
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2597 Session of
2020

INTRODUCED BY LAWRENCE, CIRESI, MILLARD, MOUL, SAPPEY AND
ZIMMERMAN, JULY 1, 2020

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JULY 1, 2020

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in rates and distribution systems,
3 further providing for valuation of acquired water and
4 wastewater systems.

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

7 Section 1. Section 1329(d)(1) and (3) of Title 66 of the
8 Pennsylvania Consolidated Statutes are amended and the section
9 is amended by adding a subsection to read:

10 § 1329. Valuation of acquired water and wastewater systems.

11 * * *

12 (d) Acquisitions by public utility.--The following apply:

13 (1) If the acquiring public utility and selling utility
14 agree to use the process outlined in subsection (a), the
15 acquiring public utility shall include the following as an
16 attachment to its application for commission approval of the
17 acquisition filed pursuant to section 1102 (relating to
18 enumeration of acts requiring certificate):

19 (i) Copies of the two appraisals performed by the

1 utility valuation experts under subsection (a).

2 (ii) The purchase price of the selling utility as
3 agreed to by the acquiring public utility and selling
4 utility.

5 (iii) The ratemaking rate base determined pursuant
6 to subsection (c) (2).

7 (iv) The transaction and closing costs incurred by
8 the acquiring public utility that will be included in its
9 rate base.

10 (v) A tariff containing a rate equal to the existing
11 rates of the selling utility at the time of the
12 acquisition and a rate stabilization plan, if applicable
13 to the acquisition.

14 (vi) The results of the ratepayer referendum
15 conducted under subsection (d.1).

16 * * *

17 (3) The commission shall issue an order approving or
18 disapproving the application for acquisition. If the results
19 of the ratepayer referendum under subsection (d.1) show a
20 majority of ratepayers disapprove of the proposed
21 acquisition, the commission shall not approve the application
22 for acquisition. If the commission issues an order approving
23 the application for acquisition, the order shall include:

24 (i) The ratemaking rate base of the selling utility,
25 as determined under subsection (c) (2).

26 (ii) Additional conditions of approval as may be
27 required by the commission.

28 * * *

29 (d.1) Ratepayer referendum.--A ratepayer referendum shall be
30 conducted by a selling utility with a fair market value of

1 \$1,000,000 or more. The following shall apply:

2 (1) Each ratepayer shall be asked "do you approve the
3 sale of (insert selling utility) to (insert acquiring public
4 utility or entity) for the sum of (fair market value)?".

5 (2) A selling utility shall notify ratepayers of the
6 referendum via United States mail and a full page
7 advertisement in a newspaper of major circulation in the
8 municipalities served by the selling utility and may
9 additionally notify ratepayers of the referendum via
10 electronic mail, a publicly accessible Internet website and
11 any other method of communication.

12 (3) The selling utility shall mail each ratepayer, on a
13 date determined by the selling utility, a referendum ballot
14 in a clearly marked envelope and provide instructions on how
15 a ratepayer may vote either via paper ballot or a secure
16 publicly accessible Internet website.

17 (4) The selling utility shall provide clear instructions
18 as to the deadline by which ballots must be postmarked via
19 United States mail or received via a secure publicly
20 accessible Internet website, except that under no
21 circumstances shall less than 30 days elapse between the date
22 the ballots are mailed and the deadline.

23 * * *

24 Section 2. This act shall take effect in 60 days.