

RULES AND REGULATIONS

Title 52—PUBLIC UTILITIES

PENNSYLVANIA PUBLIC UTILITY COMMISSION

[52 PA. CODE CHS. 59, 60 AND 69]

[L-920066]

Integrated Resource Planning for Natural Gas Utilities

On January 11, 1996, the Pennsylvania Public Utility Commission (Commission) adopted an Order on Reconsideration for the final rulemaking to state specifically that jurisdictional gas utilities with less than 8 billion cubic feet (8 Bcf) of annual sales are exempt from reporting requirements. Integrated Resource Planning (IRP) provides for a more comprehensive decisionmaking process which facilitates optimization of the resource mix to meet future customer demand in least-cost fashion. Through the rulemaking, we have updated existing forms, consolidated reporting requirements, and eliminated obsolete forms. The regulations are applicable to gas utilities with sales in excess of 8 Bcf annually. The contact person is Thomas Heck, (717) 783-1985.

Executive Summary

On January 11, 1996, the Commission adopted an Order on Reconsideration for the final rulemaking regarding IRP specifically stating that jurisdictional gas utilities with less than 8 Bcf of annual sales are exempt from reporting requirements. This order fulfills the statutory procedure of section 7(c) of the Regulatory Review Act (71 P. S. § 745.7(c)) which requires an agency to submit a report to the Legislative Standing Committees, the Governor's Office and Independent Regulatory Review Commission (IRRC) within 40 days of receipt of IRRC's disapproval order.

On September 27, 1995, the Commission adopted a final rulemaking implementing annual IRP for eligible gas utilities which was disapproved by IRRC. On December 14, 1995, the Commission received written notice of this disapproval and responded by letter dated December 18, 1994, notifying IRRC of its intent to proceed to implement final-form regulations with further revisions or modifications under the procedures designed in section 7(c) of the Regulatory Review Act.

IRP provides for a more comprehensive decisionmaking process which facilitates optimization of the resource mix to meet future customer demand in least-cost fashion. Through the rulemaking, we have updated existing forms, consolidated reporting requirements and eliminated obsolete forms. The regulations are applicable to gas utilities with sales in excess of 8 Bcf annually.

Regulatory Review

Under section 7(a) of the Regulatory Review Act, the Commission submitted a copy of the final rulemaking, which was published as proposed at 23 Pa.B. 4095, and served on August 13, 1993, to IRRC and the Chairpersons of House Committee on Consumer Affairs and the Senate Committee on Consumer Protection and Professional Licensure for review and comment. In compliance with section 5(b.1) of the Regulatory Review Act, the Commission also provided IRRC and the Committees with copies of the comments received, as well as other documentation.

In preparing these final-form regulations, the Commission has considered the comments received from IRRC, the Committees and the public.

These final-form regulations were deemed approved by the House Committee, were approved by the Senate Committee on January 30, 1996, and were approved by IRRC on February 7, 1996, in accordance with section 5(c) of the Regulatory Review Act (71 P. S. § 745.5(c)).

Public Meeting held
January 11, 1996

Commissioners Present: John M. Quain, Chairperson; Lisa Crutchfield, Vice Chairperson; John Hanger; David W. Rolka; and Robert K. Bloom.

Order on Reconsideration

By the Commission:

The Commission's final-form regulations pertaining to IRP for gas utilities were adopted on September 27, 1995, and submitted for review to the Governor's Budget Office, the Attorney General, the House and Senate designated standing committees and IRRC pursuant to the Regulatory Review Act (71 P. S. §§ 745.1—745.15).

The final-form regulations were deemed approved by the House Consumer Affairs Committee and the Senate Consumer Protection and Professional Licensure Committee. However, on December 14, 1995, IRRC officially disapproved the final-form regulations. The IRRC disapproval is based on IRRC's opinion that clarification is necessary to specify the identity of those major jurisdictional gas utilities subject to the filing requirements.

