
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1188 Session of
2013

INTRODUCED BY PAYNE, GROVE, MOUL, SWANGER AND GODSHALL,
APRIL 15, 2013

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, APRIL 15, 2013

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, further providing for sliding scale of
3 rates and adjustments and for duties of natural gas
4 distribution companies.

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

7 Section 1. Section 1307(f)(5) and (6) of Title 66 of the
8 Pennsylvania Consolidated Statutes are amended to read:

9 § 1307. Sliding scale of rates; adjustments.

10 * * *

11 (f) Recovery of natural gas costs.--

12 * * *

13 (5) The commission, after hearing, shall determine the
14 portion of the company's natural gas distribution actual
15 natural gas costs in the previous 12-month period which meet
16 the standards set out in section 1318. The commission shall,
17 by order, direct each natural gas distribution company
18 subject to this subsection to refund to its customers gas
19 revenues collected pursuant to paragraph (2) which exceed the

1 amount of actual natural gas costs incurred consistent with
2 the standards in section 1318 and to recover from its
3 customers any amount by which the actual natural gas costs,
4 which have been incurred consistent with the standards in
5 section 1318, exceed the revenues collected pursuant to
6 paragraph (2). Absent good reason to the contrary, the
7 commission shall issue its order within six months following
8 the filing of the statement described in paragraph (3).

9 [Refunds to customers shall be made with interest, at the
10 legal rate of interest plus two percent, during the period or
11 periods for which the commission orders refunds, and
12 recoveries from customers shall include interest at the legal
13 rate of interest: Provided, That nothing contained herein
14 shall limit the applicability of any defenses, principles or
15 doctrines which would prohibit the commission's inquiry into
16 any matters that were decided finally in the commission's
17 order issued under paragraph (2).] Refunds to customers shall
18 be made with and recoveries from customers shall include
19 interest at the prime rate for commercial borrowing in effect
20 60 days prior to the tariff filing made under paragraph (1)
21 and as reported in a publicly available source identified by
22 the commission or at an interest rate which may be
23 established by the commission by regulation. Nothing under
24 this paragraph shall limit the applicability of a defense,
25 principle or doctrine which would prohibit the commission's
26 inquiry into matters that were decided finally in the
27 commission's order issued under paragraph (2).

28 (6) [The commission shall require that customers
29 transferring from sales to transportation service be subject
30 to the over-or-under collection adjustment provided for in

1 paragraph (5) and shall require further that customers
2 transferring from transportation service to sales service not
3 be subject to the over-or-under collection adjustment for an
4 appropriate period following either such transfer.] If the
5 natural gas distribution company's actual natural gas costs
6 exceed the revenues collected under paragraph (2) by more
7 than 10% in the previous 12-month period provided for under
8 paragraph (5) due to customers switching from sales service
9 to transportation service, the natural gas distribution
10 company shall have the right to fully recover the under-
11 collection through a nonbypassable charge. A request for
12 authorization to impose a nonbypassable charge shall be made
13 to the commission in a natural gas distribution company's
14 annual filing under this section or at the time of the
15 filing.

16 * * *

17 Section 2. Section 2205(c) of Title 66 is amended by adding
18 a paragraph to read:

19 § 2205. Duties of natural gas distribution companies.

20 * * *

21 (c) Customer billing.--

22 * * *

23 (7) Natural gas distribution companies shall have the
24 right to recover on a full and current basis all prudent and
25 reasonable costs incurred to implement customer choice from
26 retail natural gas customers or other entities as determined
27 by the commission. Recovery from retail natural gas customers
28 shall be made pursuant to a reconcilable automatic adjustment
29 clause under section 1307 (relating to sliding scale of
30 rates; adjustments).

1 * * *

2 Section 3. This act shall take effect in 60 days.