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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2746 Session of  
2020

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INTRODUCED BY SAPPEY, GALLOWAY, SCHLOSSBERG, DELLOSO, KINSEY,  
WEBSTER, A. DAVIS, HILL-EVANS, McCLINTON, LEE, WILLIAMS,  
GREEN, ROZZI, SANCHEZ, FREEMAN, KENYATTA, DEASY AND CIRESI,  
AUGUST 6, 2020

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REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, AUGUST 6, 2020

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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; and providing for water ratepayer bill of  
5 rights.

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

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

11 § 1329. Valuation of acquired water and wastewater systems.

12 \* \* \*

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

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

1 enumeration of acts requiring certificate):

2 (i) Copies of the two appraisals performed by the  
3 utility valuation experts under subsection (a).

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

7 (iii) The ratemaking rate base determined pursuant  
8 to subsection (c) (2).

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

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

16 (vi) The results of the ratepayer referendum  
17 conducted under subsection (d.1).

18 \* \* \*

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

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

28 (ii) Additional conditions of approval as may be  
29 required by the commission.

30 \* \* \*

1 (d.1) Ratepayer referendum.--A ratepayer referendum shall be  
2 conducted by a selling utility with a fair market value of  
3 \$1,000,000 or more. The following shall apply:

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

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

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

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

25 \* \* \*

26 Section 2. Title 66 is amended by adding a chapter to read:

27 CHAPTER 20

28 WATER RATEPAYER BILL OF RIGHTS

29 Sec.

30 2001. Definitions.

1 2002. Truth in water and wastewater privatization.

2 2003. Truth in water source.

3 2004. Right to information.

4 2005. Right to access lands that were previously public.

5 2006. New customer rights.

6 § 2001. 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 "Water or wastewater utility." A water or wastewater public  
11 utility subject to regulation under this title.

12 § 2002. Truth in water and wastewater privatization.

13 (a) Annual report.--A water or wastewater utility shall  
14 prepare an annual privatization report for ratepayers. The  
15 annual privatization report shall be provided to each ratepayer  
16 by bill insert and shall be posted on the water or wastewater  
17 utility's publicly accessible Internet website.

18 (b) Contents.--The annual privatization report shall include  
19 all of the following:

20 (1) A list of each water or wastewater system that the  
21 water or wastewater utility has purchased in the last 10  
22 years which was previously owned by a municipality or  
23 municipal authority.

24 (2) The annual amount billed to a typical residential  
25 customer by the municipality or municipal authority at the  
26 time of the acquisition.

27 (3) The annual amount billed by the water or wastewater  
28 utility to a typical residential customer of the former  
29 municipality or municipal authority in the most recent  
30 calendar year.

1           (4) The amount of subsidy, if any, being provided by the  
2 water or wastewater utility's other customers to the former  
3 customers of the acquired systems.

4           (5) Any other information deemed necessary by the  
5 commission.

6           (c) Filing.--A water or wastewater utility shall file the  
7 annual privatization report with the commission. The commission  
8 shall include all annual privatization reports in the annual  
9 report as required under section 321 (relating to annual  
10 reports).

11 § 2003. Truth in water source.

12           (a) Annual notice.--A water or wastewater utility shall  
13 notify ratepayers on an annual basis of the source of their  
14 drinking water. Notification shall be provided by bill insert  
15 and published on the water or wastewater utility's publicly  
16 accessible Internet website.

17           (b) Advanced notice.--Ratepayers must be notified nine  
18 months prior to a change in the drinking water source.

19           (c) Public emergency.--If a public emergency requires the  
20 change of a source of drinking water and notification of  
21 ratepayers is not practical, the water or wastewater utility  
22 shall notify the commission and ratepayers in writing within 14  
23 days after the emergency change.

24           (d) Additional notice.--A water or wastewater utility shall  
25 disclose, upon request of a ratepayer, if water is being sold  
26 for bottling, fracking or other purposes as determined by the  
27 commission.

28 § 2004. Right to information.

29           (a) Information collection.--Water and wastewater utilities  
30 shall be required to engage in mandatory information collection

1 on rate increases, arrearages, service disconnections and water  
2 lien sales. Information collection shall include geographic and  
3 demographic information, as applicable.

4 (b) Report.--A water or wastewater utility shall provide,  
5 upon request of a ratepayer, a report based on the information  
6 collected under subsection (a).

7 § 2005. Right to access lands that were previously public.

8 After the acquisition of a water or wastewater system that  
9 was owned by a municipality or municipal authority, ratepayers  
10 shall have access to the lands that were previously publicly  
11 accessible.

12 § 2006. New customer rights.

13 The rights provided under this chapter shall be provided to a  
14 new customer of a water or wastewater utility within 30 days of  
15 becoming a customer.

16 Section 3. This act shall take effect in 90 days.