
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1490 Session of
2017

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DEASY, ENGLISH, EVANKOVICH, KAUFFMAN, KORTZ, KULIK, MILLARD,
MUSTIO, ORTITAY, QUIGLEY, WARD AND WHEELAND, JUNE 2, 2017

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 2, 2017

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, providing for water and sewer
3 authorities in cities of the second class.

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

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

8 CHAPTER 32

9 WATER AND SEWER AUTHORITIES

10 IN CITIES OF THE

11 SECOND CLASS

12 Sec.

13 3201. Definitions.

14 3202. Application of provisions of title.

15 3203. Prior tariffs.

16 3204. Tariff filing and compliance plan.

17 3205. Maintenance, repair and replacement of facilities and
18 equipment.

1 3206. Duties of Office of Consumer Advocate and Office of Small
2 Business Advocate.

3 3207. Commission assessment.

4 3208. Power of authority.

5 3209. Proprietary information of authority.

6 § 3201. Definitions.

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

10 "Authority." A body politic or corporate established by a
11 city of the second class under 53 Pa.C.S. Ch. 56 (relating to
12 municipal authorities), under the former act of June 28, 1935
13 (P.L.463, No.191), known as the Municipality Authorities Act of
14 one thousand nine hundred and thirty-five, or under the former
15 act of May 2, 1945 (P.L.382, No.164), known as the Municipality
16 Authorities Act of 1945, which owns or operates equipment or
17 facilities for any of the following purposes:

18 (1) Diverting, developing, pumping, impounding,
19 distributing or furnishing water to customers for
20 compensation.

21 (2) Wastewater collection, treatment or disposal to
22 customers for compensation.

23 § 3202. Application of provisions of title.

24 (a) Application.--Beginning on January 1, 2018, the
25 provisions of this title, except Chapters 11 (relating to
26 certificates of public convenience), 19 (relating to securities
27 and obligations) and 21 (relating to relations with affiliated
28 interests), shall apply to the service of an authority in the
29 same manner as the service of a public utility.

30 (b) Exception.--Upon request of an authority, the commission

1 may suspend or waive the applicability of any provision of this
2 title to the authority, except for this section.

3 § 3203. Prior tariffs.

4 (a) Service.--An authority shall continue to provide service
5 to the authority's customers in accordance with a prior tariff
6 until the effective date of a commission's order approving a new
7 tariff. If the effective date of a commission's order approving
8 a new tariff has been stayed by a court of competent
9 jurisdiction, the prior tariff shall remain in effect until the
10 stay has been dissolved.

11 (b) Disputes or conflicts.--In accordance with section 3208
12 (relating to power of authority), the commission shall resolve
13 all disputes or conflicts arising under a prior tariff.

14 (c) Definition.--As used in this section, the term "prior
15 tariff" shall mean the tariff, rate schedule and riders
16 incorporated into the tariff, including the bylaws, terms and
17 conditions or other documents setting forth the rates and terms
18 and conditions of service provided by an authority on the date
19 the commission assumes jurisdiction over the authority.

20 § 3204. Tariff filing and compliance plan.

21 (a) Filing.--An authority shall file an initial tariff with
22 the commission within 60 days of the effective date of this
23 section. The commission shall conduct an initial rate proceeding
24 in accordance with the commission's procedures for initial
25 tariff filings. To the extent practical, public hearings on the
26 initial tariff filing shall be held within the boundaries of an
27 authority.

28 (b) Compliance plan.--The compliance plan shall include
29 provisions to convert an authority's existing information
30 technology, accounting, billing, collection and other operating

1 systems and procedures to comply with the requirements
2 applicable to jurisdictional water and wastewater utilities
3 under this title and applicable rules, regulations and orders of
4 the commission.

5 (c) Costs.--The following apply:

6 (1) The commission shall examine the costs and
7 administrative burdens of converting existing systems and
8 procedures of an authority to meet the requirements of this
9 title.

