
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1475 Session of
1996

INTRODUCED BY BRIGHTBILL, HELFRICK, HART AND SCHWARTZ,
APRIL 4, 1996

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
APRIL 4, 1996

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, further providing for definitions; and
3 providing for restructuring of the electric utility industry.

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

6 Section 1. The definition of "public utility" in section 102
7 of Title 66 of the Pennsylvania Consolidated Statutes is amended
8 to read:

9 § 102. Definitions.

10 Subject to additional definitions contained in subsequent
11 provisions of this part which are applicable to specific
12 provisions of this part, the following words and phrases when
13 used in this part shall have, unless the context clearly
14 indicates otherwise, the meanings given to them in this section:

15 * * *

16 "Public utility."

17 (1) Any person or corporations now or hereafter owning
18 or operating in this Commonwealth equipment or facilities

1 for:

2 (i) Producing, [generating,] transmitting,
3 distributing or furnishing natural or artificial gas,
4 electricity, or steam for the production of light,
5 heat[,] or power to or for the public for compensation.

6 (ii) Diverting, developing, pumping, impounding,
7 distributing[,] or furnishing water to or for the public
8 for compensation.

9 (iii) Transporting passengers or property as a
10 common carrier.

11 (iv) Use as a canal, turnpike, tunnel, bridge,
12 wharf[,] and the like for the public for compensation.

13 (v) Transporting or conveying natural or artificial
14 gas, crude oil, gasoline, or petroleum products,
15 materials for refrigeration, or oxygen or nitrogen, or
16 other fluid substance, by pipeline or conduit, for the
17 public for compensation.

18 (vi) Conveying or transmitting messages or
19 communications, except as set forth in paragraph (2)(iv),
20 by telephone or telegraph or domestic public land mobile
21 radio service including, but not limited to, point-to-
22 point microwave radio service for the public for
23 compensation.

24 (vii) Sewage collection, treatment[,] or disposal
25 for the public for compensation.

26 (2) The term ["public utility"] does not include:

27 (i) Any person or corporation, not otherwise a
28 public utility, who or which furnishes service only to
29 himself or itself.

30 (ii) Any bona fide cooperative association which

1 furnishes service only to its stockholders or members on
2 a nonprofit basis.

3 (iii) Any producer of natural gas not engaged in
4 distributing such gas directly to the public for
5 compensation.

6 (iv) Any person or corporation, not otherwise a
7 public utility, who or which furnishes mobile domestic
8 cellular radio telecommunications service.

9 (3) For the purposes of sections 2702 (relating to
10 construction, relocation, suspension and abolition of
11 crossings), 2703 (relating to ejection in crossing cases)
12 and 2704 (relating to compensation for damages occasioned by
13 construction, relocation or abolition of crossings) and those
14 portions of sections 1501 (relating to character of service
15 and facilities), 1505 (relating to proper service and
16 facilities established on complaint) and 1508 (relating to
17 reports of accidents), as those sections or portions thereof
18 relate to safety only, a municipal authority or
19 transportation authority organized under the laws of this
20 Commonwealth shall be considered a public utility when it
21 owns or operates, for the carriage of passengers or goods by
22 rail, a line of railroad composed of lines formerly owned or
23 operated by the Pennsylvania Railroad, the Penn-Central
24 Transportation Company, the Reading Company or the
25 Consolidated Rail Corporation.

26 * * *

27 Section 2. Title 66 is amended by adding a chapter to read:

28 CHAPTER 32

29 RESTRUCTURING OF ELECTRIC UTILITY INDUSTRY

30 Sec.

- 1 3201. Short title of chapter.
2 3202. Declaration of policy.
3 3203. Definitions.
4 3204. Standards for restructuring of electric industry.
5 3205. Regionalism and reciprocity.
6 3206. Implementation and timetable.
7 3207. Duties of electric distribution companies.
8 3208. Competitive transition charge.
9 3209. Requirements for electric suppliers.
10 3210. Relation to utilities gross receipts tax.

11 § 3201. Short title of chapter.

12 This chapter shall be known and may be cited as the
13 Electricity Generation Customer Choice and Competition Act.

14 § 3202. Declaration of policy.

15 (a) Legislative findings.--The General Assembly finds that:

16 (1) Over the past 20 years, the Federal Government and
17 State government have introduced competition in several
18 industries that previously had been regulated as natural
19 monopolies.

