reporting
10 requirements shall include the identification of the worst
11 performing or most at-risk distribution segments of a
12 utility's or city natural gas distribution operation's
13 distribution systems.

14 (2) Provide for reasonable allocation of costs to the
15 customer class responsible for the costs.

16 (3) For any mechanism authorized by subsection (b) (2) (i)
17 (B):

18 (i) Provide for credits to customer accounts for
19 overcollections and collections for ineligible projects.

20 (ii) Provide for charges to customer accounts for
21 undercollections.

22 (iii) Provide for a cap of 6% of total revenues
23 associated with distribution service on the amount that
24 may be collected from customers.

25 (4) Establish installation standards designed to ensure
26 that the work performed on projects whose costs will be
27 recovered through an alternative regulatory mechanism will be
28 performed in a manner that protects the safety of the public.
29 The installation standards shall require, at a minimum, that:

30 (i) The work performed on projects whose costs will
31 be recovered through an alternative regulatory mechanism
32 shall be performed by qualified employees of the utility
33 or city natural gas distribution operation, unless the
34 utility or city natural gas distribution operation shall
35 first demonstrate to the commission, after notice and an
36 opportunity to be heard is provided to representatives of
37 the utility's or city natural gas distribution
38 operation's employees, that it is not feasible or

1 economical for the work to be performed by the employees.
2 The costs of the work that is not performed by the
3 qualified employees, or for which the commission has not
4 issued a waiver prior to the work being performed, shall
5 not be eligible for recovery through an alternative
6 regulatory mechanism.

7 (ii) For any work on projects whose costs will be
8 recovered through an alternative regulatory mechanism for
9 a natural gas distribution utility or city natural gas
10 distribution operation, the work shall have an inspector
11 from the utility assigned to each job and this inspector
12 shall work the same schedule and hours as the contractor.
13 The cost of the work that is not inspected shall not be
14 eligible for recovery through an alternative regulatory
15 mechanism.

16 (iii) For any work on projects whose costs will be
17 recovered through an alternative regulatory mechanism for
18 a natural gas distribution utility or city natural gas
19 distribution operation, the natural gas distribution
20 utility or city natural gas distribution operation shall
21 ensure that the construction, maintenance and inspection
22 work is performed by individuals who have received
23 operator qualification certification under the
24 requirements and procedures set forth in 49 C.F.R. Pt.
25 192 Subpt. N (relating to qualification of pipeline
26 personnel) or successor requirements and procedures. The
27 costs of the work that is not performed in its entirety
28 by individuals with operator qualification certification
29 shall not be eligible for recovery through an alternative
30 regulatory mechanism.

31 (iv) For any work on projects whose costs will be
32 recovered through an alternative regulatory mechanism,
33 the work that is performed on customers' property,
34 including, but not limited to, work involving customer
35 service lines and meters, shall be performed by qualified
36 employees of the utility or city natural gas distribution
37 operation. The costs of the work on customers' property
38 that is not performed in its entirety by the employees
39 shall not be eligible for recovery through an alternative
40 regulatory mechanism.

41 (5) Provide for a cap on the amount that may be