Pursuant to section 7(c) of the Regulatory Review Act, the Commission may submit revised final-form regulations within 40 days of the IRRC disapproval. Because the Commission believes that integrated resource planning is beneficial for gas utilities and ratepayers, we shall proceed expeditiously to consider the issue raised in the IRRC disapproval order and to resubmit the final-form regulations. The primary benefit of the IRP is that it requires an annual resource planning report (ARPR) and provides for a more comprehensive decisionmaking process by natural gas utilities. This rulemaking also consolidates reporting of natural gas utilities.

The issue raised by IRRC concerns the necessity to specify the threshold level of sales of those major jurisdictional gas utilities subject to the filing requirements. Upon consideration of the IRRC disapproval order adopted December 6, 1995, we shall amend our regulations to specifically provide that jurisdictional gas utilities with annual sales of eight Bcf per year or more shall be required to submit annual IRP reports.

We believe that this modification to our regulations will address the concern raised by IRRC as to which jurisdictional gas utilities are obligated to file these IRP reports. Accordingly, under 66 Pa.C.S. §§ 308(c), 501, 504, 523, 1319 and 1501, and the Commonwealth Documents Law (45 P. S. § 1201 et seq.) and regulations promulgated thereunder at 1 Pa. Code §§ 7.1—7.4, we hereby delete regulations at §§ 59.61 and 59.67 and add regulations at §§ 59.81—59.84; and amend regulations at §§ 59.62, 60.8 and 69.181, with ellipses referring to the existing text of

the regulations, in the manner set forth in Annex A; *Therefore,*

It Is Ordered that

1. The Commission's final-form regulations adopted September 27, 1995, at this docket are hereby modified consistent with Annex A and the discussion herein. We hereby order that §§ 59.61 and 59.67 are deleted; §§ 59.81—59.84 are added; and 59.62, 60.8 and 69.181 are amended, with ellipses referring to the existing text of the regulations.

2. The Secretary shall submit this order and Annex A to the House and Senate designated standing committees, and IRRC for their review, and a copy to the Governor's Office via General Counsel.

3. The Secretary shall submit this order and Annex A to the Office of Attorney General for review as to form and legality and to the Governor's Budget Office for fiscal review.

4. The Secretary shall certify this order and Annex A and deposit them with the Legislative Reference Bureau.

5. This order is submitted under the requirements of section 7(c) of the Regulatory Review Act pertaining to procedures for subsequent review.

JOHN G. ALFORD,
Secretary

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 26 Pa.B. 814 (February 24, 1996).)

Fiscal Note: Fiscal Note 57-126 remains valid for the final adoption of the subject regulations.

Annex A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION

Subpart C. FIXED SERVICE UTILITIES

CHAPTER 59. GAS SERVICE

REPORTING AND CURTAILMENT OF SERVICE

§ 59.61 (Reserved).

§ 59.62. Gas sales ban.

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(e) Each jurisdictional utility having suspended new sales under subsection (a) shall petition the Commission for express approval prior to commencement of sales to new gas customers—to include the expansion of service or new service to an existing customer. New or expanded sales shall be permitted to all customer classes as defined in § 69.21 (relating to priority of service); except that for Priorities 5 and 6 customers, equivalent alternate fuel capacity installed within 1 year of commencement of service is to be required by the utility as a precondition to new or expanded service. A petition to resume new sales shall be in full compliance with this section and shall contain supporting data that includes an updated integrated resource planning report as required at § 59.81(a) (relating to periodic reporting requirements for major gas utilities).

(1) A detailed statement of energy efficiency standards which the utility proposes to require, if any, for entitlement to new or expanded service, to be included in the rules and regulations of its tariff.

(2) Projections for the current year and 3 forward years, by priority classification under § 69.21 of the

number of new customers and associated consumption in each priority class to be served.

(3) A brief economic impact statement discussing the effects of new or expanded sales, including any effect on unemployment, the demand for alternate fuels and local economic conditions, the estimated cost of future gas supply, and the effects of increased gas prices on various classes of customers and industries within the utility's service area.

