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CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in title 10 section 2867; title 42 sections 6807, 7375.

§ 2601. Findings

The Congress finds that the protection of the public health, safety, and welfare, the preservation of national security, and the proper exercise of congressional authority under the Constitution to regulate interstate commerce require—

- (1) a program providing for increased conservation of electric energy, increased efficiency in the use of facilities and resources by electric utilities, and equitable retail rates for electric consumers,
- (2) a program to improve the wholesale distribution of electric energy, the reliability of electric service, the procedures concerning consideration of wholesale rate applications before the Federal Energy Regulatory Commission, the participation of the public in matters before the Commission, and to provide other measures with respect to the regulation of the wholesale sale of electric energy,
- (3) a program to provide for the expeditious development of hydroelectric potential at ex-

isting small dams to provide needed hydroelectric power,

(4) a program for the conservation of natural gas while insuring that rates to natural gas consumers are equitable,

(5) a program to encourage the development of crude oil transportation systems, and

(6) the establishment of certain other authorities as provided in title VI of this Act.

(Pub. L. 95-617, § 2, Nov. 9, 1978, 92 Stat. 3119.)

REFERENCES IN TEXT

This Act, referred to in par. (6), is Pub. L. 95-617, Nov. 9, 1978, 92 Stat. 3117, as amended, known as the Public Utility Regulatory Policies Act of 1978. Title VI of this Act enacted sections 824a-4 and 2645 of this title and sections 717x to 717z of Title 15, Commerce and Trade, amended section 717f of Title 15 and sections 1311, 1312, and 1314 to 1316 of Title 30, Mineral Lands and Mining, and enacted provisions set out as a note under section 2621 of this title. For complete classification of this Act to the Code, see Short Title note below and Tables.

CODIFICATION

This section was not enacted as part of title I of Pub. L. 95-617 which comprises this chapter.

SHORT TITLE

Section 1 of Pub. L. 95-617 provided that: "This Act [enacting this chapter, and sections 823a, 824a-1 to 824a-4, 824i to 824k, 825q-1, and 2701 to 2708 of this title, sections 717x to 717z and 3201 to 3211 of Title 15, Commerce and Trade, section 6808 of Title 42, The Public Health and Welfare, and sections 2001 to 2012 of Title 43, Public Lands, amending sections 796, 824, 824a, 824d, and 825d of this title, section 717f of Title 15, sections 1311, 1312, and 1314 to 1316 of Title 30, Mineral Lands and Mining, and sections 6801 to 6807 of Title 42, and enacting provisions set out as notes under sections 824, 824a, 824d, 825d, and 2621 of this title] may be cited as the 'Public Utility Regulatory Policies Act of 1978'."

§ 2602. Definitions

As used in this Act, except as otherwise specifically provided—

(1) The term "antitrust laws" includes the Sherman Antitrust Act (15 U.S.C. 1 and following), the Clayton Act (15 U.S.C. 12 and following), the Federal Trade Commission Act (15 U.S.C. 14[41] and following), the Wilson Tariff Act (15 U.S.C. 8 and 9), and the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21A).

(2) The term "class" means, with respect to electric consumers, any group of such consumers who have similar characteristics of electric energy use.

(3) The term "Commission" means the Federal Energy Regulatory Commission.

(4) The term "electric utility" means any person, State agency, or Federal agency, which sells electric energy.

(5) The term "electric consumer" means any person, State agency, or Federal agency, to which electric energy is sold other than for purposes of resale.

(6) The term "evidentiary hearing" means—

(A) in the case of a State agency, a proceeding which (i) is open to the public, (ii) includes notice to participants and an opportunity for such participants to present direct and rebuttal evidence and to cross-examine witnesses, (iii) includes a written de-

cision, based upon evidence appearing in a written record of the proceeding, and (iv) is subject to judicial review;

(B) in the case of a Federal agency, a proceeding conducted as provided in sections 554, 556, and 557 of title 5; and

(C) in the case of a proceeding conducted by any entity other than a State or Federal agency, a proceeding which conforms, to the extent appropriate, with the requirements of subparagraph (A).

(7) The term “Federal agency” means an executive agency (as defined in section 105 of title 5).

(8) The term “load management technique” means any technique (other than a time-of-day or seasonal rate) to reduce the maximum kilowatt demand on the electric utility, including ripple or radio control mechanisms, and other types of interruptible electric service, energy storage devices, and load-limiting devices.

(9) The term “nonregulated electric utility” means any electric utility other than a State regulated electric utility.

