
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1565 Session of
2017

INTRODUCED BY REESE, BARRAR, BOBACK, V. BROWN, DeLUCA, DUNBAR,
GABLER, GILLEN, GROVE, PHILLIPS-HILL, JAMES, KAUFFMAN,
LAWRENCE, MARSHALL, METCALFE, METZGAR, B. MILLER, ORTITAY,
PETRARCA, PICKETT, ROTHMAN, SACCONI, WALSH, WARD, WARNER AND
ZIMMERMAN, JUNE 16, 2017

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 16, 2017

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in restructuring of electric utility
3 industry, further providing for duties of electric
4 distribution companies.

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

7 Section 1. Section 2807(f) of Title 66 of the Pennsylvania
8 Consolidated Statutes is amended to read:

9 § 2807. Duties of electric distribution companies.

10 * * *

11 (f) Smart meter technology and time of use rates.--

12 (1) [Within nine months after the effective date of this
13 paragraph, electric] Electric distribution companies [shall]
14 may file a smart meter technology procurement and
15 installation plan with the commission for approval. [The plan
16 shall describe the smart meter technologies the electric
17 distribution company proposes to install in accordance with

1 paragraph (2).

2 (2) Electric distribution companies shall furnish smart
3 meter technology as follows:

4 (i) Upon request from a customer that agrees to pay
5 the cost of the smart meter at the time of the request.

6 (ii) In new building construction.

7 (iii) In accordance with a depreciation schedule not
8 to exceed 15 years.]

9 (3) Electric distribution companies shall, with customer
10 consent, make available direct meter access and electronic
11 access to customer meter data to third parties, including
12 electric generation suppliers and providers of conservation
13 and load management services.

14 (4) In no event shall lost or decreased revenues by an
15 electric distribution company due to reduced electricity
16 consumption or shifting energy demand be considered any of
17 the following:

18 (i) A cost of smart meter technology recoverable
19 under a reconcilable automatic adjustment clause under
20 section 1307(b), except that decreased revenues and
21 reduced energy consumption may be reflected in the
22 revenue and sales data used to calculate rates in a
23 distribution rate base rate proceeding filed under
24 section 1308 (relating to voluntary changes in rates).

25 (ii) A recoverable cost.

26 (5) [By January 1, 2010, or at the end of the applicable
27 generation rate cap period, whichever is later, a] A default
28 service provider [shall] may submit to the commission one or
29 more proposed time-of-use rates and real-time price plans.

30 The commission shall approve or modify the time-of-use rates

1 and real-time price plan within six months of submittal. The
2 default service provider [shall] may offer the time-of-use
3 rates and real-time price plan to all customers that have
4 been provided with smart meter technology [under paragraph
5 (2)(iii)]. Residential or commercial customers may elect to
6 participate in time-of-use rates or real-time pricing. [The
7 default service provider shall submit an annual report to the
8 price programs and the efficacy of the programs in affecting
9 energy demand and consumption and the effect on wholesale
10 market prices.

11 (6) The provisions of this subsection shall not apply to
12 an electric distribution company with 100,000 or fewer
13 customers.]

14 (7) An electric distribution company may recover
15 reasonable and prudent costs of providing smart meter
16 technology [under paragraph (2)(ii) and (iii)], as determined
17 by the commission[. This paragraph includes], including
18 annual depreciation and capital costs over the life of the
19 smart meter technology and the cost of any system upgrades
20 that the electric distribution company may require to enable
21 the use of the smart meter technology which are incurred
22 after the effective date of this paragraph, less operating
23 and capital cost savings realized by the electric
24 distribution company from the installation and use of the
25 smart meter technology. Smart meter technology shall be
26 deemed to be a new service offered for the first time under
27 section 2804(4)(vi). An electric distribution company may
28 recover smart meter technology costs:

- 29 (i) through base rates, including a deferral for
30 future base rate recovery of current basis with carrying

1 charge as determined by the commission[; or
2 (ii) on a full and current basis through a
3 reconcilable automatic adjustment clause under section
4 1307].

5 * * *

6 Section 2. This act shall take effect in 60 days.