(4) Other information as the Commission may, by this title or by special order, require.

(f) When a major jurisdictional gas distribution utility subject to the sales-ban provisions of this section determines in the ordinary course of its business that a customer has connected a gas appliance in violation of this section, the utility shall promptly notify the customer and the Commission, in writing, of a violation. If the customer does not remove the unauthorized gas equipment within 30 days after a notice is served on the customer, the utility shall disconnect gas service until the equipment is removed; however, in the case of residential customers, termination after expiration of the 30-day period shall be under Chapter 56, Subchapter E (relating to termination of service), and no disconnections may be required or permitted during the winter heating season, November 1 through March 31. New customers shall be notified in writing of the restrictions against and implications of unauthorized attachments at the time of application for service and shall be informed of the fact that written application to the utility is required any time the addition of new or larger-capacity gas burning equipment is contemplated.

§ 59.67. (Reserved).

ANNUAL RESOURCE PLANNING REPORT

§ 59.81. Periodic reporting requirements for major gas utilities.

(a) For the purposes of this subchapter, each jurisdictional public utility with sales of 8 billion cubic feet per year or more including transportation volume shall submit to the Commission an annual integrated resource planning report. Except for Form 1A/2A, whose filing date is March 1, copies of the report shall be submitted on or before June 1, 1996, and June 1 of successive years. An original and five copies of the report shall be submitted. This report shall include a plan that includes the past year's historical data, program changes, and the next 3-year forecast. One copy of the report shall also be submitted to the Office of Consumer Advocate, the Office of Small Business Advocate and the Office of Trial Staff. The information contained within the report shall conform to the following requirements:

(1) The name and telephone number of persons having knowledge of the matters, and to whom inquiries should be addressed.

(2) A forecast of annual, winter season and peak day energy demand requirements in million cubic feet displayed by component parts, as indicated in Form 1A, Form 1B and Form 1C, respectively. The load growth projections shall reflect the effects of price elasticity, market-induced conservation, building and appliance efficiency standards and the effects of the utility's existing and planned conservation and load management activities.

(3) A forecast of annual, winter season and peak day energy resources in million cubic feet indicating sources of presently available and new supplies which the utility

estimates will become available displayed by component parts, as indicated in Form-IRP-Gas-2A, Form-IRP-Gas-2B and Form-IRP-Gas-2C, respectively.

(4) A forecast of the number of customers (year end) displayed by component parts, as indicated in Form-IRP-Gas-3.

(5) A summary forecast of annual, winter season and peak day energy resources and demand requirements in million cubic feet, as indicated in Form-IRP-Gas-4A, Form-IRP-Gas-4B and Form-IRP-Gas-4C.

(6) The data required under paragraphs (1)—(5) shall consist of the past 5 years actual historical data, the current year (both actual and projected) and a 3-year forecast. For the purpose of this section, the term "current year" refers to the year in which the filing is being made.

(7) A detailed discussion of the methodologies, data sources and assumptions used in preparing the information required by this section shall be included.

(b) The reporting formats referred to in this section are contained in § 59.84 (relating to formats). Annual data shall be submitted on a calendar year basis, January 1 through December 31. If the utility purchases gas on a contract basis other than a calendar year, the contract time interval shall be identified. Winter season data shall be submitted for the period November 1 through March 31, unless compelling reasons require the use of a different interval, in which case, the interval utilized shall be indicated.

(c) Annual integrated resource planning reports submitted under subsection (a) shall be accompanied by a summary suitable for public distribution. The summary shall include an implementation plan specifying activities scheduled for the acquisition and development of the resources delineated in the report, which are to take place during the planning period. Utilities shall maintain copies of the summary open for public inspection during normal business hours.

(d) Informal sessions may be scheduled for reviewing integrated resource plans and providing an opportunity for interested parties to participate in the review process.

§ 59.82. Annual Conservation Report.