20 (2) The Federal Government and many state governments
21 are implementing or studying policies that would create a
22 competitive market for the generation of electricity.

23 (3) Because of advances in electric generation
24 technology and Federal initiatives to encourage greater
25 competition in the wholesale electric market, the General
26 Assembly finds that it is now in the public interest to
27 permit retail customers to obtain access to a competitive
28 generation market.

29 (4) Rates for electricity in this Commonwealth are on
30 average higher than the national average, and significant

1 differences exist among the rates of Pennsylvania electric
2 utilities.

3 (5) Competitive market forces are more effective than
4 economic regulation in controlling the cost of generating
5 electricity.

6 (6) The cost of electricity is an important factor in
7 decisions made by businesses concerning locating, expanding
8 and retaining facilities in this Commonwealth.

9 (7) This Commonwealth must begin the transition from
10 regulation to greater competition in the electricity
11 generation market to benefit all classes of customers and to
12 protect this Commonwealth's ability to compete in the
13 national and international marketplace for industry and jobs.

14 (8) In moving toward greater competition in the
15 electricity generation market, this Commonwealth must resolve
16 certain transitional issues in a manner that is fair to
17 customers, electric utilities, investors, nonutility
18 generators of electricity and other affected parties.

19 (b) Legislative purpose.--

20 (1) The purpose of this chapter is to modify existing
21 legislation and regulations and to establish standards and
22 procedures in order to create direct access by retail
23 customers to the competitive market for the generation of
24 electricity.

25 (2) Under current law and regulation there is some
26 competition in the wholesale market for the generation of
27 electricity, but the generation, transmission, distribution
28 and retail sale of electricity generally is provided by
29 public utilities under bundled rates regulated by the
30 commission. The procedures established under this chapter

1 provide for a fair and orderly transition from the current
2 regulated structure to a structure under which retail
3 customers will have access to a competitive market for the
4 generation and sale of electricity.

5 (3) By this chapter, the General Assembly will require
6 electric utilities to unbundle their rates and services and
7 provide open access over their transmission and distribution
8 systems to allow competitive suppliers to generate and sell
9 electricity directly to consumers in this Commonwealth. The
10 generation of electricity will no longer be regulated as a
11 public utility function. However, electric suppliers will be
12 required to obtain licenses, demonstrate financial
13 responsibility and comply with such other requirements
14 concerning service and rates as the commission deems
15 necessary for the protection of the public.

16 (4) In establishing the standards for the transition to
17 and creation of a competitive electric market, the General
18 Assembly recognizes that heretofore public utilities
19 generally have had an obligation to serve customers within
20 their defined service territories and, consistent with that
21 obligation, have undertaken long-term investments in
22 generation, transmission and distribution facilities in order
23 to meet the needs of their customers and have entered into
24 long-term power supply agreements as required by Federal law.
25 In many instances, these investments and agreements have
26 created costs which will not be recoverable in a competitive
27 market. It is the intent of the General Assembly to empower
28 the commission to determine the level of such costs for each
29 electric utility and to provide a mechanism, the competitive
30 transition charge, for recovery of an appropriate amount of

1 such costs in accordance with the standards established in
2 this chapter.

3 (5) The General Assembly finds that it is in the public
4 interest for the transmission and distribution of electricity
5 to continue to be regulated as a natural monopoly subject to
6 the jurisdiction and active supervision of the commission.
7 The General Assembly further finds that electric distribution
8 companies should continue to be the provider of last resort
9 in order to assure the availability of universal electric
10 service in this Commonwealth.

11 (6) The General Assembly also recognizes that there are
12 certain costs, including programs for low-income assistance,
13 energy conservation and others, which have been implemented
14 and supported by public utilities' bundled rates. It is the
15 intent of the General Assembly to allow the continuation of
16 such programs and permit recovery of these costs through a
17 universal service and energy conservation charge.

18 § 3203. Definitions.

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

22 "Competitive transition charge." A nonbypassable charge
23 applied to the bill of every end-use customer accessing the
24 electric transmission and distribution network which is designed
25 to recover an electric utility's transition costs as determined
26 by the commission.

27 "Direct access." The right of all generators of electricity
28 and all end-use customers to utilize and interconnect with the
29 electric transmission and distribution system on a
30 nondiscriminatory basis to transport electricity from any

1 generator of electricity to any end-use customer.

2 "Electric distribution company." The public utility
3 providing facilities for the transmission and distribution of
4 electricity to retail customers.

