

No. 1982-335

## AN ACT

SB 1366

Amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, providing a limitation on the consideration of certain costs in the rate base for electric public utilities.

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

Section 1. Title 66, act of November 25, 1970 (P.L.707, No.230), known as the Pennsylvania Consolidated Statutes, is amended by adding a section to read:

**§ 1315. *Limitation on consideration of certain costs for electric utilities.***

*Except for such nonrevenue producing, nonexpense reducing investments as may be reasonably shown to be necessary to improve environmental conditions at existing facilities or improve safety at existing facilities or as may be required to convert facilities to the utilization of coal, the cost of construction or expansion of a facility undertaken by a public utility producing, generating, transmitting, distributing or furnishing electricity shall not be made a part of the rate base nor otherwise included in the rates charged by the electric utility until such time as the facility is used and useful in service to the public. Except as stated in this section, no electric utility property shall be deemed used and useful until it is presently providing actual utility service to the customers.*

Section 2. This act shall be applicable to all proceedings pending before the Public Utility Commission and the courts at this time. Nothing contained in this act shall be construed to modify or change existing law with regard to rate making treatment of investment in facilities of fixed utilities other than electric utilities.

Section 3. This act shall take effect immediately.

APPROVED—The 30th day of December, A. D. 1982.

DICK THORNBURGH

