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House of Representatives  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

#### COMMITTEES

CONSUMER PROTECTION, TECHNOLOGY &  
UTILITIES, CHAIR  
POLICY COMMITTEE

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PA LEGISLATIVE LATINO CAUCUS  
PA SAFE CAUCUS  
PENNSYLVANIA LEGISLATIVE BLACK CAUCUS  
WOMEN'S HEALTH CAUCUS

## House Consumer Protection, Technology and Utilities Committee

Meeting Agenda

June 9, 2026

10:00am

G-50 Irvis Office Building

Call to Order

### HB 1780 (Rep. Guzman)

Creates the Transparent Payment Fees Act, requiring clear disclosure of credit card surcharges at checkout registers or online checkout screens.

### HB 2224 (Rep. Fiedler/Rep. Burgos)

Creates the FAIR Act – Fair Authorized Investment Return Act.

### HB 2184 (Rep. Otten)

Legally requires the Pennsylvania Public Utility Commission (PUC) to consider the "public interest" whenever making decisions regarding utility regulations, rate changes, and production costs.

### HB 2512 (Rep. Carrol)

Prohibit ride share companies (Uber and Lyft) from setting prices according to your device's condition such as battery life, the number of wireless connections and the age of the device.

### HR 537 (Rep. Matzie)

September 21 – 27, 2026 designated as “Rail Safety Week” in Pennsylvania.

Any Other Business

### HB 2551 (Rep. Isaacson)

Prohibits the PA Turnpike Commission and all Commonwealth agencies from using text messaging to notify residents about or collect any unpaid fines, fees or tolls.

NOTE: There will be an amendment that will be considered in Committee. The amendment will allow text messaging by agency as long as the person receiving the message has given their consent to receive them.

Announcements

Adjournments

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1780 Session of  
2025

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INTRODUCED BY GUZMAN, HILL-EVANS, GIRAL, WEBSTER, SANCHEZ,  
PIELLI, WAXMAN, RIVERA, FIEDLER AND CEPEDA-FREYTIZ,  
AUGUST 1, 2025

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REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND  
UTILITIES, AUGUST 4, 2025

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AN ACT

1 Amending Title 12 (Commerce and Trade) of the Pennsylvania  
2 Consolidated Statutes, providing for transparent payment  
3 fees.

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

6 Section 1. Title 12 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 58

9 TRANSPARENT PAYMENT FEES

10 Sec.

11 6401. Scope of chapter.

12 6402. Definitions.

13 6403. Surcharge disclosure.

14 6404. Enforcement.

15 § 6401. Scope of chapter.

16 This chapter relates to informing consumers of payment  
17 surcharges related to the use of credit cards.

1 § 6402. Definitions.

2 The following words and phrases when used in this chapter  
3 shall have the meanings given to them in this section unless the  
4 context clearly indicates otherwise:

5 "Credit card surcharge." A fee charged by a merchant to a  
6 consumer exclusively for credit card payment.

7 § 6403. Surcharge disclosure.

8 (a) Disclosure required.--A merchant located in this  
9 Commonwealth, or doing business with a consumer located in this  
10 Commonwealth, shall disclose any credit card surcharge prior to  
11 the completion of a transaction.

12 (b) Limit on surcharge.--The credit card surcharge may not  
13 exceed the merchant's actual cost to process the credit card  
14 payment.

15 § 6404. Enforcement.

16 (a) Penalties.--A violation under this chapter shall be  
17 subject to penalties as determined by the Bureau of Consumer  
18 Protection in the Office of Attorney General.

19 (b) Deposit of penalty fees.--Any penalty fees collected  
20 under this section shall be deposited into the General Fund.

21 Section 2. This act shall take effect in 120 days.

# HOUSE OF REPRESENTATIVES

## DEMOCRATIC COMMITTEE BILL ANALYSIS

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<b>Bill No:</b>	HB1780 PN2189	<b>Prepared By:</b>	Sean Gatten (717) 783-0250
<b>Committee:</b>	Consumer Protection & Utilities	<b>Executive Director:</b>	Timothy Scott
<b>Sponsor:</b>	Guzman, Manuel		
<b>Date:</b>	5/23/2026		

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### **A. Brief Concept**

Requires clear disclosure of credit card surcharge fees at the point of purchase for goods and services.

### **C. Analysis of the Bill**

HB 1780 creates a new chapter (Chapter 58) in Title 12 (Commerce) of the PA Consolidated Statutes titled "Transparent Payment of Fees".

The purpose of this chapter is to inform consumers of payment surcharges related to the use of credit cards.

#### Key Definitions

"Credit Card Surcharge" is defined as a fee charged by a merchant to a consumer exclusively for the use of a credit card.

#### Surcharge Disclosure

Merchants are required to provide the following:

**Upfront Disclosure:** Merchants must tell customers about any credit card fee before the transaction is completed.

**No Profit Margin on Fees:** Merchants can't use these surcharges as a hidden revenue stream. They can only charge what the credit card company actually charges them to process the swipe.

#### Enforcement

Merchants who violate this Act are subject to penalties and fees as determined by the Attorney General's Bureau of Consumer Protection. Any penalty fees collected as a result of any violations shall be deposited into the General Fund.

#### **Effective Date:**

120 days.

### **G. Relevant Existing Laws**

Right now, Pennsylvania has no specific statute that explicitly bans or regulates credit card surcharges.

**The Unfair Trade Practices and Consumer Protection Law (UTPCPL):** This is Pennsylvania's primary weapon against "hidden fees." Under this broad statute, it is illegal for a merchant to engage in "fraudulent or deceptive conduct" that creates a likelihood of confusion or misunderstanding. If a merchant surprises a customer with a 3% fee at the absolute end of a transaction without warning, the Attorney General may sue them for deceptive advertising or hidden pricing under the UTPCPL.

At the federal level, there is no blanket law capping or banning credit card surcharges for private merchants, but the federal landscape heavily influences what states can do.

**The Truth in Lending Act (TILA):** Historically, federal law permitted merchants to offer cash discounts (e.g., "*gas is \$3.00 if you pay cash, but \$3.10 if you use credit*"). However, explicit surcharges (adding a fee on top of the regular posted price) were governed by state laws and credit card company rules.

**The Supreme Court Precedent (Expressions Hair Design v. Schneiderman):** Several states used to have outright bans on credit card surcharges. However, a major U.S. Supreme Court decision established that preventing a merchant from telling a customer about a surcharge constitutes a regulation of speech. Consequently, outright bans on surcharging are generally unconstitutional under the First Amendment. However, *the Court ruled that states can regulate how those fees are disclosed to prevent deception.*

**The Federal Trade Commission (FTC) "Junk Fees" Push:** The FTC has proposed rules targeting "junk fees" nationwide, aimed at forcing businesses to display the full, all-in price upfront. While this targets sectors like hotels, concert tickets, and utility bills, it signals a massive federal shift toward mandatory upfront disclosure.

**Credit Card Network Rules:** The "law of the land" has actually been written by the credit card companies themselves (*Visa, Mastercard, American Express*). To accept credit cards, merchants must sign agreements agreeing to these strict private rules:

*Caps on Fees:* Visa and Mastercard strictly cap surcharges (Visa limits them to 3%, Mastercard to 4%). Merchants are also barred from charging a surcharge that exceeds their actual cost of processing the card.

*Disclosure Rules:* Network rules require merchants to post clear signage at the storefront entrance and at the point of sale disclosing the surcharge.

*No Surcharges on Debit:* Private network rules strictly prohibit merchants from adding surcharges to debit cards or prepaid cards, even if the customer runs it as "credit" at checkout.

## **E. Prior Session (Previous Bill Numbers & House/Senate Votes)**

**HB 750 (2013-2014 Legislative Session)** - this bill sought to outright ban retailers from imposing any surcharge on customers using a credit card, while legally protecting a merchant's right to offer a cash discount instead. The bill never received consideration by both chambers.

**Senate Bill 1202 (2025-2026 Legislative Session):** This concurrent legislation takes aim at payment card networks (like Visa and Mastercard). It seeks to prohibit those networks from charging merchants interchange fees on the sales tax portion of a transaction

This document is a summary of proposed legislation and is prepared only as general information for use by the Democratic Members and Staff of the Pennsylvania House of Representatives. The document does not represent the legislative intent of the Pennsylvania House of Representatives and may not be utilized as such.

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2184 Session of  
2026

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INTRODUCED BY OTTEN, WAXMAN, PROBST, HILL-EVANS, RABB, HADDOCK,  
HOWARD, STEELE, SAPPEY, PROKOPIAK, POWELL, CEPEDA-FREYTIZ,  
PARKER, FRANKEL, CIRESI, RIVERA, WEBSTER, BRENNAN,  
SHUSTERMAN, FREEMAN, VITALI, BOROWSKI, HANBIDGE, D. WILLIAMS  
AND O'MARA, JANUARY 30, 2026

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REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND  
UTILITIES, FEBRUARY 2, 2026

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AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, in general provisions, further  
3 providing for definitions; in powers and duties, providing  
4 for public interest; and, in rates and distribution systems,  
5 further providing for rates to be just and reasonable, for  
6 voluntary changes in rates and for rates fixed on complaint  
7 and investigation of costs of production.

8 The General Assembly of the Commonwealth of Pennsylvania  
9 hereby enacts as follows:

10 Section 1. Section 102 of Title 66 of the Pennsylvania  
11 Consolidated Statutes is amended by adding a definition to read:

12 § 102. Definitions.