5 "Electric supplier." A person or corporation, including
6 municipal corporations and cooperative associations, which sells
7 to end-use customers electricity or related services utilizing
8 the transmission or distribution facilities of a public utility
9 or which purchases, brokers, arranges or markets electricity or
10 related services for sale to end-use customers utilizing the
11 transmission and distribution facilities of an electric
12 distribution company.

13 "Transition costs." Net costs related to generation and the
14 undepreciated portion of investments related to the generation
15 or supply of electricity, including associated deferred income
16 taxes, which are recorded on an electric utility's books as of
17 the end of the last full calendar year quarter immediately
18 preceding the effective date of this chapter, but which would
19 not be recoverable in a competitive generation market.

20 Transition costs shall not include any amounts previously
21 disallowed by the Pennsylvania Public Utility Commission as
22 imprudently incurred or any amounts disallowed by the
23 Pennsylvania Public Utility Commission in the electric utility's
24 most recent base rate proceeding because assets were not used
25 and useful.

26 "Transmission and distribution costs." All costs directly or
27 indirectly incurred to provide transmission and distribution
28 services to customers. Such costs shall include, but not be
29 limited to, the return of and return on facilities and other
30 capital investments necessary to provide transmission and

1 distribution services and associated operating expenses,
2 including applicable taxes.

3 "Universal service and energy conservation costs." The costs
4 incurred by a public utility for programs for low-income or
5 payment-troubled customers and for energy conservation and
6 demand-side management programs.

7 § 3204. Standards for restructuring of electric industry.

8 The following interdependent standards shall govern the
9 commission's assessment and approval of each public utility's
10 restructuring plan, oversight of the transition process and
11 regulation of the restructured electric utility industry:

12 (1) The commission shall ensure continuation of reliable
13 electric service to all consumers in the Commonwealth,
14 including, but not limited to, maintenance of adequate
15 reserve margins by electric suppliers.

16 (2) The commission shall allow customers to choose among
17 electric suppliers in a competitive generation market through
18 direct access. Customers should be able to choose among
19 alternatives such as firm and interruptible service, flexible
20 pricing and generation sources, including reasonable and fair
21 opportunities to self-generate and interconnect. These
22 alternatives may be provided by different electric suppliers.

23 (3) The commission shall require the unbundling of
24 electric utility tariffs and customer bills to separate the
25 charges for generation, transmission and distribution and
26 other services.

27 (4) During the period of up to ten years in which the
28 competitive transition charge will be in effect under section
29 3208(b), (relating to competitive transition charge) the
30 total of a customer's unbundled charges, including the

1 competitive transition charge and the universal service and
2 energy conservation charge, shall not exceed the total
3 bundled charges that the customer was subject to on the
4 effective date of this chapter.

5 (5) The commission may permit, but shall not require, an
6 electric utility to divest facilities or reorganize its
7 corporate structure.

8 (6) The commission shall require nondiscriminatory open
9 access to the transmission and distribution system to enable
10 customers to choose among alternative electric suppliers.

11 (7) The commission shall require that restructuring of
12 the electric utility industry be implemented in a manner that
13 does not unreasonably discriminate against one customer class
14 to the benefit of another.

15 (8) The commission shall establish for each electric
16 utility a competitive transition charge which is designed to
17 recover transition costs as defined under this chapter.

18 (9) The commission shall establish for each electric
19 utility a universal service and energy conservation charge
20 which is designed to recover the electric utility's universal
21 service and energy conservation costs over the life of these
22 programs.

23 (10) The commission shall establish rates for
24 transmission and distribution services in accordance with
25 Chapter 13 (relating to rates and rate making).

26 § 3205. Regionalism and reciprocity.

27 (a) Regionalism and reciprocity with other states.--The
28 commission shall take all necessary and appropriate steps to
29 reform interstate power pools to enhance competition and to
30 complement industry restructuring on a regional basis. The

1 Commonwealth, the commission and Pennsylvania electric utilities
2 shall work with the Federal Government, other states in the
3 region and interstate power pools to accomplish the goals of
4 restructuring and to establish independent system operators to
5 operate the transmission system and interstate power pools. The
6 commission may delay its design and implementation of electric
7 utility restructuring to the extent that the commission is
8 unable, in conjunction with the parties listed above, to reform
9 interstate power pools and establish independent system
10 operators. In order to assure that generators of electricity in
11 this Commonwealth are not disadvantaged by allowing open access
12 to electricity consumers in this Commonwealth, the commission
13 may preclude electric suppliers from selling electricity
14 generated in other states to end-use customers in this
15 Commonwealth unless the other states provide comparable open
16 access to end-use customers located in the other states for
17 generators located in this Commonwealth.