(10) The term “rate” means (A) any price, rate, charge, or classification made, demanded, observed, or received with respect to sale of electric energy by an electric utility to an electric consumer, (B) any rule, regulation, or practice respecting any such rate, charge, or classification, and (C) any contract pertaining to the sale of electric energy to an electric consumer.

(11) The term “ratemaking authority” means authority to fix, modify, approve, or disapprove rates.

(12) The term “rate schedule” means the designation of the rates which an electric utility charges for electric energy.

(13) The term “sale” when used with respect to electric energy includes any exchange of electric energy.

(14) The term “Secretary” means the Secretary of Energy.

(15) The term “State” means a State, the District of Columbia, and Puerto Rico.

(16) The term “State agency” means a State, political subdivision thereof, and any agency or instrumentality of either.

(17) The term “State regulatory authority” means any State agency which has ratemaking authority with respect to the sale of electric energy by any electric utility (other than such State agency), and in the case of an electric utility with respect to which the Tennessee Valley Authority has ratemaking authority, such term means the Tennessee Valley Authority.

(18) The term “State regulated electric utility” means any electric utility with respect to which a State regulatory authority has ratemaking authority.

(19) The term “integrated resource planning” means, in the case of an electric utility, a planning and selection process for new energy resources that evaluates the full range of alternatives, including new generating capacity, power purchases, energy conservation and efficiency, cogeneration and district heating and cooling applications, and renewable en-

ergy resources, in order to provide adequate and reliable service to its electric customers at the lowest system cost. The process shall take into account necessary features for system operation, such as diversity, reliability, dispatchability, and other factors of risk; shall take into account the ability to verify energy savings achieved through energy conservation and efficiency and the projected durability of such savings measured over time; and shall treat demand and supply resources on a consistent and integrated basis.

(20) The term “system cost” means all direct and quantifiable net costs for an energy resource over its available life, including the cost of production, distribution, transportation, utilization, waste management, and environmental compliance.

(21) The term “demand side management” includes load management techniques.

(Pub. L. 95-617, §3, Nov. 9, 1978, 92 Stat. 3119; Pub. L. 102-486, title I, §111(d), Oct. 24, 1992, 106 Stat. 2796.)

#### REFERENCES IN TEXT

This Act, referred to in text, is Pub. L. 95-617, Nov. 9, 1978, 92 Stat. 3117, as amended, known as the Public Utility Regulatory Policies Act of 1978. For complete classification of this Act to the Code, see Short Title note set out under section 2601 of this title and Tables.

The Sherman Antitrust Act (15 U.S.C. 1 and following), referred to in par. (1), is act July 2, 1890, ch. 647, 26 Stat. 209, as amended, which enacted sections 1 to 7 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1 of Title 15 and Tables.

The Clayton Act (15 U.S.C. 12 and following), referred to in par. (1), is act Oct. 15, 1914, ch. 323, 38 Stat. 730, as amended, which is classified generally to sections 12, 13, 14 to 19, 20, 21, and 22 to 27 of Title 15, Commerce and Trade, and sections 52 and 53 of Title 29, Labor. For further details and complete classification of this Act to the Code, see References in Text note set out under section 12 of Title 15 and Tables.

The Federal Trade Commission Act (15 U.S.C. 14 and following), referred to in par. (1), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (§41 et seq.) of chapter 2 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see section 58 of Title 15 and Tables.

The Wilson Tariff Act (15 U.S.C. 8 and 9), referred to in par. (1), is sections 73 to 77 of act Aug. 27, 1894, ch. 349, 28 Stat. 570. Sections 73 to 76 enacted sections 8 to 11 of Title 15, Commerce and Trade. Section 77 of said Act was not classified to the Code. For complete classification of this Act to the Code, see Short Title note under section 8 of Title 15 and Tables.

Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21A), referred to in par. (1), is act June 19, 1936, ch. 592, 49 Stat. 1526, popularly known as the Robinson-Patman Antidiscrimination Act and also as the Robinson-Patman Price Discrimination Act, which enacted sections 13a, 13b, and 21a of Title 15, Commerce and Trade, and amended section 13 of Title 15. For complete classification of this Act to the Code, see Short Title note set out under section 13 of Title 15 and Tables.

#### CODIFICATION

This section was not enacted as part of title I of Pub. L. 95-617 which comprises this chapter.

#### AMENDMENTS

1992—Pars. (19) to (21). Pub. L. 102-486 added pars. (19) to (21).

