

No. 2016-47

## AN ACT

HB 57

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

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

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

§ 1307. Sliding scale of rates; adjustments.

\* \* \*

(f) Recovery of natural gas costs.—

\* \* \*

(5) The commission, after hearing, shall determine the portion of the company's natural gas distribution actual natural gas costs in the previous 12-month period which meet the standards set out in section 1318. The commission shall, by order, direct each natural gas distribution company subject to this subsection to refund to its customers gas revenues collected pursuant to paragraph (2) which exceed the amount of actual natural gas costs incurred consistent with the standards in section 1318 and to recover from its customers any amount by which the actual natural gas costs, which have been incurred consistent with the standards in section 1318, exceed the revenues collected pursuant to paragraph (2). Absent good reason to the contrary, the commission shall issue its order within six months following the filing of the statement described in paragraph (3). **[Refunds to customers shall be made with interest, at the legal rate of interest plus two percent, during the period or periods for which the commission orders refunds, and recoveries from customers shall include interest at the legal rate of interest: Provided, That nothing contained herein shall limit the applicability of any defenses, principles or doctrines which would prohibit the commission's inquiry into any matters that were decided finally in the commission's order issued under paragraph (2).]** *Refunds to customers shall be made with and recoveries from customers shall include interest at the prime rate for commercial borrowing in effect 60 days prior to the tariff filing made under paragraph (1) and as reported in a publicly available source identified by the commission or at an interest rate which may be established by the commission by regulation. Nothing under this paragraph shall limit the applicability of a defense, principle or doctrine which would prohibit the commission's inquiry into matters that were decided finally in the commission's order issued under paragraph (2).*

(6) [The commission shall require that customers transferring from sales to transportation service be subject to the over-or-under collection adjustment provided for in paragraph (5) and shall require further that customers transferring from transportation service to sales service not be subject to the over-or-under collection adjustment for an appropriate period following either such transfer.] *If the natural gas distribution company's actual natural gas costs exceed the revenues collected under paragraph (2) by more than 10% in the previous 12-month period provided for under paragraph (5) due to customers switching from sales service to transportation service, the natural gas distribution company shall have the right to fully recover the under-collection through a nonbypassable charge. A request for authorization to impose a nonbypassable charge shall be made to the commission in a natural gas distribution company's annual filing under this section or at the time of the filing.*

\* \* \*

Section 2. Section 2205(c) of Title 66 is amended by adding a paragraph to read:

§ 2205. Duties of natural gas distribution companies.

\* \* \*

(c) Customer billing.—

\* \* \*

*(7) Natural gas distribution companies shall have the right to recover on a full and current basis all prudent and reasonable costs incurred to implement customer choice from retail natural gas customers or other entities as determined by the commission. Recovery from retail natural gas customers shall be made pursuant to a reconcilable automatic adjustment clause under section 1307 (relating to sliding scale of rates; adjustments).*

\* \* \*

Section 3. This act shall take effect in 60 days.

APPROVED—The 23rd day of June, A.D. 2016

TOM WOLF