
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 277 Session of
2021

INTRODUCED BY PHILLIPS-HILL, J. WARD AND PITTMAN,
FEBRUARY 24, 2021

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
FEBRUARY 24, 2021

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in natural gas competition, further
3 providing for standards for restructuring of natural gas
4 utility industry, for consumer protections and customer
5 service and for requirements for natural gas suppliers; and,
6 in restructuring of electric utility industry, further
7 providing for standards for restructuring of electric
8 industry, for duties of electric distribution companies and
9 for requirements for electric generation suppliers.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 2203 of Title 66 of the Pennsylvania
13 Consolidated Statutes is amended by adding a paragraph to read:
14 § 2203. Standards for restructuring of natural gas utility
15 industry.

16 The following interdependent standards shall govern the
17 commission's actions in adopting rules, orders or policies and
18 in reviewing, assessing and approving each natural gas
19 distribution company's restructuring filings and overseeing the
20 transition process and regulation of the restructured natural
21 gas utility industry:

1 * * *

2 (3.1) The commission shall require, by order or
3 regulation to be issued within 210 days of the effective date
4 of this paragraph, that each natural gas distribution company
5 account for all costs associated with providing supplier of
6 last resort service that are currently included in
7 distribution rates and ensure that the appropriate level of
8 the costs are assigned or allocated to and recovered in
9 supplier of last resort rates. The specific costs to be
10 unbundled shall include, but not be limited to: commodity
11 costs, capacity costs, hedging costs whether financial or
12 physical, procurement costs, billing system and billing
13 costs, customer service and account management costs, working
14 capital, overheads, including executive salaries and
15 benefits, office building, rent and information technology
16 costs, legal and financial costs and labor costs. To the
17 extent any of these costs are indirect costs to pay for
18 services that support both distribution customers and
19 supplier of last resort customers, the commission shall
20 require an appropriate proportion of those indirect costs be
21 allocated to supplier of last resort. For the purpose of this
22 paragraph, the provision of supplier of last resort service
23 shall be treated as an affiliate of the natural gas
24 distribution company. The intent of this requirement is to
25 ensure that the actual costs of providing distribution and
26 supplier of last resort service are accurately reflected in
27 the rates charged for those services. The commission shall
28 adopt rate mechanisms to ensure that the natural gas
29 distribution companies recover fully their allowed
30 distribution costs. The unbundling and reallocation shall be

1 accomplished in the utility's next rate case. If a natural
2 gas distribution company does not file a rate case within
3 three years following the effective date of this paragraph,
4 the commission may order the filing of information to
5 effectuate unbundling and, after the filing, may commence a
6 proceeding where the unbundling is accomplished. After the
7 initial allocation, changes shall be permitted only in a
8 general rate case. If the commission finds it necessary to do
9 so, the commission may establish a mandatory schedule for the
10 filing information and the unbundling proceedings required by
11 this paragraph.

12 * * *

13 Section 2. Section 2206(b) of Title 66 is amended to read:

14 § 2206. Consumer protections and customer service.

15 * * *

16 (b) Change of suppliers.--

17 (1) The commission shall, by order or regulation,
18 establish procedures to ensure that a natural gas
19 distribution company does not change a retail gas customer's
20 natural gas supplier without direct oral confirmation from
21 the customer of record or written evidence of the customer's
22 consent to a change of supplier.

23 (2) The commission shall promulgate regulations to
24 ensure that a natural gas distribution company processes a
25 change in natural gas supplier by using either the customer
26 account number or other personally identifiable information.
27 When promulgating the regulations, the commission shall
28 consider whether a customer has multiple accounts. A customer
29 who consents to a change of natural gas supplier shall not be
30 required to provide a natural gas distribution company

1 account number or other identification number if the customer
2 provides a valid government-issued identification or
3 alternative form of identification as determined by the
4 commission.

5 * * *

6 Section 3. Section 2208 of Title 66 is amended by adding a
7 subsection to read:

8 § 2208. Requirements for natural gas suppliers.

9 * * *

10 (i) Training and education program requirements for natural
11 gas suppliers.--

12 (1) The commission shall develop a training and
13 educational program for any entity or individual that is
14 licensed by the commission under this section as a natural
15 gas supplier.

16 (2) The commission shall develop the program in
17 consultation with interested stakeholders, including natural
18 gas suppliers.

19 (3) The program shall require that a designated
20 representative of each licensed natural gas supplier
21 demonstrate a thorough understanding of the commission's
22 regulations regarding sales, consumer protection and any
23 other matter the commission deems appropriate through an
24 online training program.

25 (4) At the conclusion of the training, the commission
26 shall conduct an online examination and, on a satisfactory
27 score, certify that the designated representative of the
28 licensed natural gas supplier has successfully completed the
29 training.

