



# Senate Environmental Resources and Energy Committee

**Senator Gene Yaw**  
Chairman

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## **Summary Senate Bill 214, P.N. 123**

**Prime Sponsor: Senator Yaw**

### **Summary**

- Creates the Natural Gas Consumer Access Act to require distribution system extension and expansion plans to increase natural gas usage in Pennsylvania.

### **Extension and Expansion Plan**

- Natural Gas Distribution Utility does not include a city natural gas distribution operation.
- Requires a Natural Gas Distribution Utility (NGDU) to submit a plan within nine months of the effective date and triennially thereafter, which would include:
  1. The number of existing customers by municipality in the certificated service area
  2. The number of residential, commercial and industrial entities in the service area by municipality which do not have gas available and the anticipated market penetration.
  3. The adjacent municipalities of a distribution system that are not serviced by any NGDU.
  4. Three-year projection for extension, which demonstrates a reasonable increase of customers in the service area per year.
  5. Three-year projection for expansion projects that is based upon the length and cost of the required expansions and the numbers of customers affected for each potential project demonstrating a reasonable increase in the service area of customers per year.
  6. Financing that is available to complete the programs, including customer contribution programs.
  7. Known right-of-ways, easement or geographic issues that present an impediment to expansion or extension.
  8. Form of any agreement that might be required to be executed with a prospective customer.
  9. The standards the natural gas utility will use to determine if a customer is unable to comply with the repayment schedule.
- The commission will review the plan and has the option to reject, revise or order the NGDU to submit a revised plan for adequacy and completeness.
- Allows for a supplemental filing to an NGDU that has filed a commission-approved plan or program within the last year.

- The commission has the authority to do periodic reviews.

### **Customer Contribution**

- NGDU will provide residential, commercial and industrial customers with customer contribution criteria for extension and expansion projects, which will contain:
  1. Actual cost to the customer and geographic area for the project.
  2. Cost-benefit test to determine if a customer contribution is required.
  3. Period of time, which will be no less than ten years, in which the customers will reimburse the NGDU.
  4. Total cost to a customer, including initial deposit and periodic payment or reduction in periodic payments.
  5. Refund provisions to the original customers as other customers receive service.
  6. Support for the economic test used to determine the customer contribution and comparisons with other economic test, such as a net revenue screen or net present value method.
- NGDU will modify its tariff within 30 days after approval.
- The customer contribution charge is required to be an itemized line on the customer's bill

### **Notification**

- NGDU will provide notification to all its customers of its distribution system extension and expansion plan and customer contribution criteria at least once a year and posted on their Internet website.

### **Bona fide Request Program (BFR)**

- As part of the plan, the NGDU will offer a program which will provide for expedite extension or expansion projects if there is an economic development corporation project creating 30 or more jobs or a large aggregation of residential, commercial or industrial entities who seek to obtain service based on the number of potential customers, density of the area seeking service, potential usage and cost of extending service.

### **Effective Date**

- The act shall take effect in 30 days.