
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 719

Session of
1975

INTRODUCED BY STAPLETON, DWYER, KELLEY, JUBELIRER, HOLL,
AMMERMAN, MANBECK, MYERS, COPPERSMITH, LENTZ, ORLANDO, MOORE,
DUFFIELD, HESS, EWING, MURPHY AND REIBMAN, JUNE 3, 1975

REFERRED TO CONSUMER AFFAIRS, JUNE 3, 1975

AN ACT

1 Regulating retail electric suppliers in certain areas.

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

4 Section 1. Short Title.--This act shall be known and may be
5 cited as the "Retail Electric Supplier Unincorporated Area
6 Certified Territory Act."

7 Section 2. Definitions.--As used in this act:

8 "Association or cooperative corporation" means any
9 association or cooperative corporation doing business pursuant
10 to the act of June 21, 1937 (P.L.1969, No.389), known as the
11 "Electric Cooperative Corporation Act."

12 "Certified territory" means an unincorporated area as
13 certified pursuant to section 4.

14 "Commission" means the Public Utility Commission of
15 Pennsylvania.

16 "Electric consuming facilities" means everything that
17 utilizes electric energy from a central station source.

1 "Existing distribution line" means an electric line of a
2 design voltage of 35,000 volts phase to phase or less which on
3 the effective date of this act (i) is located in an
4 unincorporated area; and (ii) is being or has been used for
5 retail electric service.

6 "Hearing" means a hearing by the commission pursuant to
7 reasonable notice to all affected retail electric suppliers.

8 "Retail electric service" means electric service furnished to
9 a consumer for ultimate consumption, but does not include
10 wholesale electric energy furnished by an electric supplier to
11 another electric supplier for resale.

12 "Retail electric supplier" means any person, firm,
13 corporation, association or cooperative corporation, exclusive
14 of a municipal corporation, engaged in the furnishing of retail
15 electric service.

16 "Unincorporated area" means a geographical area outside the
17 corporate limits of cities and boroughs.

18 Section 3. Geographical Areas.--It is hereby declared to be
19 in the public interest that, to encourage the orderly
20 development of retail electric service in unincorporated areas,
21 to avoid wasteful duplication of distribution facilities, to
22 avoid unnecessary encumbering of the landscape of the
23 Commonwealth of Pennsylvania, to prevent the waste of materials
24 and natural resources, to minimize inconvenience, diminished
25 efficiency and higher costs in serving the consumer, and
26 otherwise for the public convenience and necessity, the
27 Commonwealth is divided into geographical areas, establishing
28 the unincorporated areas within which each retail electric
29 supplier is to provide retail electric service on an exclusive
30 basis.

Section 4. Boundaries of Certified Territories; Hearings.--

(a) Except as otherwise provided in this section, no retail electric supplier shall furnish retail electric service in the certified territory of another retail electric supplier.

(b) Except as otherwise provided in this section, the boundaries of the certified territory of each retail electric supplier in any unincorporated area are hereby set as a line or lines substantially equidistant between its existing distribution lines and the nearest existing distribution lines of any other retail electric supplier in every direction, with the result that there is hereby certified to each retail electric supplier such unincorporated area which in its entirety is located substantially in closer proximity to one of its existing distribution lines than the nearest existing distribution line of any other retail electric supplier.

(c) On or before one year after the effective date of this act, or, when requested in writing by a retail electric supplier and for good cause shown, such further time as the commission may fix by order, each retail electric supplier shall file with the commission a map or maps showing all of its existing distribution lines as of the effective date of this act. The commission shall prepare or cause to be prepared within six months thereafter a map or maps of uniform scale to show, accurately and clearly, the boundaries of the certified territory of each retail electric supplier as established under subsection (b) and shall issue such map or maps of certified territory to each retail electric supplier.

(d) In each unincorporated area, where the commission shall determine that the existing distribution lines of two or more retail electric suppliers are so intertwined or located that

1 subsection (b) cannot reasonably be applied, the commission
2 shall, after hearing, certify the service territory or
3 territories for the retail electric suppliers so as to promote
4 the legislative policy stated in section 3.

5 (e) Each retail electric supplier shall have the right to
6 examine the maps of other retail electric suppliers filed with
7 the commission pursuant to this act; and, if any errors are
8 observed, any retail electric supplier may informally petition
9 the commission for a conference by the affected parties, to
10 resolve the alleged error. The petitioner shall serve a copy of
11 said petition by certified mail on the retail electric supplier
12 whose map is alleged to contain the error. The commission shall
13 arrange a conference as promptly as practicable after receipt of
14 the petition and shall give notice thereof to all retail
15 electric suppliers affected by the alleged error. If said
16 alleged error is not corrected to the satisfaction of any
17 affected retail electric supplier, such supplier may petition
18 the commission for a hearing and such hearing shall be granted
19 by the commission as promptly as practicable. Upon completion by
20 the commission of maps showing the boundaries of the certified
21 territory of each retail electric supplier as established under
22 subsection (b), each retail electric supplier shall have the
23 right to examine all such maps, and if any errors exist in
24 location of boundary lines, any retail electric supplier
25 aggrieved thereby may informally petition the commission for a
26 conference to resolve the issue of the alleged incorrect
27 location of boundary. The procedure shall be as specified above
28 for resolution of alleged errors in the maps supplied by any
29 retail electric supplier.

30 (f) After the initial establishment of the certified

1 territory of each retail electric supplier, two or more retail
2 electric suppliers may, from time to time, jointly apply to the
3 commission for adjustment of their adjoining certified
4 territories and, if the commission shall find that such
5 adjustment is consistent with the purposes of this act and its
6 standards, the commission shall approve such adjustment and, to
7 the extent required, shall prepare or cause to be prepared
8 revised maps in accordance with subsection (c) to reflect such
9 adjustment.