(a) For purposes of this subchapter, each jurisdictional gas utility with sales of 8 billion cubic feet per year or more including transportation volume, shall submit its Annual Conservation Activities Report and incorporate it with the reporting requirements found at § 59.81(a) (relating to periodic reporting requirements for major gas utilities) on or before June 1 of each year except for Form 1 which is due March 1. The report shall contain a description of conservation and load management programs implemented or operational during the past calendar year and programs which are proposed to be implemented within 1 year following the filing of the report.

(1) A conservation program shall include a method designed to produce a reduction in total annual energy use, regardless of its effect on peak demand.

(2) A load management program shall include a method to reduce the peak or maximum load or demand, with little or no change in total annual energy use.

(b) The description shall conform to the Form-IRP-Gas-5 and shall contain:

- (1) A descriptive title of the program.

- (2) The purpose or objective.

- (3) The details of program activity and implementation schedule.

- (4) An accounting of the monetary and personnel resources actually or proposed to be expended or devoted to the program.

- (5) The actual or anticipated results of the program in terms of energy savings, reduction of utility on peak demand or other appropriate measure of the program's objective.

(c) The report shall also contain, for each class or type of energy user the number of customers in each class as of the end of the previous year, the total energy consumed by each class and the individual target consumption reductions for each class, as indicated on Form-IRP-Gas-6.

(d) The report shall include a summary of programs, as indicated on Form-IRP-Gas-7.

(e) For each program with an annual utility expenditure of more than \$100,000 or more than 0.1% of total annual revenue, whichever is less, excepting informational, educational or research and development programs, the utility shall submit a cost-benefit analysis using the common evaluation methodology in § 59.83 (relating to evaluation methodology), as indicated on Forms-IRP-Gas-8 and IRP-Gas-9.

(f) The Commission, through its Bureau of Conservation, Economics and Energy Planning, may issue a list of specific conservation and load management programs which shall be considered for implementation by each designated utility. The utility shall provide information documenting the consideration of these and other conservation and load management options and supporting the utility's decision of whether or not to implement the options.

(g) Utilities shall maintain copies of the annual conservation reports open to public inspection during normal business hours. Customers shall be notified, in writing, of the availability of the reports for public inspection. Notification may be included with customers' monthly bills.

(h) The following forms have been provided for under this chapter as a format to be used in preparing the annual conservation report:

- (1) Form-IRP-Gas-5—Program Description.
- (2) Form-IRP-Gas-6—Energy Users.
- (3) Form-IRP-Gas-7—Program Summary.
- (4) Form-IRP-Gas-8—Cost-Benefit Analysis Inputs.
- (5) Form-IRP-Gas-9—Cost-Benefit Analysis Results.

§ 59.83. Evaluation methodology

For purposes of this subchapter, each jurisdictional utility with sales of 8 billion cubic feet per year or more including transportation volume, shall utilize benefit-cost methodologies as prescribed by the Bureau of Conservation, Economics and Energy Planning to evaluate the costs and benefits of conservation and load management programs, and demand-side management programs. The cost-benefit methodologies shall be utilized by the utility during the next program year after they are prescribed.

§ 59.84. Formats.

In preparing the annual integrated resource planning reports required by § 59.81(a) (relating to periodic report

ing requirements for major gas utilities), each jurisdictional utility shall use the forms and schedules specified by the Bureau of Conservation, Economics and Energy Planning, which shall include the following:

- (1) Form-IRP-Gas-1A—Annual Energy Demand Requirements; Form-IRP-Gas-1B—Winter Season Energy Demand Requirements; Form-IRP-Gas-1C—Peak Day Energy Demand Requirements.
- (2) Form-IRP-Gas-2A—Annual Energy Resources; Form-IRP-Gas-2B—Winter Season Energy Resources; Form-IRP-Gas-2C—Peak Day Energy Resource.
- (3) Form-IRP-Gas-3—Number of Customers (Year End).
- (4) Form-IRP-Gas-4A—Annual Supply/Demand Summary; Form-IRP-Gas-4B—Winter Season Supply/Demand; Form-IRP-Gas-4C—Peak Day Supply/Demand Summary.
- (5) Form-IRP-Gas-5—Program Description.
- (6) Form-IRP-Gas-6—Energy Users.
- (7) Form-IRP-Gas-7—Program Summary.
- (8) Form-IRP-Gas-8—Cost-Benefit Analysis Inputs.
- (9) Form-IRP-Gas-9—Cost-Benefit Analysis Results.

