

PUBLIC UTILITIES (66 PA.C.S.) - POWER OF COMMISSION TO ORDER
ACQUISITION OF SMALL WATER AND SEWER UTILITIES, SERVICE OF
COMPLAINTS ON PARTIES AND COMPUTATION OF INCOME TAX EXPENSE FOR
RATEMAKING PURPOSES

Act of Jul. 2, 2019, P.L. 357, No. 53

Cl. 66

Session of 2019
No. 2019-53

HB 751

AN ACT

Amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for definitions; in powers and duties, further providing for power of commission to order acquisition of small water and sewer utilities; in procedure on complaints, further providing for service of complaints on parties; and, in rates and distribution systems, further providing for computation of income tax expense for ratemaking purposes.

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

Section 1. The definition of "service line" in section 102 of Title 66 of the Pennsylvania Consolidated Statutes is amended to read:

§ 102. Definitions.

Subject to additional definitions contained in subsequent provisions of this part which are applicable to specific provisions of this part, the following words and phrases when used in this part shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

* * *

"Service line." The pipe and appurtenances of the gas utility, **water utility or wastewater utility** which connect any main with either the point of connection of a customer's service line or the meter of the public utility if the utility owns all the pipe and appurtenances between its main and meter.

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Section 2. Sections 529(i) and 702 of Title 66 are amended to read:

§ 529. Power of commission to order acquisition of small water and sewer utilities.

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(i) Burden of proof.--The [Law Bureau] **Bureau of Investigation and Enforcement** shall have the burden of establishing a prima facie case that the acquisition of the small water or sewer utility would be in the public interest and in compliance with the provisions of this section. Once the commission determines that a prima facie case has been established:

(1) the small water or sewer utility shall have the burden of proving its ability to render adequate, efficient, safe and reasonable service at just and reasonable rates; and

(2) a proximate public utility providing the same type of service as the small water or sewer utility shall have the opportunity and burden of proving its financial, managerial or technical inability to acquire and operate the small water or sewer utility.

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§ 702. Service of complaints on parties.

Upon the filing of a complaint, the commission shall cause to be served upon each party named in the complaint a copy of the complaint and notice from the commission calling upon such party to satisfy the complaint, or to answer the same in writing, within such time as is specified by the commission in the notice. Service in all hearings, investigations and proceedings pending before the commission shall be made by registered or certified mail **or by e-mail upon agreement by each party.**

Section 3. Section 1301.1 of Title 66 is amended by adding a subsection to read:

§ 1301.1. Computation of income tax expense for ratemaking purposes.

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(b.1) Taxable contributions.--A water or wastewater public utility shall be solely responsible for funding the income taxes on taxable contributions in aid of construction and customer advances for construction and shall record the income taxes the water or wastewater public utility pays in accumulated deferred income taxes for accounting and ratemaking purposes.

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Section 4. This act shall take effect in 60 days.

APPROVED--The 2nd day of July, A.D. 2019.

TOM WOLF