10 Section 5. Obligations and Rights Within Certified
11 Territory; New Electric-Consuming Facilities.--(a) Except as
12 otherwise provided herein, each retail electric supplier shall
13 (upon receipt of an application for such service in accordance
14 with such supplier's tariffs, rules or regulations, or by-laws)
15 be obligated, and shall have the exclusive right, to furnish
16 retail electric service to all electric-consuming facilities
17 located within its certified territory and shall not furnish,
18 make available, render or extend its retail electric service to
19 a consumer for use in electric-consuming facilities located
20 within the certified territory of another retail electric
21 supplier; provided that any retail electric supplier may extend
22 its facilities through the certified territory of another retail
23 electric supplier, if such extension is necessary for such
24 supplier to connect any of its facilities or to serve its
25 consumers within its own certified territory, but any such
26 extension shall not be deemed to be an existing distribution
27 line.

28 (b) Except as provided in subsections (c) and (e) any new
29 electric-consuming facility located in an unincorporated area
30 which has not as yet been included in a map issued by the

1 commission, pursuant to section 4(c), or certified, pursuant to
2 section 4(d), shall be furnished retail electric service by the
3 retail electric supplier which has an existing distribution line
4 in closer proximity to such electric-consuming facility than is
5 the nearest existing distribution line of any other retail
6 electric supplier. Any disputes under this subsection (b) shall
7 be resolved by the commission.

8 (c) If the commission, after hearing, shall determine that
9 the retail electric service being furnished or proposed to be
10 furnished by a retail electric supplier to an electric-consuming
11 facility is inadequate and is not likely to be made adequate,
12 the commission may authorize another retail electric supplier to
13 furnish retail electric service to such facility.

14 (d) Except as provided in subsection (c), no retail electric
15 supplier shall furnish, make available, render or extend retail
16 electric service to any electric-consuming facility to which
17 such service is being lawfully furnished by another retail
18 electric supplier on the effective date of this act, or to which
19 retail electric service is lawfully commenced thereafter in
20 accordance with this section by another retail electric
21 supplier.

22 (e) The provisions of this act shall not preclude any retail
23 electric supplier from extending its service after the effective
24 date of this act to its own property and facilities, but any
25 facilities involved in such extension shall not be deemed an
26 existing distribution line.

27 Section 6. Borderline Service.--Notwithstanding the
28 establishment of certified territories pursuant to this act, and
29 the obligations and rights to furnish service within such
30 territory, a retail electric supplier may request another retail

1 electric supplier to render service to one or more electric-
2 consuming facilities where, in the judgment of the requesting
3 retail electric supplier, it would be more economic or otherwise
4 in the public interest for such other retail electric supplier
5 to do so and to enter into a contract for that purpose with such
6 other retail electric supplier.

7 Section 7. Effect of Incorporation, Annexation or
8 Consolidation.--After the effective date of this act, the
9 inclusion by incorporation, consolidation or annexation of any
10 part of the certified territory of a retail electric supplier
11 within the boundaries of any city or borough shall not in any
12 respect impair or affect the rights of the retail electric
13 supplier to continue and extend electric service at retail
14 throughout any part of its certified territory.

15 Section 8. Enforcement of Compliance by Commission.--Upon
16 proceedings brought by an interested person or by action of the
17 commission, the commission shall have the jurisdiction to
18 enforce compliance with this act, and shall have jurisdiction to
19 prohibit furnishing retail electric service by any retail
20 electric supplier except in its certified territory or
21 territories, or where lawfully serving, and in connection with
22 such enforcement and prohibition to exercise all powers herein
23 or otherwise granted to the commission.

24 Section 9. Municipal Corporations.--Nothing contained in
25 this act shall in any respect affect any of the rights,
26 privileges, or obligations of any municipal corporation
27 furnishing retail electric service.

28 Section 10. Expenses.--The expenses of the commission in
29 administering this act shall be assessed by the commission
30 against the affected retail electric suppliers on the following

1 basis:

2 (1) Such expenses of the commission which relate to the
3 preparation or review of maps to establish the certified
4 territory of a single retail electric supplier in any county, or
5 other area where there is no other retail electric supplier
6 shall be assessed solely to such single retail electric
7 supplier.

8 (2) Such expenses of the commission which relate to the
9 preparation or review of maps to establish the certified
10 territories of two or more retail electric suppliers in any
11 county, or other area where there are two or more retail
12 electric suppliers shall be assessed in equal shares among such
13 retail electric suppliers.

14 (3) Such expenses of the commission which relate to the
15 consideration and disposition of alleged errors pursuant to
16 section 4(e) and the consideration and disposition of proposed
17 adjustments pursuant to section 4(f) shall be assessed in equal
18 shares among the retail electric suppliers affected thereby.

19 (4) Such expenses of the commission which relate to the
20 enforcement by the commission of compliance with this act shall
21 be assessed in equal shares against the retail electric supplier
22 or suppliers to which an order of enforcement is directed. If
23 such enforcement proceedings were initiated by a retail electric
24 supplier or suppliers and if no order of enforcement is issued
25 by the commission, such expenses shall be assessed in equal
26 shares against the retail electric supplier or suppliers
27 initiating such proceedings.

28 (5) Any other such expenses of the commission shall be
29 assessed by the commission in equal shares among the retail
30 electric suppliers that are subject to this act.

1 (6) The commission may, if it deems such action appropriate,
2 assess such expenses on the basis of estimates made by it, with
3 appropriate adjustment or credit after final determination of
4 such expenses.

5 Section 11. Complete in Itself.--This act is complete in
6 itself and shall be controlling. It shall not be a part of any
7 other law in this Commonwealth.

8 Section 12. Effective Date.--This act shall take effect
9 immediately.