
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1365 Session of
2020

INTRODUCED BY PHILLIPS-HILL, J. WARD AND BLAKE, OCTOBER 19, 2020

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
OCTOBER 19, 2020

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in natural gas competition, further
3 providing for standards for restructuring of natural gas
4 utility industry and for consumer protections and customer
5 service and for requirements for natural gas suppliers; and,
6 in restructuring of electric utility industry, further
7 providing for standards for restructuring of electric
8 industry, for duties of electric distribution companies and
9 for requirements for electric generation suppliers.

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

12 Section 1. Section 2203 of Title 66 of the Pennsylvania
13 Consolidated Statutes is amended by adding a paragraph to read:
14 § 2203. Standards for restructuring of natural gas utility
15 industry.

16 The following interdependent standards shall govern the
17 commission's actions in adopting rules, orders or policies and
18 in reviewing, assessing and approving each natural gas
19 distribution company's restructuring filings and overseeing the
20 transition process and regulation of the restructured natural
21 gas utility industry:

1 * * *

2 (3.1) The commission shall require, by order or
3 regulation to be issued within 210 days of the effective date
4 of this paragraph, that each natural gas distribution company
5 unbundle all costs associated with providing supplier of last
6 resort service from distribution rates and ensure that the
7 appropriate level of the costs are recovered in supplier of
8 last resort rates. The specific costs to be unbundled shall
9 include, but not be limited to: commodity costs, capacity
10 costs, hedging costs whether financial or physical,
11 procurement costs, billing system and billing costs, customer
12 service and account management costs, working capital,
13 overheads, including building and information technology
14 costs, legal and financial costs and labor costs. To the
15 extent any of these costs are indirect costs to pay for
16 services that support both distribution customers and
17 supplier of last resort customers, the commission shall
18 require an appropriate proportion of those indirect costs be
19 allocated to supplier of last resort. The intent of this
20 requirement is to ensure that the actual costs of providing
21 distribution and supplier of last resort service are
22 accurately reflected in the rates charged for those services.
23 The unbundling and reallocation shall be accomplished in the
24 utility's next rate case. If a natural gas distribution
25 company does not file a rate case within three years
26 following the effective date of this paragraph, the
27 commission may order the filing of information to effectuate
28 unbundling and, after the filing, may commence a proceeding
29 where the unbundling is accomplished. After the initial
30 allocation, changes shall be permitted only in a general rate

1 case. If the commission finds it necessary to do so, the
2 commission may establish a mandatory schedule for the filing
3 information and the unbundling proceedings required by this
4 paragraph.

5 * * *

6 Section 2. Section 2206(b) of Title 66 is amended to read:

7 § 2206. Consumer protections and customer service.

8 * * *

9 (b) Change of suppliers.--

10 (1) The commission shall, by order or regulation,
11 establish procedures to ensure that a natural gas
12 distribution company does not change a retail gas customer's
13 natural gas supplier without direct oral confirmation from
14 the customer of record or written evidence of the customer's
15 consent to a change of supplier.

16 (2) The commission shall establish regulations to ensure
17 that a natural gas distribution company processes a change in
18 natural gas supplier by using either the customer account
19 number or other personally identifiable information. A
20 customer who consents to a change of natural gas supplier
21 shall not be required to provide a natural gas distribution
22 company account number or other identification number if the
23 customer provides a valid government-issued identification or
24 alternative form of identification as determined by the
25 commission.

26 * * *

27 Section 3. Section 2208 of Title 66 is amended by adding a
28 subsection to read:

29 § 2208. Requirements for natural gas suppliers.

30 * * *

1 (i) Training and education program requirements for natural
2 gas suppliers.--

3 (1) The commission shall develop a training and
4 educational program for any entity or individual that is
5 licensed by the commission under this section as a natural
6 gas supplier.

7 (2) The commission shall develop the program in
8 consultation with interested stakeholders, including natural
9 gas suppliers.

10 (3) The program shall require that a designated
11 representative of each licensed natural gas supplier
12 demonstrate a thorough understanding of the commission's
13 regulations regarding sales, consumer protection and any
14 other matter the commission deems appropriate through an
15 online training program.

16 (4) At the conclusion of the training, the commission
17 shall conduct an online examination and, on a satisfactory
18 score, certify that the designated representative of the
19 licensed natural gas supplier has successfully completed the
20 training.

