AN ACT

Amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in restructuring of electric utility industry, further providing for duties of electric distribution companies.

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

Section 1. Section 2807(f) of Title 66 of the Pennsylvania Consolidated Statutes is amended to read:

§ 2807. Duties of electric distribution companies.

* * *

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

(1) [Within nine months after the effective date of this paragraph, electric] Electric distribution companies [shall] may file a smart meter technology procurement and installation plan with the commission for approval. [The plan shall describe the smart meter technologies the electric distribution company proposes to install in accordance with paragraph (2).]
(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. Customers may opt out of receiving smart meter technology under this subparagraph by notifying, in writing, the electric distribution company.

The following shall apply:

(i) The electric distribution company shall provide an opt-out form to consumers upon request and may provide a method for consumers to opt out electronically through the electric distribution company's Internet website.

(ii) The commission shall create and regulate a surcharge for consumers who elect to opt out of receiving smart meter technology under this subparagraph. The surcharge may include a one-time fee and a monthly fee reflective of the actual costs incurred by an electric distribution company to install, read, maintain or service the meters of customers who elect to opt out.

(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[.] and government agencies. Notwithstanding the foregoing, customer consent shall not be required when:

(i) the information is released to comply with a subpoena or order issued by a court or regulatory agency;
(ii) the information is released on a confidential basis in the context of an administrative proceeding involving a customer complaint;

(iii) the information is released in aggregated form; or

(iv) there is an emergency situation involving an imminent threat to public health or safety.

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

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

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

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

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

* * *

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

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