CHAPTER 60. NATURAL GAS TRANSPORTATION SERVICE

§ 60.8. Reporting requirements.

A natural gas utility shall submit to the Commission an annual report on or before June 1 regarding transportation service that includes the following information:

- (1) The volumes transported for each customer.
- (2) The rate charged each customer for transportation service.
- (3) A description of the rate and service, approved by the Federal Energy Regulatory Commission, under which the gas is carried to the facilities of the natural gas utility.

CHAPTER 69. GENERAL ORDERS, POLICY STATEMENTS AND GUIDELINES ON FIXED UTILITIES

RECOVERY OF TAKE-OR-PAY EXPENSES

§ 69.181. Recovery of take-or-pay expenses—statement of policy.

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(p) A utility which is permitted to recover take-or-pay costs, regardless of the forum for recovery, is required to file with the Commission an annual report due at the same time as Form 1 as specified by § 59.81(a)(1) (relating to periodic reporting requirements for major gas utilities) regarding take-or-pay recovery that includes the following information:

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[Pa.B. Doc. No. 96-443. Filed for public inspection March 22, 1996, 9:00 a.m.]

Title 61—REVENUE

DEPARTMENT OF REVENUE

[61 PA. CODE CH. 817]

Wild Card Lotto

The Department of Revenue (Department), adopts amendments to Chapter 817 (relating to additional plans, games and drawings after September 1981).

In response to interest among lottery players, the Department is amending the Wild Card Lotto game regulations to allow a player to select a cash option at the time a Wild Card Lotto ticket is purchased. The cash option is a method of payment wherein the player elects to receive a parimutuel share of the prize money allocated to the first prize category as a lump sum cash payment in the event that that player subsequently becomes the holder of a winning ticket for that category. If a player does not select the cash option at the time of purchase, and the player subsequently becomes the holder of a winning ticket for the first prize category, the holder will receive a parimutuel share of the prize money allocated to the first prize category in accordance with the existing annuity provisions for that category. When the cash option is selected, the wording "cash payment" will appear on the ticket. This regulatory change may produce an undetermined increase in sales. The cash option has been implemented in other states with positive results.

Interested persons may comment on any lottery game by contacting the person specified in this preamble. Because of the time constraints associated with the establishment, operation and administration of lottery games, the Department finds that notice of proposed rulemaking is impracticable. More specifically, the efficient operation of the Lottery requires that the Lottery be up-to-date with the latest innovations and trends in the lottery industry. The inability to adapt quickly to ever-changing marketing strategies can have a drastic effect upon Lottery revenues. The need for the Lottery to react quickly to market forces has been recognized in the past as a valid reason for promulgating lottery regulations under the proposed rulemaking omitted process. Therefore, under section 204 of the act of July 31, 1968 (CDL) (P. L. 769, No. 240) (45 P. S. § 1204) and the regulations thereunder, 1 Pa. Code § 7.4, proposed rulemaking has been omitted.

Fiscal Impact

The Department has determined that the amendments will have no significant adverse fiscal impact on the Commonwealth; to the contrary, the amendments may produce an undetermined net revenue.

Paperwork

The amendments will not generate substantial paperwork for the public or the Commonwealth.

Effectiveness/Sunset Date

The amendments will become effective upon publication in the *Pennsylvania Bulletin*. No sunset date has been assigned.

Contact Person

The contact person for an explanation of the amendments is Anita M. Doucette, Office of Chief Counsel, Department of Revenue, Dept. 281061, Harrisburg, PA 17128-1061.

