

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1421 Session of
2007

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MANDERINO, MARSHALL, RAMALEY, SOLOBAY, SURRA, YOUNGBLOOD,
THOMAS AND WOJNAROSKI, JUNE 5, 2007

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 5, 2007

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 work force reduction.

15 2005. Displaced employee program.

16 2006. Transfers of ownership.

17 2007. Transfers to certain subsidiaries.

1 2008. Existing sales agreements.

2 2009. Maintain presence in service territory.

3 § 2001. Applicability.

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

7 § 2002. Findings and purposes.

8 The General Assembly finds and declares as follows:

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

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

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

23 § 2003. Requirements.

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

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

25 § 2004. Requirements related to work force reduction.

26 (a) Work force reduction plan.--The General Assembly finds
27 based on experience in industries that have undergone
28 deregulation, restructuring and transition, that the
29 introduction of competition into this Commonwealth's regulated
30 industries may result in work force reductions by public

1 utilities which may adversely affect persons who have been
2 employed in this Commonwealth's regulated industries in
3 functions important to the public convenience and necessity. The
4 General Assembly further finds that the impacts on employees and
5 their communities of any necessary reductions in the industry's
6 work force directly caused by the restructuring or deregulation
7 of an industry subject to this title shall be mitigated to the
8 extent practicable through such means as offers of voluntary
9 severance, retraining, early retirement, outplacement,
10 continuation of medical benefits and related benefits.
11 Therefore, before any such reduction in the work force, a public
12 utility shall present to its employees or their representatives
13 a work force reduction plan outlining the means by which the
14 public utility intends to reasonably mitigate the impact of such
15 work force reduction on its employees.

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

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

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

26 § 2005. Displaced employee program.

27 The Department of Labor and Industry shall establish and
28 implement a program to assist the employees of a public utility
29 who are displaced by restructuring or deregulation. The program
30 shall be designed to assist employees in obtaining employment

1 and shall consist of utilizing the Federal funds available for
2 the purpose of retraining and outplacement services for such
3 employees.

4 § 2006. Transfers of ownership.

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

1 business unit of the public utility.

2 § 2007. Transfers to certain subsidiaries.

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

16 § 2008. Existing sales agreements.

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

22 § 2009. Maintain presence in service territory.

23 In the event of a sale, purchase or any other transfer of
24 ownership of a public utility, or of one or more Pennsylvania
25 divisions or business units of a public utility, the existing
26 public utility's service centers and/or call centers must be
27 maintained at levels to ensure adequate, safe, reliable service
28 within the public utility's service territory.

29 Section 2. This act shall take effect immediately.