

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE RESOLUTION

No. 506 Session of  
2007

INTRODUCED BY GEORGE, ARGALL, BELFANTI, BENNINGTON, BRENNAN,  
CALTAGIRONE, COHEN, GIBBONS, GOODMAN, GRUCELA, HARHAI,  
HARKINS, HERSHEY, JOSEPHS, W. KELLER, MAHONEY, MANDERINO,  
MELIO, MUNDY, MYERS, M. O'BRIEN, PARKER, PETRARCA, PETRONE,  
RUBLEY, SCHRODER, SHIMKUS, K. SMITH, SOLOBAY, SURRA,  
TANGRETTI, J. TAYLOR, WALKO, WOJNAROSKI, YOUNGBLOOD,  
YUDICHAK, J. WHITE, HORNAMAN, THOMAS AND JAMES,  
NOVEMBER 14, 2007

AS AMENDED, HOUSE OF REPRESENTATIVES, JANUARY 16, 2008

## A RESOLUTION

1 Urging the Department of Environmental Protection and the  
2 Pennsylvania Public Utility Commission to exercise due  
3 diligence on behalf of the Commonwealth's energy consumers by  
4 identifying and evaluating measures taken in other states to  
5 manage the transition from electricity rate caps to no rate  
6 caps and minimize its impact upon the individual residential  
7 consumer, to make written suggestions on how certain laws may  
8 be changed to reduce the incidence of rate shock and the  
9 impact of rate shock and to submit the suggestions to the  
10 Chief Clerk for distribution among members of the House of  
11 Representatives.

12 WHEREAS, More than ten years ago, several commissioners of  
13 the Pennsylvania Public Utility Commission, ENERGY INDUSTRY <—  
14 REPRESENTATIVES AND VARIOUS PUBLIC AGENCIES actively lobbied  
15 members of the House of Representatives to vote for electricity  
16 deregulation; and

17 WHEREAS, Desiring to foster competition among utility  
18 providers and expand consumer choice, the Commonwealth  
19 deregulated the electricity industry in December 1996; and

1       WHEREAS, To date, ~~not only has~~ commercial and residential       <—  
2   competition ~~not taken place, it is highly unlikely that~~ HAS YET       <—  
3   TO MEET SATISFACTORY LEVELS AND IT IS UNCLEAR WHETHER market  
4   forces will ever be such that competition manifests itself in  
5   the near future; and  
6       WHEREAS, According to the chairman of the commission's recent  
7   testimony, the commission's preferred approach to handling  
8   energy costs when rate caps expire is to allow the various  
9   utilities to obtain energy at the "prevailing market rates"; and  
10       WHEREAS, This ~~profit maximizing,~~ free-market approach has       <—  
11   already resulted in up to 70% rate increases in some states and  
12   even higher rate increases for smaller utilities in this  
13   Commonwealth; and  
14       WHEREAS, Commissioners have been quoted in the press stating,  
15   ostensibly, that their hands are tied, and therefore, they will  
16   be unable to exact much change in the commission's future  
17   actions when rate caps lapse in 2009 and 2010 because they will  
18   simply be carrying out the intent of the General Assembly  
19   through the Electricity Generation Customer Choice and  
20   Competition Act; and  
21       WHEREAS, In her testimony on October 3, 2007, to the House  
22   Committee on Environmental Resources and Energy, the Secretary  
23   of Environmental Protection stated that in Pike County there was  
24   a 130% increase in electricity costs overnight when their rate  
25   caps expired; and  
26       WHEREAS, Looking outside of this Commonwealth to the  
27   neighboring states of Delaware and Maryland, the price of their  
28   electricity increased 59% and 72%, respectively, when their rate  
29   caps expired recently; and  
30       ~~WHEREAS, When electricity rate caps expire in 2009 and 2010,~~       <—

1 ~~the citizens of this Commonwealth are sure to fall victim to the~~  
2 ~~crippling rate hikes that will inevitably result; and~~

3 WHEREAS, As the Secretary of Environmental Protection has  
4 said, "The clock is now ticking very loudly"; and

5 WHEREAS, Other states have started to address this impending  
6 crisis, and it is time that Pennsylvania take similar action;  
7 and

8 WHEREAS, Much to the dismay of consumers in this  
9 Commonwealth, the commission seems to be ignoring the current  
10 national trend in state legislatures against deregulation; and

11 WHEREAS, The commissioners have failed to provide  
12 constructive comments to the General Assembly on how to combat  
13 impending rate hikes and the inevitable financial and economic  
14 disruption that will result; therefore be it

15 RESOLVED, That the House of Representatives urge the  
16 Department of Environmental Protection and the Pennsylvania  
17 Public Utility Commission to exercise due diligence on behalf of  
18 this Commonwealth's energy consumers by identifying and  
19 evaluating measures taken in other states to manage the  
20 transition from electricity rate caps to no rate caps and  
21 minimize its impact upon the individual residential consumer, to  
22 make written suggestions on how certain laws may be changed to  
23 reduce the incidence of rate shock and the impact of rate shock  
24 and to submit the suggestions to the Chief Clerk for  
25 distribution among members of the House of Representatives.