

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 899 Session of  
2005

INTRODUCED BY GANNON, CAPPELLI, O'NEILL, WALKO, BELFANTI,  
SHANER, HENNESSEY, KENNEY, BARRAR, E. Z. TAYLOR, SURRA,  
GOODMAN, GEORGE, FREEMAN AND B. SMITH, MARCH 14, 2005

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MARCH 14, 2005

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, providing for utility industry  
3 restructuring.

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 20

9 UTILITY INDUSTRY RESTRUCTURING

10 Sec.

11 2001. Applicability.

12 2002. Findings and purposes.

13 2003. Requirements.

14 2004. Requirements related to workforce reduction.

15 2005. Displaced employee program.

16 2006. Transfers of ownership.

17 2007. Transfers to certain subsidiaries.

18 2008. Existing sales agreements.

1 § 2001. Applicability.

2 In addition to any other specific requirements contained in  
3 this title, the provisions of this chapter shall apply to the  
4 restructuring or deregulation of any public utility industry.

5 § 2002. Findings and purposes.

6 The General Assembly finds and declares as follows:

7 (1) The reliability and safety of the public utility  
8 industries subject to this title have depended on a workforce  
9 of skilled and dedicated employees equipped with technical  
10 training and experience.

11 (2) The integrity and reliability of their systems also  
12 have depended on each industry's commitment to invest in  
13 regular inspection and maintenance, to assure that they can  
14 withstand the demands of heavy service requirements and  
15 emergency situations.

16 (3) It is in the Commonwealth's interest to protect the  
17 interests of public utility employees who have dedicated  
18 themselves to assuring reliable service to the citizens of  
19 this Commonwealth and who otherwise might be economically  
20 displaced in a restructured industry.

21 § 2003. Requirements.

22 The General Assembly further finds that it is necessary to  
23 assure that employees operating in a restructured or deregulated  
24 public utility industry have the requisite skills, knowledge and  
25 competence to provide safe, adequate and reliable service and,  
26 therefore, all public utilities and all other persons providing  
27 services to consumers using the facilities of a public utility  
28 shall be required to demonstrate the competence of their  
29 employees to work in the public utility industry. The knowledge,  
30 skills and competence levels to be demonstrated shall be

1 consistent with those generally required of or by comparable  
2 public utilities in this Commonwealth with respect to their  
3 employees. Adequate demonstration of requisite knowledge, skills  
4 and competence shall include such factors as completion by the  
5 employee of an accredited or otherwise recognized apprenticeship  
6 program for the particular craft, trade or skill, or specified  
7 years of employment with a public utility or similar business  
8 performing the particular work function. To implement this  
9 requirement, the commission, in determining that a person or  
10 public utility meets the standards required by this chapter,  
11 shall require the person or public utility to demonstrate that  
12 the person or public utility is licensed to do business in this  
13 Commonwealth and that the employees of the person or public  
14 utility who will be installing, operating and maintaining  
15 facilities and services within this Commonwealth, or any other  
16 entity which the person or public utility has contracted to  
17 perform those functions within this Commonwealth, have the  
18 requisite knowledge, skills and competence to perform those  
19 functions in a safe and responsible manner in order to provide  
20 safe, adequate and reliable service in accordance with the  
21 criteria stated in this section.

22 § 2004. Requirements related to workforce reduction.

23 (a) Workforce reduction plan.--The General Assembly finds  
24 based on experience in industries that have undergone  
25 deregulation, restructuring and transition, that the  
26 introduction of competition into this Commonwealth's regulated  
27 industries may result in workforce reductions by public  
28 utilities which may adversely affect persons who have been  
29 employed in this Commonwealth's regulated industries in  
30 functions important to the public convenience and necessity. The

1 General Assembly further finds that the impacts on employees and  
2 their communities of any necessary reductions in the industry's  
3 workforce directly caused by the restructuring or deregulation  
4 of an industry subject to this title shall be mitigated to the  
5 extent practicable through such means as offers of voluntary  
6 severance, retraining, early retirement, outplacement,  
7 continuation of medical benefits and related benefits.  
8 Therefore, before any such reduction in the workforce, a public  
9 utility shall present to its employees or their representatives  
10 a workforce reduction plan outlining the means by which the  
11 public utility intends to reasonably mitigate the impact of such  
12 workforce reduction on its employees.

13 (b) Employee termination.--If a public utility lays off or  
14 terminates any of its employees, except for just cause, the  
15 public utility shall:

16 (1) provide the commission with sufficient information  
17 to show that with the reduction of employees the public  
18 utility will still be able to ensure the safety, adequacy and  
19 reliability of service to all customers; and

20 (2) provide at least 60 days' written notice of such  
21 layoff or termination to the public utility's employees or  
22 the employees' authorized bargaining representative.

23 § 2005. Displaced employee program.

24 The Department of Labor and Industry shall establish and  
25 implement a program to assist the employees of a public utility  
26 who are displaced by restructuring or deregulation. The program  
27 shall be designed to assist employees in obtaining employment  
28 and shall consist of utilizing the Federal funds available for  
29 the purpose of retraining and outplacement services for such  
30 employees.

1 § 2006. Transfers of ownership.

2 In the event of a sale, purchase, or any other transfer of  
3 ownership of a public utility, or of one or more Pennsylvania  
4 divisions or business units of a public utility, the existing  
5 public utility's contracts with the acquiring person must  
6 require that the acquiring person hire a sufficient number of  
7 nonsupervisory employees to operate and maintain the facilities  
8 and services of the public utility by initially making offers of  
9 employment to the nonsupervisory workforce of the public  
10 utility, or the division or business unit of the public utility  
11 being transferred, at no less than the wage rates and  
12 substantially equivalent fringe benefits and terms and  
13 conditions of employment which are in effect at the time of  
14 transfer of ownership and that the wage rates and substantially  
15 equivalent fringe benefits and terms of and conditions of  
16 employment continue for at least 30 months from the time of  
17 transfer of ownership unless the public utility, the acquiring  
18 person and the affected employees mutually agree to different  
19 terms and conditions of employment within that 30-month period.  
20 The public utility shall offer a transition plan to those  
21 employees who are not offered jobs by the acquiring person  
22 because that person has a need for fewer workers. If there is  
23 litigation concerning the sale or other transfer of ownership of  
24 the public utility, or the division or business unit of the  
25 public utility, the 30-month period shall begin on the date the  
26 acquiring person takes control or management of the public  
27 utility or the division or business unit of the public utility.

28 § 2007. Transfers to certain subsidiaries.

29 If a public utility transfers ownership of one or more  
30 Pennsylvania divisions or business units to a majority-owned

1 subsidiary of the public utility or to any affiliated interest  
2 of the public utility as defined in section 2101 (relating to  
3 definition of affiliated interest), that subsidiary or  
4 affiliated interest shall continue to employ the public  
5 utility's employees who were employed by the public utility at  
6 such division or business unit at the time of the transfer under  
7 the same terms and conditions of employment as those employees  
8 enjoyed at the time of the transfer. If ownership of the  
9 subsidiary or affiliated interest is subsequently sold or  
10 transferred to a third party, these provisions shall continue to  
11 apply.

12 § 2008. Existing sales agreements.

13 The provisions of sections 2006 (relating to transfers of  
14 ownership) and 2007 (relating to transfers to certain  
15 subsidiaries) shall not apply to the transfer of any division or  
16 business unit of a public utility which was the subject of an  
17 executed sales agreement entered into before January 1, 1999.

18 Section 2. This act shall take effect immediately.