



# Senate Environmental Resources and Energy Committee

**Senator Gene Yaw**  
Chairman

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## **Summary Senate Bill 738, P.N. 823**

**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**

- Requires a Natural Gas Distribution Utility (NGDU) to submit a plan to the PUC by January 1, 2014, 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
- The plan will contain:
  1. Three-year projection for extension, which demonstrates a reasonable increase of customers in the service area per year.
  2. Three-year projection for expansion projects, demonstrating a reasonable increase in the service area of customers per year.
  3. Financing that will be utilized to complete the programs, including customer contribution programs.
  4. Known right-of-ways, easement or geographic issues that present an impediment to expansion or extension.
  5. Form of any agreement that might be required to be executed with a prospective customer.
- 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.
- 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.
- NGDU will modify its tariff within 30 days after approval.

### **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.