18 (b) Reciprocity with electric cooperatives, municipalities
19 and other electric suppliers.--

20 (1) In order to make the benefits of competition in the
21 generation and sale of electricity as widely available as
22 possible to retail customers and to provide open, fair and
23 nondiscriminatory access to all electric suppliers:

24 (i) No electric cooperative or municipality which
25 distributes electricity to end-use customers may utilize
26 the transmission or distribution system of an electric
27 utility regulated by the commission for the purpose of
28 supplying electricity to an end-use customer unless such
29 electric cooperative or municipality provides open and
30 nondiscriminatory access and allows other electric

1 suppliers to utilize its facilities, including any
2 facilities it is entitled to provide to third parties
3 pursuant to contract, to make sales to the end-use
4 customers it serves.

5 (ii) The commission shall require any electric
6 cooperative or municipality seeking a license to operate
7 as an electric supplier to provide open and
8 nondiscriminatory access to its transmission and
9 distribution facilities as a condition to the granting of
10 such license.

11 (2) No electric utility regulated by the commission and
12 no affiliate of such electric utility may use the
13 distribution system of another electric utility regulated by
14 the commission or make sales to end-users in another electric
15 utility's service territory, unless the commission has
16 approved a restructuring plan for the supplying electric
17 utility which provides for customer choice comparable to the
18 customer choice provided under the approved plan of the
19 electric utility operating the distribution system in the
20 location where the supplying electric utility seeks to sell
21 electricity to an end-user.

22 § 3206. Implementation and timetable.

23 (a) General rule.--As of January 1, 1999, the generation of
24 electricity shall no longer be regulated as a public utility
25 function, and as of that date all customers of electric
26 distribution companies in this Commonwealth shall have the
27 opportunity to purchase electricity from their choice of
28 electric supplier.

29 (b) Filing of restructuring plans.--All electric utilities
30 in this Commonwealth shall submit to the commission, pursuant to

1 a schedule to be determined by the commission, a restructuring
2 plan to implement retail customer access to a competitive market
3 for the generation of electricity.

4 (c) Contents of restructuring plans.--Such restructuring
5 plans shall include unbundled rates for transmission,
6 distribution and ancillary services; a proposed competitive
7 transition charge; a proposed universal service and energy
8 conservation charge; procedures for assuring open access to all
9 licensed electric suppliers; a timetable for phasing in choice
10 to all customers; and revised tariffs and rate schedules
11 implementing the above.

12 (d) Commission review.--The commission shall review the
13 restructuring plan filed by each electric utility and shall
14 issue an order accepting, modifying or rejecting such plan at
15 the earliest date possible, but no later than 12 months from the
16 filing of such restructuring plan. If the commission rejects a
17 restructuring plan, it shall state the specific reasons for
18 rejection and direct the electric utility to file an alternative
19 plan addressing these objections within 30 days. The commission
20 shall review the alternative plan and issue a final order within
21 60 days.

22 § 3207. Duties of electric distribution companies.

23 (a) General rule.--It shall be the duty of each electric
24 distribution company to maintain the integrity of the
25 distribution system in a manner sufficient to provide service to
26 all customers connected to such system consistent with the
27 standards set forth in section 1501 (relating to character of
28 service and facilities). In performing such duties, the electric
29 distribution company shall implement procedures to require all
30 electric suppliers to deliver energy to the electric

1 distribution company at locations and in amounts which are
2 adequate to meet the energy supplier's obligations to its
3 customers. The electric distribution company may require that
4 the customer install, at the customer's expense, enhanced
5 metering capability sufficient to match the energy delivered by
6 the electric suppliers with consumption by the customer.

7 (b) Procedures for review by the commission.--There shall be
8 a rebuttable presumption that the electric distribution company
9 has the ability to receive energy at all points on its system
10 sufficient to meet the needs of all electric suppliers'
11 customers on its system, provided, however, that the electric
12 distribution company shall not have an obligation to install
13 nonstandard facilities, either as to type or location, for the
14 purpose of receiving energy from the energy supplier unless the
15 energy supplier or its customer pays the full cost of such
16 facilities. Nothing in this chapter shall prevent the electric
17 distribution company from upgrading its system to meet changing
18 customer requirements consistent with the requirements of
19 section 1501, and the commission may establish incentive
20 programs to encourage such system upgrades. Disputes concerning
21 facilities shall be subject to the jurisdiction of the
22 commission and may be initiated by the filing of a complaint
23 under section 701 (relating to complaints) by the electric
24 supplier or the customer.

