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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 2017 Session of 2007

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INTRODUCED BY FREEMAN, ROSS, BENNINGTON, BRENNAN, CALTAGIRONE,  
COHEN, CREIGHTON, DePASQUALE, GEORGE, GINGRICH, HARKINS,  
HENNESSEY, JAMES, JOSEPHS, KORTZ, KULA, MAHONEY, MANDERINO,  
McGEEHAN, McILVAINE SMITH, MELIO, MILNE, MUNDY, M. O'BRIEN,  
PARKER, PASHINSKI, QUINN, RUBLEY, SABATINA, SANTONI, SHIMKUS,  
K. SMITH, TANGRETTI, VITALI, WALKO, WOJNAROSKI AND  
YOUNGBLOOD, NOVEMBER 21, 2007

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
NOVEMBER 21, 2007

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AN ACT

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

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

6 Section 1. Section 2803 of Title 66 of the Pennsylvania  
7 Consolidated Statutes is amended by adding definitions to read:

8 § 2803. Definitions.

9 The following words and phrases when used in this chapter  
10 shall have the meanings given to them in this section unless the  
11 context clearly indicates otherwise:

12 \* \* \*

13 "Real-time price." A rate that directly reflects the  
14 different cost of energy during each hour.

15 \* \* \*

1     "Smart-meter technology." Technology including, but not  
2     limited to, metering technology, capable of bidirectional  
3     communication that records and allows customers to monitor their  
4     electricity usage and electricity prices on an hourly basis and  
5     that supports the automatic control of consumption of  
6     electricity by the customer or the customer's utility on a  
7     voluntary basis.

8     "Time-of-use rate." A rate that reflects the costs of  
9     serving customers during different time periods, including off-  
10    peak and on-peak periods, but not as frequently as each hour.

11     \* \* \*

12     Section 2. Section 2807(e) of Title 66, is amended by adding  
13     a paragraph to read:

14     § 2807. Duties of electric distribution companies.

15     \* \* \*

16     (e) Obligation to serve.--An electric distribution company's  
17     obligation to provide electric service following implementation  
18     of restructuring and the choice of alternative generation by a  
19     customer is revised as follows:

20     \* \* \*

21     (6) (i) Within six months of the effective date of this  
22     paragraph, electric distribution companies shall file a  
23     smart meter procurement and installation plan with the  
24     commission and make the plan available for public comment  
25     for a minimum of 30 days. The plan shall describe the  
26     smart metering technologies the electric distribution  
27     company proposes to install, the manner in which the  
28     smart meters meet the requirements of this paragraph, and  
29     that smart meters will be installed according to this  
30     paragraph. Within 60 days of the close of the public

comment period, the electric distribution company shall provide a written public response to the comments and amend the plan as it deems appropriate. Commission approval of the plan is not required.

(ii) Electric distribution companies shall furnish 40% of their customers with smart meter technology within three years after the effective date of this paragraph, 80% of their customers with smart meter technology within six years after the effective date of this paragraph and 100% of its customers with smart meter technology within nine years after the effective date of this paragraph.

(iii) Electric distribution companies shall have a right to recover all costs associated with the development, management, financing, implementation, provision, operation and evaluation of time-of-use rates, real-time pricing, metering and associated technology and systems under this section, less all operating and capital cost savings to the electric distribution company from the introduction and use of the smart meters.

Electric distribution companies may recover the costs of smart meters through a base rate proceeding or may either defer for future recovery, with carrying charges equal to 6% or recover through a reconcilable automatic adjustment clause under section 1307 (relating to sliding scale of rates; adjustments), the net costs of such technologies.

(iv) If the electric distribution company elects to defer costs or to recover costs under a reconcilable automatic adjustment clause under subparagraph (iii), the electric distribution company must file a base rate case under section 1308 (relating to voluntary changes in

1 rates) within three years of the commencement of such  
2 deferral or cost recovery. All costs and benefits of  
3 these technologies shall be reflected in the base rate  
4 case on a prospective basis.

5 (v) By January 1, 2010, or at the end of the  
6 applicable generation rate cap period, whichever is  
7 later, a default service provider shall submit to the  
8 commission one or more proposed time-of-use rates and a  
9 real-time price plan. The commission shall approve or  
10 modify the time-of-use rates and real-time price plan  
11 within six months of submittal. The default service  
12 provider shall offer commission approved time-of-use  
13 rates and a real-time price plan to all residential and  
14 commercial customers that have been provided with smart  
15 meters within 60 days of installation of the smart meter  
16 or commission approval of the time-of-use rates and a  
17 real-time price plan, whichever is later. Customer  
18 participation in time-of-use rates or real-time pricing  
19 shall be voluntary. The default service provider shall  
20 submit an annual report to the commission on the  
21 participation in the time-of-use and real-time price  
22 programs and the efficacy of the programs in affecting  
23 energy demand and consumption and the effect on wholesale  
24 market prices.

25 Section 3. This act shall take effect in 60 days.