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 796, 2627 of this title; title 42 sections 2296b-7, 6807, 6807a, 7276c.

**§ 2603. Relationship to antitrust laws**

Nothing in this Act or in any amendment made by this Act affects—

(1) the applicability of the antitrust laws to any electric utility or gas utility (as defined in section 3202 of title 15), or

(2) any authority of the Secretary or of the Commission under any other provision of law (including the Federal Power Act [16 U.S.C. 791a et seq.] and the Natural Gas Act [15 U.S.C. 717 et seq.]) respecting unfair methods of competition or anticompetitive acts or practices.

(Pub. L. 95-617, § 4, Nov. 9, 1978, 92 Stat. 3120.)

## REFERENCES IN TEXT

This Act, referred to in text, is act Pub. L. 95-617, Nov. 9, 1978, 92 Stat. 3117, as amended, known as the Public Utility Regulatory Policies Act of 1978. For complete classification of this Act to the Code, see Short Title note set out under section 2601 of this title and Tables.

The Federal Power Act, referred to in par. (2), is act June 10, 1920, ch. 285, 41 Stat. 1063, as amended, which is classified generally to chapter 12 (§ 791a et seq.) of this title. For complete classification of this Act to the Code, see section 791a of this title and Tables.

The Natural Gas Act, referred to in par. (2), is act June 21, 1938, ch. 556, 52 Stat. 821, as amended, which is classified generally to chapter 15B (§ 717 et seq.) of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see section 717w of Title 15 and Tables.

## CODIFICATION

This section was not enacted as part of title I of Pub. L. 95-617 which comprises this chapter.

## SUBCHAPTER I—RETAIL REGULATORY POLICIES FOR ELECTRIC UTILITIES

## SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 2633, 2634 of this title.

**§ 2611. Purposes**

The purposes of this chapter are to encourage—

(1) conservation of energy supplied by electric utilities;

(2) the optimization of the efficiency of use of facilities and resources by electric utilities; and

(3) equitable rates to electric consumers.

(Pub. L. 95-617, title I, § 101, Nov. 9, 1978, 92 Stat. 3120.)

## REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this title”, meaning title I (§ 101 et seq.) of Pub. L. 95-617, Nov. 9, 1978, 92 Stat. 3120, which enacted this chapter and amended sections 6801 to 6808 of Title 42, The Public Health and Welfare. For complete classification of Title I to the Code, see Tables.

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 824a-4 of this title.

**§ 2612. Coverage****(a) Volume of total retail sales**

This chapter applies to each electric utility in any calendar year, and to each proceeding relating to each electric utility in such year, if the total sales of electric energy by such utility for purposes other than resale exceeded 500 million kilowatt-hours during any calendar year beginning after December 31, 1975, and before the immediately preceding calendar year.

**(b) Exclusion of wholesale sales**

The requirements of this chapter do not apply to the operations of an electric utility, or to proceedings respecting such operations, to the extent that such operations or proceedings relate to sales of electric energy for purposes of resale.

**(c) List of covered utilities**

Before the beginning of each calendar year, the Secretary shall publish a list identifying each electric utility to which this chapter applies during such calendar year. Promptly after publication of such list each State regulatory authority shall notify the Secretary of each electric utility on the list for which such State regulatory authority has ratemaking authority.

(Pub. L. 95-617, title I, § 102, Nov. 9, 1978, 92 Stat. 3121.)

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 2613, 2642 of this title.

**§ 2613. Federal contracts**

Notwithstanding the limitation contained in section 2612(b) of this title, no contract between a Federal agency and any electric utility for the sale of electric energy by such Federal agency for resale which is entered into or renewed after November 9, 1978, may contain any provision which will have the effect of preventing the implementation of any requirement of subchapter II or III of this chapter. Any provision in any such contract which has such effect shall be null and void.

(Pub. L. 95-617, title I, § 103, Nov. 9, 1978, 92 Stat. 3121.)

## SUBCHAPTER II—STANDARDS FOR ELECTRIC UTILITIES

## SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 2613, 2631, 2632, 2633, 2634, 2642 of this title.

**§ 2621. Consideration and determination respecting certain ratemaking standards****(a) Consideration and determination**

Each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) and each nonregulated electric utility shall consider each standard established by subsection (d) of this section and make a determination concerning whether or not it is appropriate to implement such standard to carry out the purposes of this chapter. For purposes of such consideration and determination in accordance with subsections (b) and (c) of this