30 (5) The commission shall determine the schedule and

1 frequency by which a designated representative of a licensed
2 natural gas supplier must complete the training and
3 certification. The commission may not issue a license to a
4 new natural gas supplier until a designated representative of
5 the new natural gas supplier completes the training and
6 certification.

7 (6) The commission may adopt regulations that include
8 appropriate penalties or sanctions for failure to comply with
9 this subsection.

10 (7) The commission shall use the assessments collected
11 in accordance with this part for the initial development of
12 the training and educational program. The commission may
13 establish reasonable fees, as authorized under paragraph (h),
14 to fund the training and educational program.

15 Section 4. Section 2804 of Title 66 is amended by adding a
16 paragraph to read:

17 § 2804. Standards for restructuring of electric industry.

18 The following interdependent standards shall govern the
19 commission's assessment and approval of each public utility's
20 restructuring plan, oversight of the transition process and
21 regulation of the restructured electric utility industry:

22 * * *

23 (3.1) The commission shall require, by order or
24 regulation to be issued within 210 days of the effective date
25 of this paragraph, that each electric distribution company
26 account for all costs associated with providing supplier of
27 last resort service that are currently included in
28 distribution rates and ensure that the appropriate level of
29 the costs are assigned or allocated to and recovered in
30 supplier of last resort rates. The specific costs to be

1 unbundled shall include, but not be limited to: commodity
2 costs, capacity costs, hedging costs whether financial or
3 physical, procurement costs, billing system and billing
4 costs, customer service and account management costs, working
5 capital, overheads, including executive salaries and
6 benefits, office building, rent and information technology
7 costs, legal and financial costs and labor costs. To the
8 extent any of these costs are indirect costs to pay for
9 services that support both distribution customers and
10 supplier of last resort customers, the commission shall
11 require an appropriate proportion of those indirect costs be
12 allocated to supplier of last resort. For the purpose of this
13 paragraph, the provision of supplier of last resort service
14 shall be treated as an affiliate of the electric distribution
15 company. The intent of this requirement is to ensure that the
16 actual costs of providing distribution and supplier of last
17 resort service are accurately reflected in the rates charged
18 for those services. The commission shall adopt rate
19 mechanisms to ensure that the electric distribution companies
20 recover fully their allowed distribution costs. The
21 unbundling and reallocation shall be accomplished in the
22 utility's next rate case. If an electric distribution company
23 does not file a rate case within three years following the
24 effective date of this paragraph, the commission may order
25 the filing of information to effectuate unbundling and, after
26 the filing, may commence a proceeding where the unbundling is
27 accomplished. After the initial allocation, changes shall be
28 permitted only in a general rate case. If the commission
29 finds it necessary to do so, the commission may establish a
30 mandatory schedule for the filing information and the

1 unbundling proceedings required by this paragraph.

2 * * *

3 Section 5. Sections 2807 and 2809 of Title 66 are amended by
4 adding subsections to read:

5 § 2807. Duties of electric distribution companies.

6 * * *

7 (f.1) Processing changes in suppliers.--The commission shall
8 promulgate regulations to ensure that an electric distribution
9 company processes a change in electric generation supplier by
10 using either the customer account number or other personally
11 identifiable information. When promulgating the regulations, the
12 commission shall consider whether a customer has multiple
13 accounts. A customer who consents to a change of electric
14 generation supplier shall not be required to provide an electric
15 distribution company account number or other identification
16 number if the customer provides a valid government-issued or
17 alternative form of identification as determined by the
18 commission.

19 * * *

20 § 2809. Requirements for electric generation suppliers.

21 * * *

22 (h) Training and education program requirements for electric
23 generation suppliers.--

24 (1) The commission shall develop a training and
25 educational program for any entity or individual that is
26 licensed by the commission under this section as an electric
27 generation supplier.

28 (2) The commission shall develop the program in
29 consultation with interested stakeholders, including electric
30 generation suppliers.

1 (3) The program shall require that a designated
2 representative of each licensed electric generation supplier
3 demonstrate a thorough understanding of the commission's
4 regulations regarding sales, consumer protection and any
5 other matter the commission deems appropriate through an
6 online training program.

7 (4) At the conclusion of the training, the commission
8 shall conduct an online examination and, on a satisfactory
9 score, certify that the designated representative of the
10 licensed electric generation supplier has successfully
11 completed the training.

12 (5) The commission shall determine the schedule and
13 frequency by which a designated representative of a licensed
14 electric generation supplier must complete the training and
15 certification. The commission may not issue a license to a
16 new electric generation supplier until a designated
17 representative of the new electric generation supplier
18 completes the training and certification.

19 (6) The commission may adopt regulations that include
20 appropriate penalties or sanctions for failure to comply with
21 this subsection.

22 (7) The commission shall use the assessments collected
23 in accordance with this part for the initial development of
24 the training and educational program. The commission may
25 establish reasonable fees, as authorized under paragraph (g),
26 to fund the training and educational program.

27 Section 6. This act shall take effect in 60 days.

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