13 Subject to additional definitions contained in subsequent  
14 provisions of this part which are applicable to specific  
15 provisions of this part, the following words and phrases when  
16 used in this part shall have, unless the context clearly  
17 indicates otherwise, the meanings given to them in this section:

18 \* \* \*

1 "Public interest." Factors used to determine public interest  
2 by the commission under section 531 (relating to public  
3 interest).

4 \* \* \*

5 Section 2. Title 66 is amended by adding a section to read:  
6 § 531. Public interest.

7 (a) Public interest findings.--When making a decision  
8 regarding a utility, the commission shall use the following to  
9 determine whether the decision is in the public interest:

10 (1) The affordability of utility rates for current and  
11 future residential customers.

12 (2) The utility's plans for use of an all-of-the-above  
13 energy strategy, including:

14 (i) development of distributed generation resources;

15 (ii) development of renewable energy and storage  
16 resources;

17 (iii) generation resources with little or no  
18 volatility in fuel prices; and

19 (iv) demand-side resources, including energy  
20 efficiency, to insulate customers from future rate  
21 increases and bill increases.

22 (3) Modernization and improvement of the reliability of  
23 Pennsylvania's electric grid, if applicable, including both  
24 the transmission and distribution grid.

25 (4) Protection of public health and the environment,  
26 including reduction of air emissions, water withdrawals,  
27 water consumption and water discharges.

28 (5) The potential for economic growth, including:

29 (i) jobs;

30 (ii) economic output; and

- 1           (iii) State and local tax revenues.
- 2           (6) Improvement of utility reliability and resiliency.
- 3           (7) Improvements in energy efficiency.
- 4           (8) Environmental justice considerations.

5           (b) Documentation.--The commission shall include public  
6 interest findings under subsection (a) in all decisions relating  
7 to public utilities.

8           Section 3. Sections 1301(a), 1308(a) and 1309(a) of Title 66  
9 are amended to read:

10 § 1301. Rates to be just and reasonable.

11           (a) Regulation.--Every rate made, demanded, or received by  
12 any public utility, or by any two or more public utilities  
13 jointly, shall be just and reasonable, consistent with the  
14 public interest and in conformity with regulations or orders of  
15 the commission. Only public utility service being furnished or  
16 rendered by a municipal corporation, or by the operating  
17 agencies of any municipal corporation, beyond its corporate  
18 limits, shall be subject to regulation and control by the  
19 commission as to rates, with the same force, and in like manner,  
20 as if such service were rendered by a public utility.

21           \* \* \*

22 § 1308. Voluntary changes in rates.

23           (a) General rule.--Unless the commission otherwise orders,  
24 no public utility shall make any change in any existing and duly  
25 established rate, except after 60 days notice to the commission,  
26 which notice shall plainly state the changes proposed to be made  
27 in the rates then in force, how the changes proposed are  
28 consistent with the public interest and the time when the  
29 changed rates will go into effect. The public utility shall also  
30 give such notice of the proposed changes to other interested

1 persons as the commission in its discretion may direct. Such  
2 notices regarding the proposed changes which are provided to the  
3 utility's customers shall be in plain understandable language as  
4 the commission shall prescribe. All proposed changes shall be  
5 shown by filing new tariffs, or supplements to existing tariffs  
6 filed and in force at the time. The commission, for good cause  
7 shown, may allow changes in rates, without requiring the 60 days  
8 notice, under such conditions as it may prescribe.

9 \* \* \*

10 § 1309. Rates fixed on complaint; investigation of costs of  
11 production.

12 (a) General rule.--Whenever the commission, after reasonable  
13 notice and hearing, upon its own motion or upon complaint, finds  
14 that the existing rates of any public utility for any service  
15 are unjust, unreasonable, inconsistent with the public interest,  
16 or in anywise in violation of any provision of law, the  
17 commission shall determine the just and reasonable rates,  
18 including maximum or minimum rates, to be thereafter observed  
19 and in force, and shall fix the same by order to be served upon  
20 the public utility, and such rates shall constitute the legal  
21 rates of the public utility until changed as provided in this  
22 part. Whenever a public utility does not itself produce or  
23 generate that which it distributes, transmits, or furnishes to  
24 the public for compensation, but obtains the same from another  
25 source, the commission shall have the power and authority to  
26 investigate the cost of such production or generation in any  
27 investigation of the reasonableness of the rates of such public  
28 utility.

29 \* \* \*

30 Section 4. This act shall take effect in 60 days.

# HOUSE OF REPRESENTATIVES

## DEMOCRATIC COMMITTEE BILL ANALYSIS

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<b>Bill No:</b>	HB2184 PN2840	<b>Prepared By:</b>	Sean Gatten (717) 783-0250
<b>Committee:</b>	Consumer Protection & Utilities	<b>Executive Director:</b>	Timothy Scott
<b>Sponsor:</b>	Otten, Danielle		
<b>Date:</b>	5/23/2026		

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### **A. Brief Concept**

Forces the PUC to consider the "public interest"—explicitly prioritizing residential rate affordability, grid modernization, and clean energy strategies—before approving any rate changes.

### **C. Analysis of the Bill**

House Bill 2184 establishes an explicit statutory standard for what constitutes the "public interest" within the Pennsylvania Public Utility Commission (PUC) proceedings.

Currently, the PUC operates under a broad mandate to ensure utility rates are "just and reasonable," HB 2184 forces the PUC to weigh consumer affordability, public health, corporate profit margins, and green energy investments before greenlighting rate hikes or large-scale utility mergers.

The bill amends Title 66 as follows:

#### Section 102 (Definitions)

A clear, concise definition of "Public Interest" is provided.

#### Section 531 (Public Interest)

A new section is created explicitly linking the PUC's regulatory powers to this public interest standard.

#### Sections 1301(a), 1308(a) and 1309(a)

The bill amends sections 1301(a) (Rates to Be Just and Reasonable), 1308(a) (Voluntary Changes In Rates) and 1309 ( Rates fixed on complaint; investigation of costs of production) specifically stating the PUC shall include the public interest when contemplating utilities requests for rate increases and how the PUC is to evaluates them.

Under HB 2184, when making any decision regarding a utility—including rate adjustments, corporate mergers, or infrastructure approvals—the PUC must evaluate the outcome against these five statutory pillars:

*Ratepayer Affordability:* The immediate and long-term impact on the financial capacity of current and future residential customers.

*"All-of-the-Above" Energy Planning:* Whether the utility is minimizing bill volatility by investing in distributed generation, renewable energy, storage, and demand-side efficiency.

*Grid Reliability:* Modernization and reliability improvements to Pennsylvania's transmission and distribution networks.

*Public Health & Environmental Protection:* Quantifiable reductions in air emissions, water consumption, and industrial water discharges.

*Economic Growth:* Positive indicators regarding job creation and localized economic output.

### *Plain-Terms Practical Impact*

*A Higher Bar for Rate Hikes:* In plain language, this bill prevents utilities from securing rate increases based solely on infrastructure costs or inflation if their financial books show record corporate profits alongside a high volume of low-income household shutoffs.

*Leverage Against Utility Mergers:* The text requires the public interest standard to apply to all proceedings. This gives the PUC explicit teeth to review, heavily condition, or outright block massive utility consolidations (such as the proposed Essential Utilities/American Water mega-merger) if consolidation threatens to eliminate local community bargaining power or spike consumer water bills.

### **Effective Date:**

60 days.

## **G. Relevant Existing Laws**

### The "Public Interest" Standard

The term is used throughout Title 66 but lacks an explicit statutory definition. The PUC and courts rely on broad judicial precedent, which often prioritizes balancing utility shareholder returns with service reliability.

### Utility Rate Filing Obligations

Under Section 1308, utilities must give 60 days' notice and prove that a voluntary rate change is "just and reasonable."

### PUC Investigation & Intervention

The PUC can investigate and alter existing rates under Section 1309 if they are found to be "unjust" or "unreasonable."

## **E. Prior Session (Previous Bill Numbers & House/Senate Votes)**

None.

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2224 Session of  
2026

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INTRODUCED BY FIEDLER, BURGOS, PROBST, WAXMAN, HOWARD, HILL-  
EVANS, D. WILLIAMS, RIVERA, GIRAL, FREEMAN, BOYD, CIRESI,  
CEPEDA-FREYTIZ, CURRY, GILLEN, STEELE, SHUSTERMAN,  
HOHENSTEIN, HANBIDGE AND HADDOCK, MAY 18, 2026

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REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND  
UTILITIES, MAY 20, 2026

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AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, in rates and distribution systems,  
3 providing for return on equity.

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

6 Section 1. Chapter 13 of Title 66 of the Pennsylvania  
7 Consolidated Statutes is amended by adding a subchapter to read:

8 SUBCHAPTER C

9 RETURN ON EQUITY

10 Sec.

11 1380. Definitions.

12 1381. Default authorized return on equity.

13 1382. Competitive equity auction.

14 1383. Annual reporting and transparency.

15 1384. Applicability to State-jurisdictional rate base.

16 1385. Applicability to ratemaking.

17 § 1380. Definitions.

1 The following words and phrases when used in this subchapter  
2 shall have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "10-year treasury." The market yield on United States  
5 Treasury securities at 10-year constant maturity, quoted on an  
6 investment basis, as reported by the Federal Reserve System.

7 "Auction-clearing return." The uniform rate of return  
8 established as the clearing price in a competitive equity  
9 auction conducted under section 1382(e).

