
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 972 Session of
2009

INTRODUCED BY TOMLINSON AND BOSCOLA, JUNE 18, 2009

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, JUNE
18, 2009

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, providing for rate change mitigation.

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

5 Section 1. Title 66 of the Pennsylvania Consolidated
6 Statutes is amended by adding a section to read:

7 § 2806.3. Rate change mitigation.

8 (a) Deferral program.--An electric distribution company
9 whose total retail rate including generation, transmission and
10 distribution service components and any applicable surcharge for
11 a customer class is anticipated to rise by more than 12% upon
12 the expiration of a generation rate cap established in an
13 electric utility restructuring proceeding specified in section
14 2804(4) (relating to standards for restructuring of electric
15 industry) or a restructuring plan shall submit a rate mitigation
16 plan to the commission for approval no later than one year prior
17 to the date of the expiration of the generation rate cap. The
18 rate mitigation plan shall provide the following:

1 (1) A rate mitigation phase-in program, which shall be
2 authorized for residential or small business customers, using
3 25kW or less in maximum registered peak load. The rate
4 mitigation program shall limit the anticipated total retail
5 rate increase for the initial default service generation rate
6 increase for a period of up to five years in accordance with
7 the following:

8 (i) The plan shall provide for residential and small
9 business customers using 25kW or less to be permitted to
10 make payments in accordance with the following schedule:

11 (A) Year one following the expiration of the
12 generation rate caps - no more than a 9% increase
13 over the rate on the effective date of this section
14 or as certified by the commission.

15 (B) Year two following the expiration of the
16 generation rate caps - no more than an 18% increase
17 over the rate on the effective date of this section
18 or as certified by the commission.

19 (C) Year three following the expiration of the
20 generation rate caps - no more than a 27% increase
21 over the rate on the effective date of this section
22 or as certified by the commission.

23 (D) Year four following the expiration of the
24 generation rate caps - no more than a 36% increase
25 over the rate on the effective date of this section
26 or as certified by the commission.

27 (E) Year five following the expiration of the
28 generation rate caps - no more than a 45% increase
29 over the rate on the effective date of this section
30 or as certified by the commission.

1 (ii) A customer may elect, but shall not be
2 required, to participate in the rate mitigation phase-in
3 program under this paragraph. The electric distribution
4 company shall provide notice of the ability to elect to
5 participate in the rate mitigation program in at least
6 four billing statements prior to the expiration of the
7 generation rate cap. Notice shall also be posted on the
8 electric distribution company's Internet website. The
9 notice shall include:

10 (A) A form to elect participation in the
11 program.

12 (B) A toll-free telephone number to allow a
13 customer to elect participation in the program by
14 telephone or to receive additional information.

15 (iii) In order to participate in the rate mitigation
16 phase-in program, the customer shall file a written or
17 electronic election to participate.

18 (2) A competitively neutral rate mitigation option
19 approved by the commission before being implemented. A
20 customer taking generation service from either the default
21 service provider or an alternative electric generation
22 supplier may select the option.

23 (3) In addition to the mitigation strategy under this
24 subsection, an electric distribution company may propose
25 other reasonable rate mitigation strategies.

26 (b) Commission duties.--The commission shall review the plan
27 and certify the rate as of the effective date of this section as
28 it pertains to residential and small business customers using
29 25kW or less in maximum registered peak load prior to the start
30 date of the program.

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