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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 57 Session of  
2015

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INTRODUCED BY PAYNE, BARRAR AND EVERETT, JANUARY 21, 2015

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REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JANUARY 21, 2015

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AN ACT

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

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

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

10 § 1307. Sliding scale of rates; adjustments.

11 \* \* \*

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

13 \* \* \*

14 (5) The commission, after hearing, shall determine the  
15 portion of the company's natural gas distribution actual  
16 natural gas costs in the previous 12-month period which meet  
17 the standards set out in section 1318. The commission shall,  
18 by order, direct each natural gas distribution company  
19 subject to this subsection to refund to its customers gas  
20 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.