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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1566 Session of  
2017

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INTRODUCED BY REESE, BOBACK, V. BROWN, DOWLING, DUNBAR, EMRICK,  
GABLER, GILLEN, GROVE, PHILLIPS-HILL, JAMES, KAUFFMAN,  
LAWRENCE, MARSHALL, METCALFE, B. MILLER, ORTITAY, PICKETT,  
SACCONE, STAATS, WALSH AND WARNER, JUNE 16, 2017

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REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 16, 2017

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AN ACT

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

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

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

9 § 2807. Duties of electric distribution companies.

10 \* \* \*

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

12 (1) [Within nine months after the effective date of this  
13 paragraph, electric] Electric distribution companies [shall]  
14 may file a smart meter technology procurement and  
15 installation plan with the commission for approval. [The plan  
16 shall describe the smart meter technologies the electric  
17 distribution company proposes to install in accordance with  
18 paragraph (2).]

1 (2) Electric distribution companies shall furnish smart  
2 meter technology as follows:

3 (i) Upon request from a customer that agrees to pay  
4 the cost of the smart meter at the time of the request.

5 (ii) In new building construction.

6 (iii) In accordance with a depreciation schedule not  
7 to exceed 15 years.] Customers may opt out of receiving

8 smart meter technology under this subparagraph by

9 notifying, in writing, the electric distribution company.

10 The following shall apply:

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

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

22 (3) (i) Electric distribution companies shall, with  
23 customer consent, make available direct meter access and  
24 electronic access to customer meter data to third  
25 parties, including electric generation suppliers [and],  
26 providers of conservation and load management services[.]  
27 and government agencies.

28 (ii) Notwithstanding subparagraph (i), customer  
29 consent shall not be required when:

30 (A) the information is released to comply with a

1           subpoena or order issued by a court or regulatory  
2           agency;

3           (B) the information is released on a  
4           confidential basis in the context of an  
5           administrative proceeding involving a customer  
6           complaint;

7           (C) the information is released in aggregated  
8           form; or

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

11          (4) In no event shall lost or decreased revenues by an  
12          electric distribution company due to reduced electricity  
13          consumption or shifting energy demand be considered any of  
14          the following:

15                 (i) A cost of smart meter technology recoverable  
16                 under a reconcilable automatic adjustment clause under  
17                 section 1307(b), except that decreased revenues and  
18                 reduced energy consumption may be reflected in the  
19                 revenue and sales data used to calculate rates in a  
20                 distribution rate base rate proceeding filed under  
21                 section 1308 (relating to voluntary changes in rates).

22                 (ii) A recoverable cost.

23          (5) [By January 1, 2010, or at the end of the applicable  
24          generation rate cap period, whichever is later, a] A default  
25          service provider [shall] may submit to the commission one or  
26          more proposed time-of-use rates and real-time price plans.  
27          The commission shall approve or modify the time-of-use rates  
28          and real-time price plan within six months of submittal. The  
29          default service provider [shall] may offer the time-of-use  
30          rates and real-time price plan to all customers that have

1 been provided with smart meter technology [under paragraph  
2 (2)(iii)]. Residential or commercial customers may elect to  
3 participate in time-of-use rates or real-time pricing. [The  
4 default service provider shall submit an annual report to the  
5 price programs and the efficacy of the programs in affecting  
6 energy demand and consumption and the effect on wholesale  
7 market prices.

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

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

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

29 (ii) on a full and current basis through a  
30 reconcilable automatic adjustment clause under section

1           1307].

2           \* \* \*

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