10 "Auction equity interest." The following:

11 (1) An economic interest issued under a competitive  
12 equity auction under section 1382 (relating to competitive  
13 equity auction). An auction equity interest represents  
14 participation in the financial performance of a specific  
15 regulated service, which carries the auction-clearing return  
16 as adjusted under section 1382(c), and is distinct from the  
17 covered utility's base common stock. The following shall  
18 apply to an auction equity interest:

19 (i) The authorized return and financial performance  
20 of an auction equity interest shall be determined solely  
21 by reference to the regulated service to which it relates  
22 and shall not be affected by the financial performance  
23 of, or returns applicable to, any other regulated service  
24 or any activity of the covered utility not subject to the  
25 jurisdiction of the commission.

26 (ii) Except if auction equity interests are issued  
27 by a regulated service corporation established under  
28 section 1382(1), auction equity interests issued directly  
29 by the covered utility are obligations of the covered  
30 utility and may be subject to all risks applicable to the

1 covered utility generally, including the risk of  
2 insolvency or bankruptcy of the covered utility.

3 (iii) If the covered utility has established a  
4 regulated service corporation and regulated service LLC  
5 under section 1382, auction equity interests shall be  
6 issued by the regulated service corporation rather than  
7 by the covered utility itself.

8 (2) As used in this definition, the term "covered  
9 utility's base common stock" shall mean the stock of the  
10 regulated service corporation retained by the covered  
11 utility.

12 "Authorized return on equity." The rate of return on common  
13 equity authorized by the commission for ratemaking purposes.

14 "Competitive equity auction." A process overseen by the  
15 commission in accordance with this subchapter that provides a  
16 market-based determination of the cost of equity for a covered  
17 utility.

18 "Cost of equity." The minimum rate of return necessary to  
19 attract equity capital to invest in a specific regulated  
20 service.

21 "Covered utility." An investor-owned electric distribution  
22 company, natural gas distribution company or water or wastewater  
23 public utilities regulated by the commission.

24 "Default authorized return." The authorized return on equity  
25 determined under section 1381 (relating to default authorized  
26 return on equity).

27 "Rate period." The time period in which a covered utility  
28 collects rates that are authorized and approved by the  
29 commission.

30 "Regulated service." A service provided by a covered utility

1 for which the commission determines an authorized return on  
2 equity. If a covered utility provides more than one category of  
3 service subject to the jurisdiction of the commission, each  
4 category shall be treated as a separate regulated service for  
5 purposes of this subchapter and consistent with the property  
6 segregation requirements of section 1305 (relating to advance  
7 payment of rates; interest on deposits), unless the commission  
8 determines that consolidated treatment is appropriate.

9 "Regulated service corporation." A corporation organized  
10 under the laws of any state, formed or designated by a covered  
11 utility under section 1382(1) that:

12 (1) Is treated as a corporation for Federal income tax  
13 purposes.

14 (2) Conducts no activities other than holding a  
15 membership interest in a regulated service LLC and serving as  
16 the issuer of auction equity interests for the regulated  
17 service associated with that regulated service LLC.

18 "Regulated service LLC." A limited liability company that is  
19 a wholly owned subsidiary of a regulated service corporation,  
20 formed or designated under section 1382(1), to hold assets,  
21 rights, franchises and obligations associated with a regulated  
22 service. A regulated service LLC shall be treated as a  
23 disregarded entity for Federal income tax purposes.

24 § 1381. Default authorized return on equity.

25 (a) Default authorized return.--Unless an authorized return  
26 on equity is established under section 1382 (relating to  
27 competitive equity auction), the commission shall set the  
28 authorized return on a covered utility's common equity equal to  
29 the sum of the 10-year treasury and 2%.

30 (b) Annual reset.--The default authorized return shall be

1 reset annually as of January 1 of each year to reflect the  
2 average of the 10-year treasury rate on the 60 business days  
3 immediately prior to January 1 of that year.

4 (c) Alternative benchmark.--If publication of the 10-year  
5 treasury is ceased or interrupted, the commission shall identify  
6 and use for the calculation the alternative benchmark the  
7 commission determines to be the best substitute for carrying out  
8 the purposes of this section.

9 (d) Burden of proof.--The burden of demonstrating that the  
10 default authorized return on equity is insufficient to attract  
11 capital shall be exclusively with the covered utility. The  
12 default authorized return shall be presumed just and reasonable  
13 unless rebutted through the competitive equity auction process  
14 specified in section 1382.

15 (e) Initial rate period.--For a rate period commencing  
16 between the effective date of this subsection and the first  
17 reset date under subsection (b), the 10-year treasury component  
18 shall be determined using the averaging methodology prescribed  
19 in subsection (b) and applied to the 60 business days  
20 immediately preceding the effective date of this subsection.

21 (f) Rate adjustment.--

22 (1) If the authorized return on equity for a regulated  
23 service changes under this section or section 1382, the  
24 commission shall adjust the rates applicable to the regulated  
25 service to reflect the new authorized return on equity.

26 (2) The adjustment shall be implemented through the  
27 mechanism the commission determines to be most expedient,  
28 which may include a surcharge or credit applied to existing  
29 tariffs, an automatic rate adjustment mechanism or  
30 incorporation into the covered utility's next general rate

1 proceeding.

2 (3) The commission shall implement an adjustment no  
3 later than 90 days after the change in authorized return on  
4 equity takes effect.

5 (g) Risk insurance.--Nothing in this subchapter shall  
6 preclude a covered utility from procuring third-party insurance  
7 to hedge material idiosyncratic risks, with the cost of the  
8 insurance recoverable in rates as an operating expense subject  
9 to the commission's determination of prudence.

10 (h) Performance-based ratemaking.--

11 (1) Nothing in this subchapter shall preclude the  
12 commission from establishing or maintaining a performance-  
13 based ratemaking plan for a covered utility if a plan is  
14 designed for the expected value of performance-based  
15 adjustments to the authorized return on equity to be neutral.

16 (2) The performance-based ratemaking plan may not permit  
17 the aggregate effect of performance-based adjustments to  
18 increase the covered utility's realized return on equity for  
19 a regulated service by more than two percentage points above  
20 the authorized return on equity for that regulated service as  
21 determined under this subchapter.

22 (3) For purposes of this subsection, the term  
23 "performance-based ratemaking plan" means a plan, mechanism  
24 or order that adjusts the authorized return on equity of a  
25 covered utility based on measured utility performance against  
26 specified benchmarks. The term does not include revenue  
27 decoupling mechanisms, formula rate plans or other mechanisms  
28 that operate on revenue, cost recovery or rate design without  
29 adjusting the authorized return on equity.

30 (i) Interaction with alternative ratemaking plans.--

1       (1) An alternative ratemaking plan approved by the  
2 commission under section 1330 (relating to alternative  
3 ratemaking for utilities) which is in effect as of the  
4 effective date of this paragraph shall remain in effect in  
5 accordance with the plan's terms, unless a component of the  
6 plan that determines, adjusts or is calculated by reference  
7 to the authorized return on equity is recalculated using the  
8 authorized return on equity upon the next scheduled  
9 adjustment or reset of the component, as determined by the  
10 commission under this subchapter.

11       (2) Non-return-on-equity components of a plan, including  
12 decoupling mechanisms, revenue-per-customer caps, price cap  
13 mechanisms and any distribution system improvement charge  
14 approved under section 1353 (relating to distribution system  
15 improvement charge) without limitation, shall not be affected  
16 by this subchapter.

17       (3) An alternative ratemaking plan filed with the  
18 commission under section 1330 on or after the effective date  
19 of this paragraph shall incorporate the authorized return on  
20 equity as determined by the commission under this subchapter.

21       (4) The commission may not approve a plan that permits a  
22 return on equity that is greater than the authorized return  
23 on equity determined by the commission.

24       (5) Nothing in this subsection shall limit the authority  
25 of the commission to approve or maintain a distribution  
26 system improvement charge under section 1353 if the return  
27 component of the charge is calculated using the authorized  
28 return on equity determined by the commission under this  
29 subchapter.

30       (j) Initial implementation.--

1           (1) Notwithstanding any other provision of this  
2 subchapter, title or prior order of the commission, the  
3 default authorized return on equity established under this  
4 section shall apply to each regulated service of a covered  
5 utility immediately upon the effective date of this  
6 paragraph, regardless of whether a rate proceeding under  
7 section 1308(d) (relating to voluntary changes in rates) is  
8 pending and when a rate proceeding was last concluded.

9           (2) A rate component reflecting or implicitly permitting  
10 an authorized return on equity greater than the default  
11 authorized return established under this section may no  
12 longer be considered just and reasonable as of the effective  
13 date of this paragraph, except to the extent established  
14 through a competitive equity auction conducted under section  
15 1382. To implement this subsection, the commission shall:

16           (i) No later than 60 days after the effective date  
17 of this subparagraph, issue an order for each covered  
18 utility setting the authorized return on equity for each  
19 of its regulated services to the default authorized  
20 return determined under subsection (a), as adjusted under  
21 subsection (e) for the initial rate period.

22           (ii) No later than 120 days after the effective date  
23 of this subparagraph, implement corresponding adjustments  
24 to customer rates, applying the mechanism the commission  
25 determines to be most expedient under subsection (f),  
26 which may include a surcharge or credit applied to  
27 existing tariffs or an automatic rate adjustment  
28 mechanism and which shall not require the initiation of a  
29 base rate proceeding under section 1308(d).

