



HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA

MEMO

June 23, 1975

**SUBJECT.** House Bill 1417 (PN 1666) - Utilities

**TO** Honorable C. L. Schmitt  
Chairman, Consumer Protection Committee

**FROM** Jacob Myers, Legal Counsel, Consumer Protection Committee

A handwritten signature in cursive script, appearing to read "Jacob Myers".

HB-1417 (PN 1666) amends the act pertaining to the regulation of public utilities (Section 307) ; Act of May 28, 1937 (P.L.1053, No.286) of the "Public Utility Law."

The bill would create a new subsection (c) to Section 307 providing for Sliding Scale of Rates. New subsection (c) of Section 307 would require that whenever a public utility, other than a common carrier, uses the automatic adjustment provision for passing on fuel costs, the increase in the rates would be limited to the actual cost of acquiring the fuel.

Apparently there is a practice among some utilities to include in their costs assessments, the ash removal cost after the coal is burned. The Federal Power Commission recently started prohibiting this (Jan. '75), and it may be desirable from a public policy point of view to have this cost included in the rate filings, rather than as part of the automatic pass through.