

No. 1984-153

AN ACT

SB 1329

Amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, prohibiting multiple filings; defining rate base; and regulating valuation.

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

Section 1. Section 102 of Title 66 of the Pennsylvania Consolidated Statutes is amended by adding a definition to read:

§ 102. Definitions.

Subject to additional definitions contained in subsequent provisions of this part which are applicable to specific provisions of this part, the following words and phrases when used in this part shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

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“Rate base.” The value of the whole or any part of the property of a public utility which is used and useful in the public service.

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Section 2. Section 1307(a) of Title 66, amended May 31, 1984 (P.L.370, No.74), is amended to read:

§ 1307. Sliding scale of rates; adjustments.

(a) General rule.—Any public utility, except common carriers and those natural gas distributors with gross intrastate annual operating revenues in excess of \$40,000,000 with respect to the gas costs of such natural gas distributors, may establish a sliding scale of rates or such other method for the automatic adjustment of the rates of the public utility as shall provide a just and reasonable return on the **[fair value of the property used and useful in the public service] rate base of such public utility**, to be determined upon such equitable or reasonable basis as shall provide such fair return. A tariff showing the scale of rates under such arrangement shall first be filed with the commission, and such tariff, and each rate set out therein, approved by it. The commission may revoke its approval at any time and fix other rates for any such public utility if, after notice and hearing, the commission finds the existing rates unjust or unreasonable.

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Section 3. Section 1308 of Title 66 is amended by adding a subsection to read:

§ 1308. Voluntary changes in rates.

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(d.1) Multiple filings prohibited.—Except as required to implement an order granting extraordinary rate relief, no public utility which has filed a general rate increase request shall file an additional general rate increase request for the same type of service until the commission has made a final

decision and order on the prior general rate increase request or until the expiration of the maximum period of suspension of the prior general rate increase request, whichever is earlier.

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Section 4. Section 1311 of Title 66 is amended to read:

§ 1311. Valuation of *and return on the* property of a public utility.

(a) *Valuation generally.*—The commission may, after reasonable notice and hearing, ascertain and fix the [fair] value of the whole or any part of the property of any public utility, insofar as the same is material to the exercise of the jurisdiction of the commission, and may make revaluations from time to time [and ascertain the fair value] *in the value of rate base of a public utility on account* of all new construction, extensions, [and] additions *and retirements* to the property of any public utility.

(b) *Method of valuation.*—*The value of the property of the public utility included in the rate base shall be the original cost of the property when first devoted to the public service less the applicable accrued depreciation.*

(c) *Segregation of property.*—When any public utility furnishes more than one of the different types of utility service, the commission shall segregate the property used and useful in furnishing each type of such service, and shall not consider the property of such public utility as a unit in determining the value of the [property] *rate base* of such public utility for the purpose of fixing rates.

(d) *Common carriers.*—In fixing any rate of a public utility engaged exclusively as a common carrier by motor vehicle, the commission may, in lieu of other standards established by law, fix the fair return by relating the fair and reasonable operating expenses, depreciation, taxes and other costs of furnishing service to operating revenues.

Section 5. (a) The amendments to 66 Pa.C.S. §§ 102 (relating to definitions), 1307(a) (relating to sliding scale of rates; adjustments) and 1311 (relating to valuation of and return on the property of a public utility) made by this act shall take effect in 60 days.

(b) The amendment to 66 Pa.C.S. § 1308(d.1) (relating to voluntary changes in rates) made by this act shall take effect immediately.

APPROVED—The 27th day of September, A. D. 1984.

DICK THORNBURGH