25 (c) Customer billing.--Subject to the right of an end-use
26 customer to choose to receive separate bills, the electric
27 distribution company may, at its option, be responsible for
28 billing customers for all electric services regardless of the
29 identity of the provider of those services.

30 (1) Customer bills shall contain unbundled charges

1 sufficient to enable the customer to determine the basis for
2 those charges.

3 (2) If services are provided by an entity other than the
4 electric distribution company, the entity that provides those
5 services shall furnish to the electric distribution company
6 billing data sufficient to enable the electric distribution
7 company to bill customers.

8 (3) The electric distribution company shall not be
9 required to forward payment to entities providing services to
10 customers, and on whose behalf the electric distribution
11 company is billing those customers, before the electric
12 distribution company has received payment for those services
13 from customers.

14 (d) Obligation to serve.--An electric distribution company's
15 obligation to provide electric service following implementation
16 of restructuring is revised as follows:

17 (1) For customers who choose to continue purchasing all
18 aspects of their electric service from the electric
19 distribution company, the company shall be obligated to
20 continue providing this level of service to such customers.

21 (2) For customers who choose to purchase their supply of
22 electricity from a supplier other than the electric
23 distribution company, the electric distribution company shall
24 no longer have an obligation to provide such customers with a
25 supply of electricity if the customers later seek to again
26 purchase supply from the electric distribution company,
27 provided, however, that the electric distribution company
28 shall not unreasonably discriminate against such customers
29 compared to how the electric distribution company would treat
30 a new customer in similar circumstances.

1 § 3208. Competitive transition charge.

2 (a) General rule.--To provide each electric utility with an
3 opportunity to recover its transition costs following the
4 commission's determination under subsection (c), every customer
5 accessing the transmission and distribution network shall pay a
6 competitive transition charge to the electric distribution
7 company in whose certificated territory that customer is
8 located. The costs to be recovered shall be allocated to
9 customer classes on a demand basis, consistent with the demand
10 allocation methodology for utility production plant accepted by
11 the commission in the electric utility's most recent base rate
12 proceeding, and the charge shall be applied either through an
13 explicit demand charge or a customer charge. If a customer
14 installs on-site generation which operates in parallel with
15 other generation on the public utility's system and which
16 significantly reduces the customer's purchases of electricity
17 through the transmission and distribution network, the
18 customer's fully-allocated share of transition costs shall be
19 recovered from the customer through a customer charge. The
20 recovery of transition costs associated with existing generating
21 facilities is not contingent on continued operation of the
22 generation facilities for which recovery has been approved.

23 (b) Period for collecting competitive transition charge.--
24 The competitive transition charge shall be included on bills to
25 customers for not less than five years nor more than ten years
26 from the effective date of this chapter. The period for
27 collection of the competitive transition charge shall be uniform
28 among all electric utilities in this Commonwealth, except that
29 an electric utility may elect a shorter period if this does not
30 conflict with other provisions of this chapter. In establishing

1 the length of the period for collection of the competitive
2 transition charge, the commission shall consider the effect on
3 the ability of this Commonwealth to compete in attracting
4 industry and jobs, on the financial health of electric utilities
5 and other relevant factors.

6 (c) Determination of competitive transition charge.--In
7 determining the level of transition costs that an electric
8 utility may recover through the competitive transition charge,
9 the commission shall apply the following principles:

10 (1) The commission shall allow recovery of deferred
11 income taxes, decommissioning costs and costs incurred under
12 contracts with nonutility generating projects that have
13 achieved an operational status.

14 (2) The commission shall allow recovery of an electric
15 utility's prudently incurred costs related to cancellation of
16 nonutility generating projects. The burden of proof to show
17 that any costs claimed were prudently incurred shall be on
18 the public utility. In reviewing a claim for such costs, the
19 commission shall not disallow any portion on the basis that
20 it constitutes an amount greater than actual development
21 expenditures, as long as in total the amount claimed for
22 recovery is reasonable when compared to the utility's total
23 estimated costs of obligations under the contract.