Authority

The amendments are promulgated under section 6 of the State Lottery Law (act) (72 P. S. § 3761-6). Section 6(a) of the act specifically provides the Secretary of Revenue with the power and duty to promulgate rules and regulations governing the establishment and operation of the lottery.

Regulatory Review

The amendments are not required to be submitted to the Department of Aging for comment under section 2203-A of The Administrative Code of 1929 (71 P. S. § 581-3 (27)). However, under section 2203-A the Department has submitted the amendments to the Department of Aging for comment as a courtesy.

Under section 5(f) of the Regulatory Review Act (71 P. S. § 745.5(f)), the Department submitted a copy of these amendments with proposed rulemaking omitted on February 12, 1996, to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House and Senate Committees on Finance. On the same date, the amendments were submitted to the Office of Attorney General for review and approval under the Commonwealth Attorneys Act (71 P. S. §§ 732-101—732-506). In accordance with section 5(c) of the Regulatory Review Act, these amendments were deemed approved by the Committees on March 3, 1996, and were approved by IRRC on March 6, 1996.

Findings

The Department finds that the regulations are necessary and appropriate for the administration and enforcement of the authorizing statute. Under section 204 of the CDL, the Department also finds that the proposed rulemaking procedures in sections 201 and 202 of the CDL (45 P. S. §§ 1201 and 1202) are impracticable because of the time constraints associated with the establishment, operation and administration of lottery games.

Order

The Department, acting under its authorizing statute, orders that:

(a) The regulations of the Department, 61 Pa. Code Chapter 817, are amended by amending §§ 817.113, 817.116, 817.118 and 817.120 to read as set forth in Annex A, with ellipses referring to the existing text of the regulations.

(b) The Secretary of the Department shall submit this order and Annex A to the Office of General Counsel and Office of Attorney General for approval as to form and legality as required by law.

(c) The Secretary of the Department shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) This order shall take effect upon publication in the *Pennsylvania Bulletin*.

ROBERT A. JUDGE, Sr.,
Secretary

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 26 Pa.B. 1313 (March 23, 1996).)

Fiscal Note: 15-375. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 61. REVENUE

PART V. STATE LOTTERIES

CHAPTER 817. ADDITIONAL PLANS, GAMES AND DRAWINGS AFTER SEPTEMBER 1981

WILD CARD LOTTO

§ 817.113. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Apparent winning ticket—A standard game ticket bearing winning numbers which has not been validated by the Lottery.

Cash option—A method of payment which the player selects at the time of purchase of a Wild Card Lotto ticket in order to receive payment of a parimutuel share of the prize money allocated to the first prize category as a lump sum cash payment in the event that the player subsequently becomes a holder of a winning ticket for that category.

Game panel, panel or game grid—The area of the bet slip which contains 48 squares numbered 1 through 48. A game panel is lettered and, when used to purchase a ticket, corresponds to the numbers selected and printed on the ticket.

On-line retailer or retailer—A person licensed to sell Lottery tickets who has been approved by and contracted with the Lottery to sell Wild Card Lotto tickets.

Standard game ticket or ticket—A Wild Card Lotto ticket, produced by an on-line retailer in an authorized manner, containing two separate plays, each containing a letter prefix followed by six selected numbers from 1 through 48, a drawing date, the amount bet, cash option selection, if applicable, and validation number data.

Wild Card Lotto bet slip—A card used in marking a player's bet having ten game panels, each containing 48 squares numbered 1 through 48. A game panel is identified by one of the following letters, A, B, C, D, E, F, G, H, I or J.

Wild card number—A seventh number selected at random at a Wild Card Lotto drawing, which shall be utilized to determine winners who have three, four or five winning numbers in addition to this number.

Winning numbers—Six numbers, from 1 through 48, randomly selected at a valid Wild Card Lotto drawing which shall be used to determine the winning plays contained on standard game tickets.

Winnings pool—The amount allocated from Wild Card Lotto gross sales for a particular Wild Card Lotto game drawing for the purpose of paying parimutuel prizes in a particular Wild Card Lotto game drawing but excluding money brought forward from a previous Wild Card Lotto game drawing.