30           (iii) Implement a true-up adjustment for the period

1 commencing on the effective date of this subparagraph and  
2 ending on the date adjusted rates take effect, calculated  
3 as the difference between the revenue actually collected  
4 by the covered utility during the period and the revenue  
5 that would have been collected during the period had the  
6 default authorized return been reflected in rates  
7 throughout, with interest accruing at the default  
8 authorized return calculated from the midpoint of the  
9 period.

10 (3) A covered utility that believes the default  
11 authorized return is insufficient to attract capital may, at  
12 any time following the effective date of this paragraph,  
13 petition the commission for a competitive equity auction  
14 under section 1382(a). The pendency of a petition shall not  
15 delay or suspend the implementation required by this  
16 subsection.

17 (4) Nothing under this subsection shall be construed to  
18 disturb a non-return-on-equity component of a rate currently  
19 in effect, including the authorized capital structure or the  
20 cost of debt, except to the extent that the components must  
21 be adjusted as a mathematical consequence of the change in  
22 authorized return on equity required by this subsection.

23 (k) Rate base.--

24 (1) For purposes of determining the authorized return on  
25 equity for a regulated service of a covered utility under  
26 this subchapter, whether the return is determined under this  
27 section or under a competitive equity auction under section  
28 1382, the commission shall determine a rate base to reflect  
29 the full value of all assets prudently invested by or on  
30 behalf of the covered utility for the benefit of the

1 regulated service, including construction work in progress  
2 and net of accumulated depreciation.

3 (2) Reductions to a rate base shall solely be for  
4 capital that is not supplied by investors, which shall be  
5 limited to the following:

6 (i) Accumulated deferred income taxes, to the extent  
7 that deferred tax liabilities exceed deferred tax assets.

8 (ii) Customer deposits.

9 (iii) Customer advances for construction.

10 (3) The commission may not exclude from the rate base of  
11 a regulated service an asset on the basis that the asset has  
12 not yet been placed in service if the investment has been  
13 determined to be prudent and is being undertaken for the  
14 benefit of the regulated service.

15 (4) This subsection shall be implemented on the same  
16 schedule as the initial implementation required by subsection  
17 (j), and the commission's 60-day order and 120-day rate  
18 adjustment under subsection (j) shall reflect both the change  
19 in authorized return on equity and the rate base determined  
20 in accordance with this subsection.

21 § 1382. Competitive equity auction.

22 (a) Utility-initiated auction.--

23 (1) If a covered utility believes that its cost of  
24 equity exceeds the default authorized return, the covered  
25 utility may petition the commission to oversee a competitive  
26 equity auction.

27 (2) If the covered utility fails to take all necessary  
28 steps to facilitate the competitive equity auction based on  
29 the timeline and procedures determined by the commission, the  
30 petition shall be deemed withdrawn and the covered utility is

1 deemed to have accepted the default authorized return.

2 (3) A petition under paragraph (1) shall be filed no  
3 later than 30 days after the effective date of this paragraph  
4 or the most recent reset of the default authorized return  
5 under subsection (b), whichever is later.

6 (4) Upon certification of the auction results by the  
7 commission, the auction-clearing return shall become the  
8 authorized return on equity for the regulated service, and  
9 the commission shall adjust customer rates in accordance with  
10 section 1381(f) (relating to default authorized return on  
11 equity) no later than 90 days after the certification.

12 (5) The commission shall implement a true-up adjustment  
13 under this subsection that is calculated as the difference  
14 between the revenue actually collected by the covered utility  
15 during the period from the filing of the petition through the  
16 date on which adjusted rates take effect and the revenue that  
17 would have been collected during that period had the auction-  
18 clearing return been reflected in rates throughout. The  
19 interest on the difference shall accrue at the auction-  
20 clearing return and be calculated from the midpoint of the  
21 period.

22 (6) An adjustment to customer rates required by the  
23 reset of the default authorized return under section 1381(b)  
24 shall be implemented in accordance with section 1381(f)  
25 independently of an auction petition, and the true-up  
26 adjustment under paragraph (5) shall apply only to the period  
27 commencing on the date of the petition under paragraph (1).

28 (b) Commission-initiated auction.--

29 (1) The commission may, on its own motion or upon  
30 petition by the Office of Consumer Advocate, order that a

1 competitive equity auction be conducted for a covered utility  
2 if the commission finds reasonable cause to believe that the  
3 default authorized return materially exceeds the covered  
4 utility's cost of equity for a regulated service.

5 (2) An auction initiated by the commission under this  
6 subsection may be ordered no earlier than 30 days after the  
7 effective date of this paragraph or the most recent reset of  
8 the default authorized return under section 1381(b),  
9 whichever is later, and no later than 60 days after the  
10 reset.

11 (3) Upon certification of the auction results, the  
12 auction-clearing return shall become the authorized return on  
13 equity for the regulated service, and the commission shall  
14 adjust customer rates in accordance with section 1381(f) no  
15 later than 90 days after the certification.

16 (4) The commission shall implement a true-up adjustment  
17 under this subsection that is calculated as the difference  
18 between the revenue actually collected by the covered utility  
19 during the period from January 1 of the year in which the  
20 auction is conducted through the date on which adjusted rates  
21 take effect and the revenue that would have been collected  
22 during that period had the auction-clearing return been  
23 reflected in rates throughout. The interest on the difference  
24 shall accrue at the auction-clearing return and be calculated  
25 from the midpoint of the period.

26 (5) If a covered utility fails to take all steps  
27 required to facilitate an auction ordered under this  
28 subsection on the timeline prescribed by the commission, the  
29 default authorized return for that regulated service shall be  
30 reduced by 0.10 percentage points beginning on the date of

1 the failure and continuing until the covered utility has  
2 complied with this subsection.

3 (6) If the covered utility fails to facilitate a  
4 subsequent commission-initiated auction for the same  
5 regulated service, the reduction shall be cumulative.

6 (7) Upon compliance with this subsection, a reduction  
7 under this subsection shall cease to apply prospectively and  
8 no retroactive adjustment shall be made for any period during  
9 which the reduction was in effect.

10 (c) Duration and effect.--

11 (1) Holders of auction equity interests issued at an  
12 auction under this section shall receive the auction-clearing  
13 return for the full duration of the interests. The auction-  
14 clearing return shall be adjusted for differences between  
15 realized and anticipated profits in a manner determined by  
16 the commission's order issued under this section.

17 (2) The rate of return under paragraph (1), whether  
18 greater or less than the default authorized return, shall  
19 determine the authorized return on equity for the regulated  
20 service in accordance with subsection (d), until the  
21 following January 1, at which time the covered utility may  
22 elect that the default authorized return shall apply to the  
23 covered utility's common equity in the regulated service.

24 (3) An election made under paragraph (2) shall not  
25 affect the return applicable to outstanding auction equity  
26 interests, which shall continue to receive the auction-  
27 clearing return for the full duration of the interests.  
28 Following an election, the authorized return on equity for  
29 the regulated service shall be determined in accordance with  
30 subsection (d).

1 (d) Multiple auctions.--

2 (1) Where different equity interests in a regulated  
3 service bear different authorized rates of return, either for  
4 multiple auctions being conducted at different times or the  
5 covered utility has elected that the default authorized  
6 return shall apply to the covered utility's common equity  
7 under subsection (c), the authorized return on equity for the  
8 regulated service shall be the weighted average of the return  
9 applicable to each equity interest, which shall be weighted  
10 by its outstanding equity amount.

11 (2) For the purposes under paragraph (2), the covered  
12 utility's common equity shall bear the auction-clearing  
13 return established in the most recent auction or the default  
14 authorized return following an election under subsection (c).  
15 If no auction equity interests remain outstanding, the  
16 default authorized return shall apply to the full equity  
17 component of the regulated service.

18 (e) Auction mechanism.--The commission shall oversee a  
19 sealed-bid competitive auction administered independently of the  
20 covered utility. The following shall apply:

21 (1) The commission shall determine for each auction  
22 whether bids are to be expressed as an absolute number or as  
23 a premium to the 10-year treasury or another index, with the  
24 applicable interest rate to be reset periodically.

25 (2) Qualified bidders shall bid the minimum target  
26 return on equity they require.

27 (3) All bids shall be ranked in ascending order and the  
28 commission shall accept bids in that order until the total  
29 amount of equity offered in the auction has been fully  
30 allocated.

1           (4) All successful bidders shall receive the same rate  
2 of return, equal to the highest accepted bid.

3           (5) If the aggregate amount bid at the clearing rate  
4 exceeds the remaining amount of equity to be allocated, the  
5 bids shall be accepted on a pro rata basis. For the avoidance  
6 of doubt, all bids submitted at returns below the clearing  
7 rate shall be accepted in full but a pro rata reduction shall  
8 only apply to bids submitted at the clearing rate itself.

9           (6) The amount of equity to be offered within each  
10 auction shall be the greater of 2.5% of the equity component  
11 of the regulated service rate base and the lesser of  
12 \$50,000,000 and 5% of the equity component of the regulated  
13 service rate base.

14           (7) The commission shall certify the results of an  
15 auction if at least five qualified bidders submitted bids and  
16 the aggregate equity amount bid by all qualified bidders was  
17 at least 1.5 times the total equity amount offered in the  
18 auction.

19           (8) If either threshold under paragraph (7) is not met  
20 in a utility-initiated auction under subsection (a), the  
21 auction result shall be certified if the auction-clearing  
22 return does not exceed the default authorized return by more  
23 than two percentage points but, if not exceeded, the auction  
24 result shall be void and the default authorized return shall  
25 be applied.