24 (3) The commission shall determine the level of
25 generation-related transition costs that may be recovered
26 through the competitive transition charge in accordance with
27 the following principles:

28 (i) The commission shall consider the extent to
29 which the electric utility has undertaken efforts to
30 mitigate generation-related transition costs by

1 accelerating depreciation and other appropriate means in
2 a manner that is reasonable under all of the
3 circumstances, including, but not limited to,
4 consideration of whether mitigation has been commensurate
5 with the magnitude of the electric utility's generation-
6 related transition costs.

7 (ii) The commission shall consider the magnitude of
8 the electric utility's transition costs related to
9 generation facilities compared to the magnitude of
10 investments by other electric utilities in comparable
11 facilities in this Commonwealth, considering size,
12 vintage, configuration and fuel type.

13 (iii) The commission shall consider the impact of
14 allowing recovery of a given level of generation-related
15 transition costs upon competition in the regional
16 electric generation markets in both the near term and
17 long term.

18 (iv) The commission shall consider whether allowing
19 recovery of a given level of generation-related
20 transition costs through the competitive transition
21 charge would have a serious negative impact upon the
22 financial health of the electric utility and the
23 reliability of the electric utility's service.

24 (d) Commission review.--As a component of its restructuring
25 plan, each electric utility shall file with the commission a
26 proposed competitive transition charge and supporting
27 documentation. In evaluating a proposed competitive transition
28 charge, the commission shall schedule hearings or other
29 proceedings, as necessary.

30 § 3209. Requirements for electric suppliers.

1 (a) License requirement.--No person or corporation,
2 including municipal corporations and cooperative associations,
3 shall engage in the business of an electric supplier in this
4 Commonwealth unless such person holds a license issued by the
5 commission.

6 (b) License application and issuance.--Every application for
7 an electric supplier license shall be made to the commission in
8 writing, be verified by oath or affirmation and be in such form
9 and contain such information as the commission may, by its
10 regulations, require. A license shall be issued to any qualified
11 applicant, authorizing the whole or any part of the service
12 covered by the application, if it is found that the applicant is
13 fit, willing and able to perform properly the service proposed
14 and to conform to the provisions of this title and the lawful
15 orders and regulations of the commission thereunder, and that
16 the proposed service, to the extent authorized by the license,
17 will be consistent with the public interest and the policy
18 declared in this chapter; otherwise such application shall be
19 denied.

20 (c) Financial responsibility.--No energy supplier license
21 shall be issued or remain in force unless the holder thereof
22 shall have furnished a bond or other security approved by the
23 commission, in such form and amount as will insure the financial
24 responsibility of the electric supplier and the supply of
25 electricity in accordance with contracts, agreements or
26 arrangements therefor.

27 (d) Transferability of licenses.--No license issued under
28 this chapter may be transferred without prior commission
29 approval.

30 (e) Form of regulation of electric suppliers.--The

1 commission may forebear from applying such requirements of Part
2 I (relating to public utility code) as it determines are
3 unnecessary due to competition among electric suppliers. The
4 commission shall regulate the rates of electric suppliers only
5 to the extent necessary to constrain the exercise of market
6 power by electric suppliers. In regulating the service of
7 electric suppliers, the commission shall impose such
8 requirements as are necessary to ensure that the present quality
9 of service provided by electric utilities does not deteriorate,
10 including, but not limited to, assuring that adequate reserved
11 margins of electric supply are maintained.

12 § 3210. Relation to utilities gross receipts tax.

13 (a) Electric suppliers.--An electric distribution company
14 and an electric supplier shall be deemed to be an "electric
15 light company," a "waterpower company" and a "hydro-electric
16 company" for purposes of section 1101 of the act of March 4,
17 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

18 (b) Sales of electric energy.--Sales of electric
19 transmission and distribution service and sales of electric
20 supply under this chapter shall be deemed "sales of electric
21 energy" for purposes of section 1101 of the Tax Reform Code of
22 1971.

23 Section 3. The Pennsylvania Public Utility Commission shall
24 promulgate regulations to implement this act.

25 Section 4. All acts and parts of acts are repealed insofar
26 as they are inconsistent with this act.

27 Section 5. This act shall take effect as follows:

28 (1) The amendment of 66 Pa.C.S. § 102 shall take effect
29 January 1, 1999.

30 (2) The remainder of this act shall take effect

1 immediately.