10 (2) The commission shall conduct an analysis of a
11 conversion under paragraph (1) in order to assess whether the
12 costs of the conversion outweigh the benefits. If the
13 commission determines that the costs outweigh the benefits,
14 the commission may waive any provision of this title or the
15 commission's regulations or orders.

16 (3) If the commission determines the benefits outweigh
17 the costs, the commission shall permit a full recovery of the
18 costs by an authority.

19 § 3205. Maintenance, repair and replacement of facilities and
20 equipment.

21 (a) Authorization.--The commission may require an authority
22 to maintain, repair and replace facilities and equipment used to
23 provide services under this chapter to ensure that the equipment
24 and facilities comply with section 1501 (relating to character
25 of service and facilities).

26 (b) Petition.--An authority may petition the commission for
27 the establishment of a distribution system improvement charge.
28 An authority which establishes a distribution system improvement
29 charge shall comply with all applicable requirements of
30 Subchapter B of Chapter 13 (relating to distribution systems).

1 § 3206. Duties of Office of Consumer Advocate and Office of
2 Small Business Advocate.

3 (a) Office of Consumer Advocate.--The Office of Consumer
4 Advocate shall represent the interests of consumers as a party,
5 or otherwise participate for the purpose of representing the
6 interests of consumers, in any matter properly before the
7 commission relating to an authority.

8 (b) Office of Small Business Advocate.--The Office of Small
9 Business Advocate shall represent the interests of consumers as
10 a party, or otherwise participate for the purpose of
11 representing the interests of small business consumers, in any
12 matter properly before the commission relating to an authority.

13 (c) Authorization.--In addition to any other powers
14 conferred upon the Office of Consumer Advocate or Office of
15 Small Business Advocate, the Office of Consumer Advocate or
16 Office of Small Business Advocate may represent an interest of
17 consumers presented to it for consideration, in writing, by a
18 substantial number of individuals who make, direct, use or are
19 the recipients of a product or service provided by an authority.

20 § 3207. Commission assessment.

21 (a) Sworn statement.--In order to allow the commission to
22 carry out the commission's duties under this chapter, the
23 president of an authority shall file, within 60 days of the
24 effective date of this section, a sworn statement which
25 specifies the authority's gross intrastate revenues for the
26 immediately preceding fiscal year in the same manner as required
27 under section 510(b) (relating to assessment for regulatory
28 expenses upon public utilities).

29 (b) Billing.--The commission shall make an estimate based on
30 the gross intrastate revenues specified under subsection (a) in

1 accordance with the procedures set forth in section 510(b) and
2 shall impose an assessment on an authority based on the
3 authority's proportional share of the commission's expenses in
4 accordance with section 510(b) (4). An authority shall pay an
5 assessment on an annual basis in accordance with section 510.
6 § 3208. Power of authority.

7 (a) Power.--Nothing in this chapter shall be construed to
8 rescind or limit the power of a city of the second class to
9 establish an authority or determine the powers, functions,
10 budget or activities of an authority.

11 (b) Audits.--Nothing in this chapter shall be construed to
12 limit or prevent a city official of a city of the second class
13 from conducting audits and examinations of the financial affairs
14 of an authority in accordance with the city official's duties.
15 § 3209. Proprietary information of authority.

16 Proprietary information, trade secrets and competitively
17 sensitive information of an authority shall not be public
18 records under the act of February 14, 2008 (P.L.6, No.3), known
19 as the Right-to-Know Law, and shall not be subject to mandatory
20 public disclosure. Nothing in this section shall be construed to
21 exempt an authority from providing information to the commission
22 as specified under sections 501 (relating to general powers),
23 504 (relating to reports by public utilities), 505 (relating to
24 duty to furnish information to commission; cooperation in
25 valuing property) and 506 (relating to inspection of facilities
26 and records).

27 Section 2. All acts or parts of acts are repealed insofar as
28 they are inconsistent with this act.

29 Section 3. This act shall take effect as follows:

30 (1) The addition of 66 Pa.C.S. § 3207 shall take effect

1 in 60 days.

2 (2) The remainder of this act shall take effect

3 immediately.