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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 2470** Session of  
1984

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INTRODUCED BY FREEMAN, GRUPPO, RYBAK AND KOWALYSHYN,  
SEPTEMBER 19, 1984

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REFERRED TO COMMITTEE ON CONSERVATION, SEPTEMBER 19, 1984

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AN ACT

1 Establishing the authority of the Department of Environmental  
2 Resources to enter into an agreement with the Chain Dam  
3 Hydroelectric Associates, a private developer, to lease the  
4 State-owned facility, known as the Chain Dam, located in  
5 Palmer Township (near the City of Easton) in Northampton  
6 County on the Lehigh River.

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

9 Section 1. Short title.

10 This act shall be known and may be cited as the Chain Dam  
11 Hydroelectric Facility Leasing Act.

12 Section 2. Declaration of policy.

13 Because the Commonwealth currently is holding an exemption  
14 from the Federal Energy Regulatory Commission, which will expire  
15 before much broader legislation can be enacted, it is imperative  
16 that the Department of Environmental Resources be authorized to  
17 lease the hydroelectric facility located at Chain Dam on the  
18 Lehigh River to the Chain Dam Hydroelectric Associates, which  
19 currently holds an option on the site.

1 Section 3. Definitions.

2 The following words and phrases when used in this act shall  
3 have the meanings given to them in this section unless the  
4 context clearly indicates otherwise:

5 "Associates." The Chain Dam Hydroelectric Associates, a  
6 limited partnership, formed to develop this site.

7 "Department." The Department of Environmental Resources.

8 "Hydroelectric facility." The hydroelectric facility located  
9 at the Chain Dam, located in Northampton County on the Lehigh  
10 River.

11 Section 4. Leasing of hydroelectric facilities by the  
12 department.

13 (a) General policy.--The development and operation of  
14 hydroelectric facilities, using land of the Commonwealth, should  
15 be authorized and encouraged where the department determines  
16 that the hydroelectric facilities can be constructed and  
17 operated in a manner compatible with the other authorized public  
18 uses and purposes of the lands, waters, dams and other  
19 facilities being utilized.

20 (b) Authority of department to lease.--The department shall  
21 be authorized to grant a required franchise right, required  
22 license, right-of-way or lease for the lands, water rights or  
23 facilities of Chain Dam that are under the control of the  
24 Commonwealth to the associates for the purpose of developing or  
25 operating the facilities, upon terms that may be considered  
26 reasonable and are in the public interest. A right granted under  
27 this subsection shall last no more than 50 years.

28 (c) Collections and deposit of charges, royalties, lease  
29 payments, etc.--All charges, royalties, lease payments and other  
30 revenues collected under the provisions of this section shall be

1 paid into the State Treasury and shall be deposited in a  
2 restricted revenue account known as the Hydroelectric Resources  
3 Account. Funds deposited in this account shall be used solely  
4 for the planning, development, operation, maintenance, repair  
5 and restoration of State dams and related facilities, the  
6 repayment of Commonwealth bonds associated with the financing of  
7 hydroelectric facilities and the reacquisition of hydroelectric  
8 facilities at State dams following the expiration of leases for  
9 development and operation of these facilities. The deposited  
10 funds are hereby appropriated for these purposes.

11 Section 5. Effective date.

12 This act shall take effect immediately.