

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 493 Session of
1998

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HARHAI, FARGO, LaGROTTA, GEIST, DERMODY, KENNEY, PETRONE,
BELFANTI, PLATTS AND McILHATTAN, JUNE 9, 1998

REFERRED TO COMMITTEE ON RULES, JUNE 9, 1998

A RESOLUTION

1 Requesting the Pennsylvania Public Utility Commission to re-
2 examine recent electric utility restructuring decisions;
3 directing the commission's attention to legislative intent;
4 and expressing concern for the financial stability of
5 existing electric utility companies serving Pennsylvania.

6 WHEREAS, On November 26, 1996, the House of Representatives
7 voted 171 to 28 to pass the Electricity Generation Customer
8 Choice and Competition Act; and

9 WHEREAS, The legislation was the result of lengthy
10 negotiations among numerous stakeholders, including
11 representatives of residential and business consumers,

1 electricity marketers, environmental groups, organized labor,
2 electric utilities and members of the House of Representatives
3 and the Senate; and

4 WHEREAS, The legislation was the amalgam of elements designed
5 to bring lower cost electric service to Pennsylvania consumers
6 while, at the same time, sustaining existing companies in their
7 orderly transition to a competitive marketplace; and

8 WHEREAS, The House of Representatives and the Senate were
9 equally concerned with the ongoing financial stability of those
10 electric utilities doing business in this Commonwealth; and

11 WHEREAS, The General Assembly provided for recovery of
12 utility "stranded" costs as part of the transition to the
13 competitive market and specified those costs that properly could
14 be recovered and the General Assembly, also, specifically
15 directed the Pennsylvania Public Utility Commission to consider
16 a utility's efforts over time, prior to the enactment of the
17 law, to reduce or moderate customer rate levels while
18 maintaining safe and efficient operations; and

19 WHEREAS, Recent determinations by the Pennsylvania Public
20 Utility Commission would indicate a need for the Pennsylvania
21 Public Utility Commission to be reminded of the legislative
22 intent described above; and

23 WHEREAS, The proposed electric competition law likely would
24 not have passed the General Assembly without assurances of the
25 continued existence of companies that historically had served
26 customers with low-cost, reliable service; and

27 WHEREAS, The recent decisions of the commission seemingly
28 jeopardize the very existence of companies, the jobs of
29 thousands of employees, the investments of tens of thousands of
30 individual shareowners, and the economic well being of hundreds

1 of communities across the Commonwealth; therefore be it
2 RESOLVED, That the House of Representatives request the
3 Pennsylvania Public Utility Commission to re-examine recent
4 electric utility restructuring decisions with particular
5 attention being paid to the legislative mandate included in 66
6 Pa.C.S. § 2808(c)(5): "Of equal importance to the mitigation
7 efforts under paragraph (4), the commission shall consider
8 efforts undertaken over time, prior to the enactment of this
9 chapter, to reduce or moderate customer rate levels while
10 maintaining safe and efficient operations." and that the
11 Pennsylvania Public Utility Commission report to the House of
12 Representatives as to its consideration of company prior rate
13 behavior in the determination of each utility's restructuring
14 proposal before the commission.