26           (9) If either threshold under paragraph (7) is not met  
27 in a commission-initiated auction under subsection (b), the  
28 auction result shall be void and the default authorized  
29 return shall continue to apply.

30           (10) In a commission-initiated auction under subsection

1 (b), regardless of whether the participation thresholds are  
2 met, the auction result shall be binding only if the auction-  
3 clearing return is less than the default authorized return.

4 (11) If the auction-clearing return equals or exceeds  
5 the default authorized return in a commission-initiated  
6 auction under subsection (b), the default authorized return  
7 shall continue to apply.

8 (12) If the aggregate equity amount bid in an auction  
9 under subsection (a) or (b) is less than the total equity  
10 amount offered, the auction-clearing return shall apply to  
11 the equity amount actually subscribed and the default  
12 authorized return shall apply to the remainder, in which the  
13 authorized return on equity for the regulated service shall  
14 be determined in accordance with subsection (d).

15 (f) Cost recovery.--All reasonable costs incurred by a  
16 covered utility in connection with a competitive equity auction  
17 under this section, including costs of any required securities  
18 registration or offering preparation, reasonable registration  
19 costs under subsection (g), reasonable management time allocable  
20 to the auction and professional fees, shall be treated as  
21 prudently incurred costs for ratemaking purposes and shall be  
22 recoverable in rates.

23 (g) Commission authority and regulations.--The commission  
24 shall adopt and promulgate rules and regulations to implement  
25 the competitive equity auction procedures under this section,  
26 which shall include the following:

27 (1) An application process, eligibility criteria and  
28 other measures necessary to ensure that bidders are qualified  
29 to participate in an auction.

30 (2) Ongoing disclosure obligations applicable to the

1 covered utility and to holders of auction equity interests.

2 (3) Guidelines for an independent auction administrator  
3 to conduct an auction.

4 (4) Determination of the duties and requisite expertise  
5 of the independent auction administrator.

6 (5) Consumer protection standards.

7 (6) Auction disclosure documentation which states that  
8 the depreciation and amortization schedule is subject to  
9 prospective adjustment in subsequent rate proceedings and may  
10 affect the timing of return of capital to holders of auction  
11 equity interests.

12 (7) Requirements for the independent auction  
13 administrator to disclose to all qualified bidders prior to  
14 each auction the conditions in which the auction result will  
15 be binding, including whether the auction is utility-  
16 initiated or commission-initiated and the consequences  
17 thereof for bid acceptance.

18 (8) The form and content of the disclosure required  
19 under subsection (1)(2).

20 (h) Securities law compliance.--

21 (1) The economic interests offered under this section  
22 may constitute securities within the meaning of the  
23 Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et  
24 seq.), as amended, and the Securities Exchange Act of 1934  
25 (48 Stat. 881, 15 U.S.C. § 78a et seq.), as amended, and  
26 shall be subject to the registration requirements under  
27 section 1901 (relating to registration of securities to be  
28 issued or assumed).

29 (2) Each auction under this section shall be structured  
30 to qualify for an available exemption from registration under

1 Federal securities law. Permissible exemptions may include  
2 limiting the offering to accredited investors under Rule 506  
3 of Regulation D under the Securities Act of 1933 or  
4 conducting an intrastate offering exempt under section 3(a)  
5 (11) of the Securities Act of 1933 and applicable rules under  
6 the Securities Act of 1933.

7 (3) The commission may, in its discretion, direct that a  
8 specific auction be conducted on a registered basis if the  
9 commission determines, based on the expected size of the  
10 offering and an analysis of anticipated investor demand, the  
11 following:

12 (i) The expected reduction in the auction-clearing  
13 return attributable to broader investor participation  
14 enabled by registration is reasonably expected to  
15 outweigh the costs and delays of the registration  
16 process.

17 (ii) The auction will not be delayed by more than 30  
18 days beyond the timeline that would apply to an exempt  
19 offering.

20 (4) Any direction by the commission to conduct an  
21 auction on a registered basis shall be issued by the  
22 commission sufficiently in advance of the covered utility's  
23 auction petition to permit timely registration.

24 (5) Nothing in this subsection shall be construed to  
25 confer upon the commission any authority to regulate  
26 securities except as expressly provided in this subsection.

27 (i) Instrument design.--

28 (1) A covered utility may not be required to offer its  
29 common stock for sale in the auction, but the auction equity  
30 interests offered shall, as approved by the commission,

1 provide prospective investors with the following:

2 (i) Economically equivalent position to that of the  
3 covered utility's equity interest in the regulated  
4 service which may consist of the covered utility's common  
5 stock where auction equity interests are issued directly  
6 by the covered utility or the covered utility's retained  
7 stock interest in the regulated service corporation where  
8 the interests are issued by a regulated service  
9 corporation.

10 (ii) Adequate protections against dilution or  
11 impairment of value through related-party transactions or  
12 other transfers involving the corporation's parent  
13 holding company.

14 (iii) If the covered utility's realized profits of  
15 the regulated service in each period equal those embedded  
16 by the commission in the rates approved to achieve the  
17 authorized return on equity, prospective periodic  
18 distributions calibrated for holders of auction equity  
19 interests to realize an internal rate of return equal to  
20 the auction-clearing return which accounts for periodic  
21 distributions and any return of equity capital over the  
22 life of the interests.

23 (iv) A stated initial equity amount per auction  
24 equity interest equal to the purchase price paid by the  
25 winning bidder in the auction, which shall be an equity  
26 amount to be returned to holders over the life of the  
27 interests at a rate and on a schedule consistent with the  
28 commission's treatment of rate base depreciation and  
29 amortization for the regulated service for ratemaking  
30 purposes. If the equity component of the regulated

1 service rate base is reduced through depreciation and  
2 amortization, a commensurate portion of the initial  
3 equity amount shall be returned to holders.

4 (v) A specification of the shortfalls and excesses  
5 in realized profits, as determined by the commission  
6 under paragraph (2).

7 (2) The commission shall establish rules or promulgate  
8 regulations specifying the methods and calculations in which  
9 shortfalls and excesses in realized profits of the regulated  
10 service relative to the earnings embedded in approved rates  
11 are to be allocated between holders of auction equity  
12 interests and the covered utility's common equity, including  
13 the allocation methods in the event of multiple outstanding  
14 series of auction equity interests.

15 (3) The commission's regulations governing an auction  
16 under this section shall specify the initial equity amount  
17 per auction equity interest, the formula for calculating  
18 periodic distributions by applying the auction-clearing  
19 return to the outstanding equity balance for each period and  
20 the schedule for return of equity capital. The commission  
21 shall ensure that holders of auction equity interests will  
22 realize an internal rate of return equal to the auction-  
23 clearing return if the covered utility's realized profits of  
24 the regulated service in each period equal those embedded in  
25 the rates approved to achieve the authorized return on  
26 equity.

27 (4) Each series of auction equity interests under this  
28 subsection shall be redeemed at its book value currently in  
29 effect until the earlier of 40 years from the date of  
30 issuance or the end of the first fiscal quarter in which the

1 outstanding equity amount of such series is less than 5% of  
2 the initial equity amount at issuance.

3 (5) The covered utility or regulated service  
4 corporation, as applicable, shall fund a redemption under  
5 paragraph (4), whether through retained earnings, a capital  
6 contribution from the covered utility's parent company or any  
7 other source of equity capital. Upon the redemption, the  
8 equity represented by the redeemed series shall revert to the  
9 covered utility's common equity in the regulated service. The  
10 commission may defer the mandatory redemption date by not  
11 more than two years upon a demonstration by the covered  
12 utility that immediate redemption would materially impair its  
13 financial condition.

14 (6) In the event of a merger, acquisition or change of  
15 control of the covered utility or, where applicable, the  
16 regulated service corporation, the successor entity shall  
17 assume all obligations to holders of outstanding auction  
18 equity interests on terms no less favorable than the terms in  
19 effect immediately prior to the transaction.

20 (7) A transaction under paragraph (6) shall not be  
21 consummated without determination by the commission that the  
22 rights of holders of auction equity interests will be  
23 adequately preserved. The commission may require the terms of  
24 each series of auction equity interests to include a  
25 provision entitling holders to redemption at the book value  
26 then currently in effect upon any change of control, at the  
27 option of the holder.

28 (8) In the event of the insolvency or dissolution of a  
29 regulated service corporation or regulated service LLC or the  
30 permanent discontinuation of the regulated service to which

1 auction equity interests relate, outstanding auction equity  
2 interests shall participate in any distribution of remaining  
3 assets on a pari passu basis with the covered utility's  
4 common equity in the regulated service, in proportion to  
5 their respective outstanding equity amounts, in accordance  
6 with the commission's specifications under paragraph (2).

7 (9) Nothing under paragraph (8) shall be construed to  
8 create a priority or preference in favor of, or against,  
9 holders of auction equity interests relative to the covered  
10 utility's common equity.

11 (j) Participants.--

12 (1) An auction under this section shall be open, at  
13 minimum, to all accredited investors as that term is defined  
14 under applicable Federal securities law.

15 (2) Each qualified bidder shall, as a condition of  
16 participation, certify in writing to the independent auction  
17 administrator the following:

18 (i) The bidder is submitting its bid based solely on  
19 the bidder's own assessment of the risk-adjusted  
20 financial return of the auction equity interest and not  
21 for the purpose or with the effect of artificially  
22 suppressing or inflating the auction-clearing return.