§ 817.116. Wild Card Lotto bet slip and ticket characteristics and restrictions.

(a) The player shall select, or request selection by computer, six numbered squares in each of two game grids on a bet slip. In addition, the player may select the cash option method of payment of the first prize category. The cash option shall be selected at the time of purchase. Bet slips shall be available at no cost to the purchaser. The minimum entry is \$1. For \$1, play games A and B; for \$2, play games A, B, C and D; for \$3, play games A, B,

C, D, E and F; for \$4, play games A, B, C, D, E, F, G and H; for \$5, play games A, B, C, D, E, F, G, H, I and J. Game panels shall be selected in alphabetical order in accordance with the instructions printed on the bet slip. A bet slip has no pecuniary or prize value and does not constitute evidence of purchase or numbers selected.

(b) To purchase a Wild Card Lotto ticket, players shall pay the purchase price to an authorized retailer, submit the completed bet slip, or request number selection by computer selection, and select the cash option, if applicable. The authorized retailer shall issue a standard game ticket, which shall contain the six number selections played in each game grid—identified by a letter as described in subsection (a)—the drawing date, amount bet, cash option selection, if applicable, and validation number date. This standard game ticket shall be the only valid proof of the bet placed, and the only valid receipt for claiming a prize. The standard game ticket shall contain two separate plays prefixed by a letter corresponding to the bet slip. The standard game ticket shall only be valid for the drawing date printed on the ticket.

(c) If bet slips are unavailable, plays may also be given to an authorized retailer in groups of six number selections for each of two game grids for each \$1 wagered. In addition, the cash option, if selected, shall be given by the player at that time. The selections shall be manually entered into the computer terminal by the retailer.

(d) A standard game ticket may only be cancelled by a player if he produces the ticket, returns the ticket to the selling agent and cancels the ticket within the time limits established by the Lottery prior to the drawing and if no drawing applicable to the ticket has previously been held.

(e) It is the sole responsibility of the ticket purchaser or holder to verify the accuracy and condition of data printed on the standard game ticket. The sole remedy of the purchaser or holder is cancellation as described in subsection (d).

§ 817.118. Determination of prizewinners.

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(i) Winning Wild Card Lotto prizes will be paid as follows:

(1) Prizes payable to the first prize category winners will be paid either by an initial cash payment plus equal annual payments over a specified term of 20 years or by a

one time cash payment if the player selected the cash option at the time of purchase.

(2) Individual ticket prize payments for the second, third, fourth, fifth and sixth prize categories will be paid entirely in cash.

(3) If more than one winning play is determined, each, upon meeting the requirements of §§ 817.120 and 817.121 (relating to ticket validation requirements; and procedures for claiming and payment of prizes), is entitled to a prorated payment share of the total first prize category.

(4) For first prize category payments, the total of initial cash payments and annual payments over the term for the first prize category may not be less than \$1 million, or, if the cash option is selected at the time of purchase, a single cash payment in an amount equal to the funds necessary, as determined by the Lottery, to purchase an annuity of not less than \$1 million. If more than one winning play is determined, each is entitled to a prorated payment share of the total first prize category as provided in paragraph (3).

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§ 817.120. Ticket validation requirements.

(a) *Valid tickets.* To be a valid Wild Card Lotto ticket, the following conditions shall be met:

* * * * *

(8) The player selected or computer selected numbers on the ticket shall be in individual groups of six numbers each associated with a single letter, A, B, C, D, E, F, G, H, I or J and the six numbers and the associated letter shall constitute a single lettered game grid play. The cash option, if selected, shall be present on the ticket.

* * * * *

(10) The player selected or computer selected numbers, the cash option, if selected, the validation number data and the drawing date of an apparent winning ticket shall appear on the official file of winning tickets; and a ticket with that exact date may not have been previously paid.

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[Pa.B. Doc. No. 96-444. Filed for public inspection March 22, 1996, 9:00 a.m.]