21 (5) The commission shall determine the schedule and
22 frequency by which a designated representative of a licensed
23 natural gas supplier must complete the training and
24 certification. The commission may not issue a license to a
25 new natural gas supplier until a designated representative of
26 the new natural gas supplier completes the training and
27 certification.

28 (6) The commission may adopt regulations that include
29 appropriate penalties or sanctions for failure to comply with
30 this subsection.

1 (7) The commission shall use the assessments collected
2 in accordance with this part for the initial development of
3 the training and educational program. The commission may
4 establish reasonable fees, as authorized under paragraph (h),
5 to fund the training and educational program.

6 Section 4. Section 2804 of Title 66 is amended by adding a
7 paragraph to read:

8 § 2804. Standards for restructuring of electric industry.

9 The following interdependent standards shall govern the
10 commission's assessment and approval of each public utility's
11 restructuring plan, oversight of the transition process and
12 regulation of the restructured electric utility industry:

13 * * *

14 (3.1) The commission shall require, by order or
15 regulation to be issued within 210 days of the effective date
16 of this paragraph, that each electric distribution company
17 unbundle all costs associated with providing default service
18 from distribution rates and ensure that the appropriate level
19 of the costs are recovered in default service or standard
20 offer service rates. The specific costs to be unbundled shall
21 include, but not be limited to: commodity costs, capacity
22 costs, hedging costs whether financial or physical,
23 procurement costs, billing system and billing costs, customer
24 service and account management costs, working capital,
25 overheads, including building and information technology
26 costs, legal and financial costs and labor costs. To the
27 extent any of these costs are indirect costs to pay for
28 services that support both distribution customers and default
29 service customers, the commission shall require an
30 appropriate proportion of those indirect costs be allocated

1 to default service. The intent of this requirement is to
2 ensure that the actual costs of providing distribution and
3 default service are accurately reflected in the rates charged
4 for those services. The unbundling and reallocation shall be
5 accomplished in the utility's next rate case. If an electric
6 distribution company does not file a rate case within three
7 years following the effective date of this paragraph, the
8 commission may order the filing of information in order to
9 effectuate unbundling and may, after the filing, commence a
10 proceeding where the unbundling is accomplished. After the
11 initial allocation, changes shall be permitted only in a
12 general rate case. If the commission finds it necessary to do
13 so, the commission may establish a mandatory schedule for the
14 filing information and the unbundling proceedings required by
15 this paragraph.

16 * * *

17 Section 5. Sections 2807 and 2809 of Title 66 are amended by
18 adding subsections to read:

19 § 2807. Duties of electric distribution companies.

20 * * *

21 (f.1) Processing changes in suppliers.--The commission shall
22 establish regulations to ensure that an electric distribution
23 company processes a change in electric generation supplier by
24 using either the customer account number or other personally
25 identifiable information. A customer who consents to a change of
26 electric generation supplier shall not be required to provide an
27 electric distribution company account number or other
28 identification number if the customer provides a valid
29 government-issued or alternative form of identification as
30 determined by the commission.

1 * * *

2 § 2809. Requirements for electric generation suppliers.

3 * * *

4 (h) Training and education program requirements for electric
5 generation suppliers.--

6 (1) The commission shall develop a training and
7 educational program for any entity or individual that is
8 licensed by the commission under this section as an electric
9 generation supplier.

10 (2) The commission shall develop the program in
11 consultation with interested stakeholders, including electric
12 generation suppliers.

13 (3) The program shall require that a designated
14 representative of each licensed electric generation supplier
15 demonstrate a thorough understanding of the commission's
16 regulations regarding sales, consumer protection and any
17 other matter the commission deems appropriate through an
18 online training program.

19 (4) At the conclusion of the training, the commission
20 shall conduct an online examination and, on a satisfactory
21 score, certify that the designated representative of the
22 licensed electric generation supplier has successfully
23 completed the training.

24 (5) The commission shall determine the schedule and
25 frequency by which a designated representative of a licensed
26 electric generation supplier must complete the training and
27 certification. The commission may not issue a license to a
28 new electric generation supplier until a designated
29 representative of the new electric generation supplier
30 completes the training and certification.

1 (6) The commission may adopt regulations that include
2 appropriate penalties or sanctions for failure to comply with
3 this subsection.

4 (7) The commission shall use the assessments collected
5 in accordance with this part for the initial development of
6 the training and educational program. The commission may
7 establish reasonable fees, as authorized under paragraph (g),
8 to fund the training and educational program.

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