23 (ii) The bidder is not acting in concert with any  
24 other bidder or with the covered utility or any of its  
25 affiliates with respect to the formulation of its bid.

26 (3) A bidder that is a covered utility subject to cost-  
27 of-service regulation by a Federal or State regulatory  
28 authority, or a holding company that directly or indirectly  
29 controls the covered utility, shall not be eligible to  
30 participate as a bidder, except that the covered utility, its

1 parent company and any affiliates may participate as bidders  
2 and shall be subject to any existing code of conduct policies  
3 for affiliate transactions and any further eligibility  
4 requirements established by the commission to prohibit  
5 inappropriate preferential treatment in the bidding process.

6 (4) The exclusion under paragraph (3) shall not apply to  
7 a registered investment company, investment adviser or other  
8 institutional investor whose ownership of a covered utility  
9 is solely as a passive investor in diversified portfolios.  
10 Holdings by the institutional investors in auction equity  
11 interests issued under this subchapter shall not be counted  
12 toward an investment limitation applicable to ownership of  
13 the covered utility or the covered utility's common equity  
14 under applicable State law.

15 (5) The commission shall establish rules or promulgate  
16 regulations to implement the exclusion and certification  
17 requirements under this subsection, including procedures for  
18 investigation and disqualification of bidders that submit  
19 false certifications or are found to have violated the  
20 prohibition on coordinated bidding.

21 (k) Misconduct and risk attribution.--

22 (1) If the commission or a court of competent  
23 jurisdiction has made a formal finding that a covered utility  
24 has engaged in unlawful or imprudent conduct which has  
25 materially increased the covered utility's cost of equity for  
26 a regulated service, the commission may exclude the portion  
27 of an increase in the authorized return on equity for the  
28 regulated service that is attributable to the conduct from  
29 the return applicable to the covered utility's common equity.

30 (2) An auction equity interest, whether issued before or

1 after a finding under paragraph (1), shall not be subject to  
2 the exclusion under paragraph (1) and all auction equity  
3 interests shall continue to bear the auction-clearing return  
4 established in the auction in which the interests were issued  
5 without reduction on account of any exclusion under this  
6 subsection.

7 (3) Nothing in this subsection shall limit the authority  
8 of the commission to impose penalties, disallowances or other  
9 remedies available under applicable law.

10 (1) Regulated service corporation and regulated service  
11 LLC.--

12 (1) A covered utility may, at any time before or after  
13 conducting a competitive equity auction, form a regulated  
14 service corporation and a regulated service LLC for a  
15 regulated service. The following shall apply:

16 (i) The regulated service corporation formed shall  
17 be a wholly owned subsidiary of the covered utility,  
18 organized as a corporation under the laws of any state  
19 and treated as a corporation for Federal income tax  
20 purposes.

21 (ii) The regulated service LLC shall be a wholly  
22 owned subsidiary of the regulated service corporation,  
23 organized as a limited liability company and treated as a  
24 disregarded entity for Federal income tax purposes.

25 (iii) The regulated service LLC shall hold all  
26 material assets, rights, franchises and obligations  
27 associated with the regulated service.

28 (iv) The regulated service corporation shall serve  
29 as the issuer of auction equity interests for that  
30 regulated service.

1           (v) The formation of a regulated service corporation  
2           and regulated service LLC shall not be a prerequisite to  
3           conduct an auction under this section.

4           (vi) The absence of the entities shall not impair  
5           the validity of auction equity interests issued by the  
6           covered utility.

7           (2) In a competitive equity auction conducted prior to a  
8           regulated service corporation and regulated service LLC being  
9           established, the commission shall require the covered utility  
10           to disclose to all qualified bidders that auction equity  
11           interests are being issued as direct obligations of the  
12           covered utility and are subject to the risks of any  
13           insolvency, bankruptcy or restructuring proceedings affecting  
14           the covered utility or the covered utility's affiliates.

15           (3) The commission shall require each covered utility to  
16           ensure that all long-term indebtedness with a stated maturity  
17           greater than one year issued or incurred on or after the  
18           effective date of this paragraph, whether in the form of  
19           bonds, notes, debentures or otherwise, includes a covenant  
20           expressly permitting the covered utility to transfer the  
21           assets, franchises, rights and obligations associated with  
22           each regulated service to a regulated service corporation or  
23           regulated service LLC without the transfer constituting a  
24           default, event of default or breach under the indebtedness.

25           (4) The commission may not approve any long-term debt  
26           financing by a covered utility that does not include a  
27           covenant under paragraph (3).

28           (5) Nothing in this subsection shall be construed to  
29           require a covered utility to restructure, refinance or assign  
30           any indebtedness outstanding as of the effective date of this

1 paragraph in advance of the formation of a regulated service  
2 LLC under paragraph (1).

3 (6) Each covered utility that has not yet established a  
4 regulated service corporation and regulated service LLC shall  
5 use commercially reasonable efforts to do so by no later than  
6 five years after the effective date of this paragraph or five  
7 years after the date of the covered utility's first  
8 competitive equity auction, whichever is later. The  
9 commission may extend the period under this paragraph upon a  
10 showing by the covered utility of good cause, which may  
11 include the inability to obtain required bondholder or  
12 creditor consents despite commercially reasonable efforts.

13 (7) Whenever a covered utility has established a  
14 regulated service corporation and regulated service LLC, each  
15 entity shall be structured and operated as a bankruptcy-  
16 remote special-purpose entity. The commission shall adopt or  
17 promulgate rules or regulations to ensure the compliance of a  
18 regulated service corporation and regulated service LLC,  
19 which shall include the following:

20 (i) Maintenance of books of account, bank accounts  
21 and financial records separate from those of the covered  
22 utility and any affiliate.

23 (ii) Prohibition on commingling of assets.

24 (iii) Requirements for the organizational documents  
25 of the regulated service LLC to include at least one  
26 independent manager whose affirmative consent is required  
27 for a voluntary bankruptcy filing by the regulated  
28 service LLC or the regulated service corporation.

29 (iv) A covenant by the covered utility not to cause  
30 or encourage any involuntary bankruptcy filing against

1 the regulated service corporation or the regulated  
2 service LLC.

3 (v) Restrictions on indebtedness of the regulated  
4 service corporation and the regulated service LLC unless  
5 approved by the commission.

6 (8) The regulated service corporation may not conduct  
7 activities other than holding a membership interest in the  
8 regulated service LLC and serving as the issuer of auction  
9 equity interests. The corporation may not hold any assets  
10 other than the corporation's membership interest in the  
11 regulated service LLC and any cash or other assets incidental  
12 thereto.

13 (9) Formation of both the regulated service corporation  
14 and the regulated service LLC shall require any approvals  
15 that may be required under applicable law, including any  
16 certificate of public convenience required under section 1102  
17 (relating to enumeration of acts requiring certificate) for  
18 the transfer of utility assets or franchises, and any  
19 approval required under Chapter 21 (relating to relations  
20 with affiliated interests) for transactions between the  
21 covered utility and the entities.

22 (10) If any assets are associated with more than one  
23 regulated service, the assets may be held by the regulated  
24 service LLC as co-owner with one or more other regulated  
25 service LLCs, with each LLC's interest proportionally  
26 allocated in a manner approved by the commission for  
27 ratemaking purposes.

28 (11) For the capital structure and indebtedness of the  
29 regulated service LLC, the following apply:

30 (i) Each regulated service LLC shall maintain a

1 capital structure for the regulated service consistent  
2 with the capital structure authorized by the commission  
3 for ratemaking purposes, including debt and equity  
4 components.

5 (ii) The equity component of the regulated service  
6 for the applicable authorized return on equity shall  
7 consist of the regulated service corporation's equity  
8 interest in the regulated service LLC which is funded by  
9 the proceeds of auction equity interests and the covered  
10 utility's retained interest.

11 (iii) For ratemaking purposes, the interest on  
12 indebtedness of the regulated service LLC shall be  
13 treated as a cost of the regulated service.

14 (iv) Upon formation of a regulated service LLC, the  
15 commission shall determine the portion of the covered  
16 utility's outstanding indebtedness that shall be  
17 allocated to the regulated service by applying the  
18 methodology used or to be used to allocate the covered  
19 utility's capital structure among regulated services for  
20 ratemaking purposes.

21 (v) The regulated service LLC shall assume allocated  
22 indebtedness as primary obligor in which the covered  
23 utility shall provide an unconditional and irrevocable  
24 guaranty of all assumed indebtedness for the remaining  
25 term of each obligation.

26 (vi) An assumption of allocated indebtedness shall  
27 not constitute a default, acceleration event, assignment  
28 or breach under the indebtedness, notwithstanding any  
29 provision of the applicable instrument to the contrary.

30 (vii) Upon formation, the regulated service LLC

1 shall issue its own debt to finance the debt component of  
2 the regulated service LLC's capital structure which shall  
3 be secured by the regulated service assets held by the  
4 regulated service LLC.

5 (viii) Unless the commission determines that a  
6 guaranty is necessary to obtain financing on terms  
7 consistent with public interest, the regulated service  
8 LLC's debt may not require a guaranty by the covered  
9 utility. If the commission determines that a guaranty is  
10 necessary, it shall be limited in scope and for a minimum  
11 duration to fulfill its obligations.

12 (ix) For any period during which the covered utility  
13 guarantees indebtedness of a regulated service LLC, the  
14 covered utility shall be entitled to a guaranty fee in an  
15 amount and under the terms determined by the commission.

