
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 369 Session of
2007

INTRODUCED BY GEORGE, COHEN, DeWEESE, McCALL, BELFANTI,
CALTAGIRONE, CARROLL, EACHUS, GEIST, GOODMAN, GRUCELA, HANNA,
HARKINS, HERSHEY, HORNAMAN, JAMES, JOSEPHS, KING, KULA,
LEACH, LEVDANSKY, MANDERINO, McGEEHAN, MELIO, MUNDY, MYERS,
M. O'BRIEN, PETRARCA, PRESTON, READSHAW, RUBLEY, SAINATO,
SHIMKUS, SOLOBAY, SWANGER, TANGRETTI, J. TAYLOR, THOMAS,
WALKO, WANSACZ, WOJNAROSKI, YOUNGBLOOD AND YUDICHAK,
JULY 5, 2007

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JULY 5, 2007

A RESOLUTION

1 Requesting the Pennsylvania Public Utility Commission (PUC) to
2 identify possible solutions for the impending electric rate
3 crisis.

4 WHEREAS, More than ten years ago, several PUC commissioners
5 actively lobbied members of the House of Representatives to vote
6 for electricity deregulation; and

7 WHEREAS, Desiring to foster competition among utility
8 providers and expand consumer choice, in December 1996 the
9 Commonwealth deregulated the electricity industry; and

10 WHEREAS, To date, not only has commercial and residential
11 competition not taken place, it is highly unlikely that market
12 forces will ever be such that competition manifests itself in
13 the near future; and

14 WHEREAS, According to PUC Chairman Wendell Holland's recent
15 testimony, the PUC's preferred approach to handling energy costs

1 when rate caps expire is to allow the various utilities to
2 obtain energy at the "prevailing market rates"; and

3 WHEREAS, This profit-maximizing free-market approach has
4 already resulted in up to 70% rate increases in some states and
5 even higher rate increases for smaller utilities in this
6 Commonwealth; and

7 WHEREAS, PUC commissioners have been quoted in the press
8 stating, ostensibly, that their hands are tied and therefore
9 they will be unable to exact much change in the PUC's future
10 actions -- when rate caps lapse in 2009 and 2010 -- because they
11 will simply be carrying out the intent of the General Assembly
12 through the Electricity Generation Customer Choice and
13 Competition Act; and

14 WHEREAS, The PUC, much to the dismay of consumers in this
15 Commonwealth, seems to be ignoring the current national trend in
16 state legislatures against deregulation; and

17 WHEREAS, The commissioners have failed to provide
18 constructive comments to the General Assembly on how to combat
19 impending rate hikes and the inevitable financial and economic
20 disruption that will result; therefore be it

21 RESOLVED, The House of Representatives request that each
22 member of the PUC exercise due diligence by making written
23 suggestions on how certain laws may be changed to reduce the
24 incidence of rate shock and/or the impact of rate shock and by
25 submitting the suggestions to the Chief Clerk for distribution
26 among members of the House of Representatives.