

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 60

Session of
2011

INTRODUCED BY HARPER, BARRAR, B. BOYLE, BRADFORD, BRIGGS,
CALTAGIRONE, CHRISTIANA, CLYMER, CONKLIN, FABRIZIO, GABLER,
GINGRICH, HAHN, HARHART, HARKINS, HORNAMAN, KILLION, KORTZ,
MURT, O'NEILL, PYLE, SANTARSIERO, SCAVELLO, SCHRODER,
SWANGER, TOEPEL, WATSON, YOUNGBLOOD, GIBBONS, KULA,
HENNESSEY, MILNE, PRESTON AND BARBIN, JANUARY 19, 2011

AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 1, 2012

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in rates and rate making, further
3 providing for standby charge prohibited.

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

6 Section 1. Section ~~1326(a)~~ 1326 of Title 66 of the
7 Pennsylvania Consolidated Statutes is amended to read:
8 § 1326. Standby charge prohibited.

9 (a) Prohibition.--A public utility that furnishes water to
10 or for the public shall not impose a standby charge on [owners]:

11 (1) Owners of residential structures equipped with
12 automatic fire protection systems.

13 (2) Volunteer fire companies, nonprofit rescue squads
14 and ambulance services, for costs associated with automatic
15 fire protection systems, THAT ARE OWNERS OR OCCUPANTS OF
16 STRUCTURES EQUIPPED WITH AUTOMATIC FIRE PROTECTION SYSTEMS

1 WHO ARE RATEPAYERS OF RECORD.

2 * * *

3 (A.1) COST RECOVERY.--

4 (1) IN DETERMINING THE RATES TO BE CHARGED FOR AUTOMATIC
5 FIRE PROTECTION SYSTEMS BY A PUBLIC UTILITY THAT FURNISHES
6 WATER TO OR FOR THE PUBLIC, THE COMMISSION SHALL, AS PART OF
7 A UTILITY'S GENERAL RATE PROCEEDING, PROVIDE FOR THE RECOVERY
8 OF THE COSTS OF AUTOMATIC FIRE PROTECTION SYSTEMS IN SUCH A
9 MANNER THAT THE CUSTOMERS SPECIFIED IN SUBSECTION (A) (2) ARE
10 NOT CHARGED FOR MORE THAN 25% OF THE COST OF SERVICE FOR
11 THOSE AUTOMATIC FIRE PROTECTION SYSTEMS, AS SUCH COST OF
12 SERVICE IS REASONABLY DETERMINED BY THE COMMISSION.

13 (2) THE COMMISSION SHALL, AS PART OF A UTILITY'S GENERAL
14 RATE PROCEEDING, PROVIDE FOR THE RECOVERY OF THE REMAINING
15 COST OF SERVICE FOR THOSE AUTOMATIC FIRE PROTECTION SYSTEMS
16 NOT RECOVERED UNDER PARAGRAPH (1) FROM THE CUSTOMERS
17 SPECIFIED IN SUBSECTION (A) (2) BY ASSESSING ALL CUSTOMERS OF
18 THE PUBLIC UTILITY THE REMAINING COST OF SERVICE TO THE FIRE
19 PROTECTION SYSTEMS. THE REMAINING COST OF SERVICE FOR THOSE
20 FIRE PROTECTION SYSTEMS SHALL BE INCLUDED IN THE PUBLIC
21 UTILITY'S FIXED OR SERVICE CHARGE OR MINIMUM BILL.

22 (A.2) EFFECT ON CURRENT RATES.--NOTWITHSTANDING THE
23 PROVISIONS OF SUBSECTION (A.1), STANDBY CHARGES TO VOLUNTEER
24 FIRE COMPANIES, NONPROFIT RESCUE SQUADS AND NONPROFIT AMBULANCE
25 SERVICES THAT ARE IN EFFECT ON THE EFFECTIVE DATE OF THIS
26 SUBSECTION SHALL CONTINUE TO BE CHARGED UNTIL CONCLUSION OF THE
27 PUBLIC UTILITY'S NEXT GENERAL RATE PROCEEDING.

28 (B) DEFINITION.--[AS USED IN THIS SECTION, THE TERM "STANDBY
29 CHARGE" MEANS AN AMOUNT, IN ADDITION TO THE REGULAR RATE,
30 ASSESSED AGAINST THE OWNER OF A RESIDENTIAL STRUCTURE FOR THE

1 REASON THAT THE RESIDENTIAL STRUCTURE IS EQUIPPED WITH AN
2 AUTOMATIC FIRE PROTECTION SYSTEM.] THE FOLLOWING WORDS AND
3 PHRASES AS USED IN THIS SECTION SHALL HAVE THE MEANING GIVEN TO
4 THEM IN THIS SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES
5 OTHERWISE:

6 "COST OF SERVICE." THE ACTUAL WATER USAGE AND CAPITAL
7 INVESTMENT MADE BY A PUBLIC UTILITY SPECIFICALLY FOR THE PURPOSE
8 OF RENDERING FIRE PROTECTION SERVICE ASSESSED AGAINST THE OWNER
9 OF A RESIDENTIAL OR COMMERCIAL STRUCTURE FOR THE REASON THAT THE
10 STRUCTURE IS EQUIPPED WITH AN AUTOMATIC FIRE PROTECTION SYSTEM.

11 "STANDBY CHARGE." AN AMOUNT, IN ADDITION TO THE COST OF
12 SERVICE, ALLOCATED UNDER SUBSECTION (A.1).

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