16 (x) The rate base of the regulated service LLC shall  
17 be determined in accordance section 1381(k).

18 (12) Upon establishment of a regulated service  
19 corporation and regulated service LLC, the regulated service  
20 corporation shall become the issuer of all subsequent auction  
21 equity interests for the applicable regulated service.

22 (13) If it is determined to be in the public interest,  
23 the commission may authorize the covered utility to offer  
24 holders of outstanding auction equity interests the option to  
25 convert their interests to equivalent interests issued by the  
26 regulated service corporation.

27 (14) Notwithstanding any other provision under this  
28 subsection, a covered utility shall not be required to form a  
29 regulated service corporation or regulated service LLC if the  
30 following apply:

1           (i) The covered utility provides only one regulated  
2           service subject to the jurisdiction of the commission or  
3           if multiple categories of service have been determined by  
4           the commission to warrant consolidated treatment as a  
5           single regulated service.

6           (ii) The covered utility does not engage in any  
7           material business activity other than the provision of  
8           that regulated service.

9           (15) A covered utility that meets the requirements under  
10          paragraph (14) may issue auction equity interests directly,  
11          in which case all references under this subchapter to a  
12          regulated service corporation or regulated service LLC shall  
13          be construed as references to the covered utility when  
14          applicable.

15 § 1383. Annual reporting and transparency.

16          (a) Reports.--Not later than January 15 of each year, the  
17          commission shall submit a report to the Governor, the  
18          chairperson and minority chairperson of the Consumer Protection  
19          and Professional Licensure Committee of the Senate and the  
20          chairperson and minority chairperson of the Consumer Protection,  
21          Technology and Utilities Committee of the House of  
22          Representatives on the implementation of this subchapter. The  
23          annual report shall include all of the following:

24                (1) Each covered utility's requested return on equity,  
25                rate of return and capitalization mix proposed as part of the  
26                covered utility's most recent base rate filing under section  
27                1308(d) (relating to voluntary changes in rates), including  
28                the corresponding data for the preceding three base rate  
29                filings.

30                (2) The actual return on equity, rate of return and

1 capitalization mixes authorized by the commission for each  
2 covered utility in the most recent three base rate  
3 proceedings.

4 (3) The results of any competitive equity auctions  
5 conducted under this subchapter for the previous five  
6 calendar years.

7 (4) An analysis of the impact on average customer rates  
8 resulting from implementation of this subchapter.

9 (5) In clear and accessible language, a description of  
10 how authorized returns on equity have changed, reflect new  
11 circumstances or remained the same during the previous year.

12 (6) All data used for calculations under this subchapter  
13 which is not publicly available, including an explanation on  
14 the necessity for using nonpublic data.

15 (7) A summary of enforcement actions taken under this  
16 subchapter.

17 (b) Public information.--The annual report under subsection  
18 (a) shall be made publicly available on the commission's  
19 publicly accessible Internet website.

20 § 1384. Applicability to State-jurisdictional rate base.

21 This subchapter shall apply only to the portion of a covered  
22 utility's rate base that is subject to the ratemaking  
23 jurisdiction of the commission. Nothing in this subchapter shall  
24 be construed to apply to, modify or otherwise affect the return  
25 on equity applicable to any facilities, assets or services for  
26 which the rate of return is determined by the Federal Energy  
27 Regulatory Commission or any other Federal regulatory authority.  
28 To the extent that a covered utility's rate base includes both  
29 State-jurisdictional and federally jurisdictional components,  
30 the commission shall establish procedures to allocate the rate

1 base between those components. The authorized return on equity  
2 determined under this subchapter shall be applied solely to the  
3 components subject to the commission's jurisdiction.

4 § 1385. Applicability to ratemaking.

5 (a) Application.--This subchapter shall apply to each  
6 covered utility and each regulated service of a covered utility  
7 as of the effective date of this subsection regardless of  
8 whether a rate proceeding under section 1308(d) (relating to  
9 voluntary changes in rates) is pending and without regard to  
10 when the proceeding was last concluded.

11 (b) Implementation.--The implementation timeline established  
12 under section 1381(j) (relating to default authorized return on  
13 equity) shall govern the commission's adjustment of customer  
14 rates to reflect the authorized return on equity required by  
15 this subchapter.

16 (c) Construction.--Nothing in this section shall be  
17 construed to require the initiation of a rate proceeding under  
18 section 1308(d) as a precondition to the application of this  
19 subchapter to a covered utility.

20 Section 2. This act shall take effect immediately.

# HOUSE OF REPRESENTATIVES

## DEMOCRATIC COMMITTEE BILL ANALYSIS

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<b>Bill No:</b>	HB2224 PN3414	<b>Prepared By:</b>	Sean Gatten (717) 783-0250
<b>Committee:</b>	Consumer Protection & Utilities	<b>Executive Director:</b>	Timothy Scott
<b>Sponsor:</b>	Fiedler, Elizabeth		
<b>Date:</b>	5/23/2026		

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### **A. Brief Concept**

Inserts a new regulatory framework specifically mandating how a utility's allowed Return on Equity (ROE) is calculated during rate cases.

### **C. Analysis of the Bill**

HB 2224 strips away the PUC's statutory broad discretion to "negotiate" a public utility's return on equity (ROE) and replaces it with a strict, market-linked system.

The bill forces a structural change to utility rate-making via two mechanisms:

#### The Formula-Based Cap:

HB 2224 establishes a mandatory default ROE pinned directly to the broader financial market. The default profit a utility can make will be calculated as the 10-year U.S. Treasury bond yield plus 2%. This ties corporate utility profits directly to actual, real-time economic borrowing costs.

#### Competitive Equity Auction:

HB 2224 creates an "Escape Valve" auction:

If a utility company strongly objects and claims the default formula is too low to attract the capital needed to maintain safe operations, they cannot lobby the PUC for a higher number.

Instead, the bill forces utilities into a competitive market auction framework. The utility must use an auction system (similar to how PJM handles regional electric grid capacity) to let lenders openly bid and establish the absolute minimum return required by the market.

#### **Effective Date:**

Immediately.

### **G. Relevant Existing Laws**

Under current Pennsylvania law, investor-owned utility companies (electric, gas, water, wastewater) are legally entitled to charge rates that allow them to recover their operating costs and earn a "reasonable return" on their investments.

However, current law does not define a specific mathematical formula or cap for what constitutes a "reasonable" profit margin. Instead:

- The Public Utility Commission (PUC) determines the allowed ROE on a case-by-case basis during lengthy rate litigations.
- This process relies heavily on expert witness testimony and negotiations between utility corporate lawyers, the Office of Consumer Advocate (OCA), and the PUC.

**E. Prior Session** (Previous Bill Numbers & House/Senate Votes)

None.

This document is a summary of proposed legislation and is prepared only as general information for use by the Democratic Members and Staff of the Pennsylvania House of Representatives. The document does not represent the legislative intent of the Pennsylvania House of Representatives and may not be utilized as such.

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2512 Session of  
2026

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INTRODUCED BY CARROLL, WAXMAN, HILL-EVANS, KRAJEWSKI, GUZMAN,  
RABB, RIVERA, HOHENSTEIN, SANCHEZ, HADDOCK, GREEN, CIRESI,  
KHAN AND FIEDLER, MAY 13, 2026

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REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND  
UTILITIES, MAY 13, 2026

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AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, in transportation network service,  
3 further providing for rates and forms of compensation.

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

6 Section 1. Section 2607 of Title 66 of the Pennsylvania  
7 Consolidated Statutes is amended by adding subsections to read:  
8 § 2607. Rates and forms of compensation.

9 \* \* \*

10 (g) Prohibition on surveillance prices.--A transportation  
11 network company may not charge a fare based on, in whole or in  
12 part, any of the following input data:

13 (1) The hardware or hardware state of an online device.

14 (2) The presence or absence of software on the online  
15 device.

16 (3) Geolocation data of the online device, except:

17 (i) To the extent related to differences in the

1 costs or demands associated with providing a good or  
2 service to different consumers.

3 (ii) To determine a price based on the real-time or  
4 historical demand for the product or service in the  
5 consumer's vicinity, if the price is provided immediately  
6 upon request.

7 (iii) To provide accurate pricing information based  
8 on price variances at different physical locations, due  
9 to legitimate cost or demand differentials or State or  
10 local government taxes, duties or other fees.

11 (iv) To provide a consumer with a promotion or  
12 discount that lowers the price from what the price would  
13 otherwise have been.

14 (h) Definitions.--As used in this section, the following  
15 words and phrases shall have the meanings given to them in this  
16 subsection unless the context clearly indicates otherwise:

17 "Hardware state." A condition or mode of existence of a  
18 system, component or simulation, including:

19 (1) The battery life, number of wireless connections  
20 detected and age of the online device.

21 (2) Data that is erased or retained when an online  
22 device is restarted or powered down.

23 "Online device." A physical object that has built-in  
24 resources that allow it to communicate through the Internet or a  
25 short-range wireless technology and react to interface  
26 conditions, including a laptop computer, desktop computer,  
27 tablet, smartphone or other smart hardware.

