
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1946 Session of
2015

INTRODUCED BY GODSHALL, KOTIK, BAKER, BARRAR, KILLION, STEPHENS,
ORTITAY, WHEELAND, A. HARRIS, GROVE, MAJOR AND ZIMMERMAN,
APRIL 4, 2016

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, APRIL 4, 2016

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in rates and distribution systems,
3 further providing for scope of subchapter, for definitions,
4 for long-term infrastructure improvement plan, for
5 distribution system improvement charge, for asset
6 optimization plans and for projects.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 1350 of Title 66 of the Pennsylvania
10 Consolidated Statutes is amended to read:

11 § 1350. Scope of subchapter.

12 This subchapter shall provide an additional mechanism for a
13 distribution system to recover costs related to the
14 construction, repair, improvement and replacement of eligible
15 property.

16 Section 2. The definitions of "distribution system
17 improvement charge" and "eligible property" introductory
18 paragraph in section 1351 of Title 66 are amended to read:

19 § 1351. Definitions.

1 The following words and phrases when used in this subchapter
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 * * *

5 "Distribution system improvement charge." A charge imposed
6 by a utility to recover the reasonable and prudent costs
7 incurred to repair, improve or replace eligible property that is
8 part of the utility's distribution system or to construct new
9 facilities to expand natural gas distribution service to
10 unserved or underserved portions of this Commonwealth.

11 "Eligible property." Property that is part of a distribution
12 system and is new construction that will expand natural gas
13 distribution service to unserved or underserved portions of this
14 Commonwealth or is eligible for repair, improvement and
15 replacement of infrastructure under this subchapter. Included
16 property shall be as follows:

17 * * *

18 Section 3. Sections 1352(a), 1353(a), 1356(1) and 1359 of
19 Title 66 are amended to read:

20 § 1352. Long-term infrastructure improvement plan.

21 (a) Submission.--In order to be eligible to recover costs
22 under section 1353 (relating to distribution system improvement
23 charge), a utility must submit a long-term infrastructure
24 construction and improvement plan. The plan shall include the
25 following:

26 (1) Identification of the types and age of eligible
27 property owned or operated by the utility for which the
28 utility would seek recovery under this subchapter.

29 (2) An initial schedule for the planned construction,
30 repair and replacement of eligible property.

1 (3) A general description of the location of the
2 eligible property.

3 (4) A reasonable estimate of the quantity of eligible
4 property to be constructed or improved.

5 (5) Projected annual expenditures to implement the plan
6 and measures taken to ensure that the plan is cost effective.

7 (6) The manner in which the replacement of aging
8 infrastructure will be accelerated and how the repair,
9 improvement or replacement will ensure and maintain adequate,
10 efficient, safe, reliable and reasonable service.

11 (6.1) The manner in which the construction of new
12 infrastructure will expand natural gas distribution service
13 to unserved and underserved portions of this Commonwealth.

14 (7) If the plan is not adequate and sufficient to ensure
15 and maintain adequate, efficient, safe, reliable and
16 reasonable service, the commission shall order a new or
17 revised plan.

18 * * *

19 § 1353. Distribution system improvement charge.

20 (a) Authority.--Except as provided under this subchapter,
21 after January 1, 2013, a utility may petition the commission, or
22 the commission, after notice and hearing, may approve the
23 establishment of a distribution system improvement charge to
24 provide for the timely recovery of the reasonable and prudent
25 costs incurred to construct, repair, improve or replace eligible
26 property in order to ensure and maintain adequate, efficient,
27 safe, reliable and reasonable service.

28 * * *

29 § 1356. Asset optimization plans.

30 A utility with an approved distribution system charge and

1 long-term infrastructure plan shall file annual asset
2 optimization plans. The plan shall include the following:

3 (1) A description that specifies all eligible property
4 constructed, repaired, improved [and] or replaced in the
5 immediately preceding 12-month period pursuant to the
6 utility's long-term infrastructure improvement plan and prior
7 year's asset optimization plan.

8 * * *

9 § 1359. Projects.

10 (a) Standards.--The commission shall establish standards to
11 ensure that work on utility systems to construct, repair,
12 improve or replace eligible property is performed by qualified
13 employees of either the utility or an independent contractor in
14 a manner that protects system reliability and the safety of the
15 public.

16 (b) Inspection.--Projects for which work to construct,
17 repair, improve or replace eligible property is performed by
18 independent contractors shall be subject to reliability and
19 safety standards and to inspection by utility employees.

20 (c) Cost.--Work on projects to construct, repair, improve or
21 replace eligible property that is not performed by qualified
22 employees or contractors or inspected by the utility's qualified
23 personnel shall not be eligible for recovery of a distribution
24 system improvement charge.

25 Section 4. This act shall take effect in 60 days.