

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2346 Session of
1984

INTRODUCED BY GAMBLE AND LAUGHLIN, JUNE 27, 1984

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 27, 1984

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, providing for water line extensions.

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

5 Section 1. Title 66 of the Pennsylvania Consolidated
6 Statutes is amended by adding a section to read:

7 § 1511. Water line extensions.

8 (a) General rule.--Notwithstanding any other provision of
9 this title, each retail water supplier shall, upon receipt of an
10 application for such service in accordance with the supplier's
11 tariffs, rules or regulations or bylaws, be obligated to furnish
12 retail water service to all water-consuming facilities located
13 within its territory.

14 (b) Conditions and revenue.--Each retail water supplier
15 shall file with the commission as part of its tariffs a rule
16 setting forth the conditions under which it will make line
17 extensions to supply any applicants for service within its

1 territory. The rule shall include a plan whereby the public
2 utility will construct, operate and maintain line extensions
3 required to serve any customer or customers who will guarantee
4 revenues in sufficient amount to comply with the requirements
5 set forth in the rule, and a statement of the terms upon which
6 the guarantee shall be reduced to the minimum charges as
7 provided in the rate schedules applicable to each class of
8 service supplied. Where a guarantee of revenues would be
9 impractical or infeasible because of the limited number of
10 customers within the proposed new service area, the supplier
11 shall be allowed to include the costs of the extension within
12 its general rate base, amortized over a period of ten years.

13 (c) Determination of guarantees.--In determining the
14 revenues originally to be guaranteed and any subsequent changes,
15 the following conditions shall be applicable, as appropriate:

16 (1) Guarantees of revenue shall be based upon the total
17 construction cost to the public utility of the line
18 extension.

19 (2) Guarantees of revenue shall be based upon the length
20 of water line required to furnish service.

21 (3) Guarantees shall be based upon any reasonable plan
22 by which the construction cost or length of line extension or
23 the number of customers served or to be served from the line
24 extension are given consideration.

25 (4) Appropriate adjustments shall be made at least
26 annually in the amount of revenue guaranteed by each customer
27 by reason of change in the number or classification of
28 customers supplied from the line extension.

29 (d) Service to additional customers.--Additional customers
30 shall be connected to a line extension of a line already built

1 or to a further extension of a line only upon the same terms and
2 conditions as would apply if the extension were being made for
3 all customers, including the new customers, provided the
4 inclusion of new customers would not increase the guarantees of
5 the existing customers. If the guarantees of existing customers
6 would be increased, the line extension constructed to serve
7 additional customers shall be considered and treated as a new
8 and separate line extension for these additional customers.

9 (e) Definition.--As used in this section the term "retail
10 water supplier" means any public utility which engages in the
11 diverting, developing, pumping, impounding, distributing or
12 furnishing of water to or for the public for compensation.

13 Section 2. This act shall take effect in 90 days.