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

# HOUSE OF REPRESENTATIVES

## DEMOCRATIC COMMITTEE BILL ANALYSIS

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<b>Bill No:</b>	HB2512 PN3399	<b>Prepared By:</b>	Sean Gatten (717) 783-0250
<b>Committee:</b>	Consumer Protection & Utilities	<b>Executive Director:</b>	Timothy Scott
<b>Sponsor:</b>	Carroll, Andre		
<b>Date:</b>	5/24/2026		

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### **A. Brief Concept**

Banning Surveillance Prices by Rideshare Companies

### **C. Analysis of the Bill**

This bill amends Section 2607 of Title 66 to explicitly ban companies from setting transportation rates based on the condition or age of a customer's device.

Section 2607 is the specific framework that legalizes and regulates dynamic pricing for rideshares in Pennsylvania

#### Key Definitions

"Hardware State". A condition or mode of existence of a system, component or simulation including battery life, number of wireless connections detected and the age of the device and data that is erased or maintained when an online device is restarted or powered down.

"Online Device". A physical object that has built-in resources that allow it to communicate through the Internet or a short-range wireless technology and react to interface conditions, including a laptop computer, desktop computer, tablet, smartphone or other smart hardware.

#### Rates and Forms of Compensation for Transportation Network Companies

HB 2512 amends Title 66 to explicitly ban companies from setting transportation rates based on the condition or age of a customer's device.

Exceptions to this rule are made for legitimate surge pricing that is based on supply and demand.

#### **Effective Date:**

60 days.

### **G. Relevant Existing Laws**

Under Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, Section 2607 is titled "Rates and forms of compensation."

This specific section governs how Transportation Network Companies (TNCs)—such as Uber and Lyft—are allowed to calculate, charge, and display fares to passengers in the Commonwealth of Pennsylvania.

**Tariff Filing and Disclosures (Subsection b):** TNCs must file and maintain a "tariff" with the Pennsylvania Public Utility Commission (PUC) that outlines their terms of service, fare

calculations, and dynamic pricing policies. The app must disclose exactly how a fare is calculated to the passenger before they accept the ride.

**Fare Estimates (Subsection c):** A rideshare company is legally required to provide a trip cost estimate upon a user's request before the ride begins.

**Dynamic Pricing Notifications (Subsection d):** If "surge" or dynamic pricing is active due to high demand, the app must explicitly notify the passenger before they book the ride.

**State of Emergency Caps (Subsection e):** If the Governor declares a state of disaster emergency, rideshare companies are strictly prohibited from price gouging. The statute caps the maximum dynamic pricing multiplier based on a formula tied to the previous 60 days of normal operation. Violating this clause triggers the Pennsylvania Price Gouging Act.

**Exemption from Direct Rate-Setting (Subsection f):** Unlike traditional public utilities (like electricity or water), the actual dollar amounts that rideshare companies charge are not subject to formal review, caps, or approval by the PUC under standard utility rate-setting laws.

**E. Prior Session (Previous Bill Numbers & House/Senate Votes)**

None.

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**HB 2551**

**Legislative Reference Bureau**

**AN ACT**

Amending the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, in powers and duties in general, providing for certain text-based communications prohibited.

**INTRODUCED May 28, 2026**

By Isaacson, MaryLouise District NO. 175

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

See next page for additional co-sponsors.

Prior Session \_\_\_\_\_

## AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled  
2 "An act providing for and reorganizing the conduct of the  
3 executive and administrative work of the Commonwealth by the  
4 Executive Department thereof and the administrative  
5 departments, boards, commissions, and officers thereof,  
6 including the boards of trustees of State Normal Schools, or  
7 Teachers Colleges; abolishing, creating, reorganizing or  
8 authorizing the reorganization of certain administrative  
9 departments, boards, and commissions; defining the powers and  
10 duties of the Governor and other executive and administrative  
11 officers, and of the several administrative departments,  
12 boards, commissions, and officers; fixing the salaries of the  
13 Governor, Lieutenant Governor, and certain other executive  
14 and administrative officers; providing for the appointment of  
15 certain administrative officers, and of all deputies and  
16 other assistants and employes in certain departments, boards,  
17 and commissions; providing for judicial administration; and  
18 prescribing the manner in which the number and compensation  
19 of the deputies and all other assistants and employes of  
20 certain departments, boards and commissions shall be  
21 determined," in powers and duties in general, providing for  
22 certain text-based communications prohibited.

23 The General Assembly of the Commonwealth of Pennsylvania  
24 hereby enacts as follows:

25 Section 1. The act of April 9, 1929 (P.L.177, No.175), known  
26 as The Administrative Code of 1929, is amended by adding a  
27 section to read:

1 Section 531. Certain Text-Based Communications Prohibited.--

2 (a) A Commonwealth agency may not use a text-based  
3 communication to collect, or notify an individual about, an  
4 unpaid fine, fee, toll or other charge payable to the  
5 Commonwealth agency.

6 (b) As used in this section, the following words and phrases  
7 shall have the meanings given to them in this subsection unless  
8 the context clearly indicates otherwise:

9 "Commonwealth agency." As defined under section 102 of the  
10 act of October 15, 1980 (P.L.950, No.164), known as the  
11 "Commonwealth Attorneys Act."

12 "Interactive mobile device." As defined in 75 Pa.C.S. § 102  
13 (relating to definitions).

14 "Text-based communication." A text message, instant message  
15 or other written communication composed or received on an  
16 interactive mobile device. The term does not include electronic  
17 mail.

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

CSM No. **42241**Draft No. **D09457**

## Co-Sponsorship Report

Posted: April 30, 2026 12:38 PM  
To: All House Members  
From: Representative MaryLouise Isaacson  
Subject: **Prohibiting Certain Text Messages from the PA Turnpike Commission and Other Agencies**

### Prime Sponsor

Representative MaryLouise Isaacson

### Co-Sponsors

- |  |                         |
|--|-------------------------|
| 1. Representative Ed Neilson             | added by jsander        |
| 2. Representative Johanny Cepeda-Freytiz | added by jcepedafreytiz |
| 3. Representative Gina H. Curry          | added by gcurry         |
| 4. Representative Kyle Donahue           | added by kdonahue       |
| 5. Representative Paul Friel             | added by lajohnson      |
| 6. Representative Manuel Guzman, Jr.     | added by crivera        |
| 7. Representative Carol Hill-Evans       | added by sterech        |
| 8. Representative Joseph C. Hohenstein   | added by tgontek        |
| 9. Representative Emily Kinkead          | added by rconroy        |
| 10. Representative Andrew Kuzma          | added by dmontgomery    |
| 11. Representative Kristin Marcell       | added by wdurant        |
| 12. Representative Jen Mazzocco          | added by llarkin        |
| 13. Representative Jeanne McNeill        | added by bwestman       |
| 14. Representative Robert E. Merski      | added by rmerski        |
| 15. Representative Darisha K. Parker     | added by bwolff         |
| 16. Representative Tarah Probst          | added by tprobst        |
| 17. Representative Peter Schweyer        | added by ggarofalo      |
| 18. Representative Melissa L. Shusterman | added by jpyc           |
| 19. Representative Ismail Smith-Wade-El  | added by taruby         |
| 20. Representative Perry A. Stambaugh    | added by pstambaugh     |
| 21. Representative Dan K. Williams       | added by astockton      |

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE RESOLUTION

No. 537 Session of  
2026

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INTRODUCED BY MATZIE, VENKAT, DONAHUE, CONKLIN, HILL-EVANS,  
NEILSON, FREEMAN, DELLOSO, McNEILL, SANCHEZ, DOUGHERTY,  
RIVERA, CEPEDA-FREYTIZ, PASHINSKI, MALAGARI, O'MARA,  
D. WILLIAMS, HOHENSTEIN, CIRESI, GAYDOS AND MENTZER,  
MAY 26, 2026

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REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND  
UTILITIES, MAY 27, 2026

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A RESOLUTION

1 Designating the week of September 21 through 27, 2026, as "Rail  
2 Safety Week" in Pennsylvania.

3 WHEREAS, Rail travel is an essential part of our  
4 transportation infrastructure, reducing congestion on the roads  
5 and in the skies, connecting cities and rural communities and  
6 providing a more environmentally friendly mode of transportation  
7 that contributes to our energy security; and

8 WHEREAS, Projections of the United States Department of  
9 Transportation show substantial increases in rail transport over  
10 the next three decades; and

11 WHEREAS, As advanced technology helps build quieter and  
12 faster trains, the necessity to teach people how to be safe  
13 around them increases; and

14 WHEREAS, In the United States, a person or vehicle is hit by  
15 a train approximately every three hours; and

16 WHEREAS, While crossing collisions have been reduced over the

1 past four decades, there were still 287 crossing fatalities in  
2 2025; and

3 WHEREAS, Trespassing is an even larger danger, resulting in  
4 1,314 deaths and injuries in 2025; and

5 WHEREAS, Operation Lifesaver is a nonprofit public safety  
6 education and awareness organization dedicated to reducing  
7 collisions, fatalities and injuries at highway-rail crossings  
8 and trespassing on or near railroad tracks; and

9 WHEREAS, Operation Lifesaver is working with the United  
10 States Department of Transportation and other organizations to  
11 observe "See Tracks? Think Train Week" from September 21 through  
12 27, 2026; therefore be it

13 RESOLVED, That the House of Representatives of the  
14 Commonwealth of Pennsylvania designate the week of September 21  
15 through 27, 2026, as "Rail Safety Week" in Pennsylvania; and be  
16 it further

17 RESOLVED, That copies of this resolution be transmitted to  
18 the Governor and the United States Department of Transportation  
19 and Operation Lifesaver at P.O. Box 760, West Warwick, RI 02893-  
20 9998.