
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1040 Session of
2015

INTRODUCED BY HARPER, BARRAR, GREINER, O'NEILL, WATSON, QUINN
AND COHEN, MAY 11, 2015

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MAY 11, 2015

AN ACT

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

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

6 Section 1. Section 1326 of Title 66 of the Pennsylvania
7 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
17 who are ratepayers of record.

18 (a.1) Cost recovery.--

1 (1) In determining the rates to be charged for automatic
2 fire protection systems by a public utility that furnishes
3 water to or for the public, the commission shall, as part of
4 a utility's general rate proceeding, provide for the recovery
5 of the costs of automatic fire protection systems in such a
6 manner that the customers specified in subsection (a)(2) are
7 not charged for more than 25% of the cost of service for
8 those automatic fire protection systems, as such cost of
9 service is reasonably determined by the commission.

10 (2) The commission shall, as part of a utility's general
11 rate proceeding, provide for the recovery of the remaining
12 cost of service for those automatic fire protection systems
13 not recovered under paragraph (1) from the customers
14 specified in subsection (a)(2) by assessing all customers of
15 the public utility the remaining cost of service to the fire
16 protection systems. The remaining cost of service for those
17 fire protection systems shall be included in the public
18 utility's fixed or service charge or minimum bill.

19 (a.2) Effect on current rates.--Notwithstanding the
20 provisions of subsection (a.1), charges to volunteer fire
21 companies, nonprofit rescue squads and nonprofit ambulance
22 services that are in effect on the effective date of this
23 subsection shall continue to be charged until conclusion of the
24 public utility's next general rate proceeding.

25 (b) [Definition.--As used in this section, the term "standby
26 charge" means an amount, in addition to the regular rate,
27 assessed against the owner of a residential structure for the
28 reason that the residential structure is equipped with an
29 automatic fire protection system.] Definitions.--The following
30 words and phrases as used in this section shall have the

1 meanings given to them in this subsection unless the context
2 clearly indicates otherwise:

3 "Cost of service." The actual water usage and capital
4 investment made by a public utility specifically for the purpose
5 of rendering fire protection service assessed against the owner
6 of a residential or commercial structure for the reason that the
7 structure is equipped with an automatic fire protection system.

8 "Standby charge." An amount, in addition to the cost of
9 service, allocated under subsection (a.1).

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