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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 144 Session of  
2021

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INTRODUCED BY SAPPEY, SANCHEZ, OTTEN, A. DAVIS, T. DAVIS,  
FREEMAN, MILLARD, CIRESI AND MADDEN, JANUARY 13, 2021

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REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JANUARY 13, 2021

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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  
19 enumeration of acts requiring certificate):

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

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

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

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

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

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

17 \* \* \*

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

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

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

29 \* \* \*

30 (d.1) Ratepayer referendum.--A ratepayer referendum shall be

1 conducted by a selling utility with a fair market value of  
2 \$1,000,000 or more. The following shall apply:

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

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

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

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

24 \* \* \*

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

26 CHAPTER 20

27 WATER RATEPAYER BILL OF RIGHTS

28 Sec.

29 2001. Definitions.

30 2002. Truth in water and wastewater privatization.

1 2003. Truth in water source.

2 2004. Right to information.

3 2005. Right to access lands that were previously public.

4 2006. New customer rights.

5 § 2001. Definitions.

6 The following words and phrases when used in this chapter  
7 shall have the meanings given to them in this section unless the  
8 context clearly indicates otherwise:

9 "Water or wastewater utility." A water or wastewater public  
10 utility subject to regulation under this title.

11 § 2002. Truth in water and wastewater privatization.

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

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

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

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

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

30 (4) The amount of subsidy, if any, being provided by the

1 water or wastewater utility's other customers to the former  
2 customers of the acquired systems.

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

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

10 § 2003. Truth in water source.

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

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

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

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

27 § 2004. Right to information.

28 (a) Information collection.--Water and wastewater utilities  
29 shall be required to engage in mandatory information collection  
30 on rate increases, arrearages, service disconnections and water

1 lien sales. Information collection shall include geographic and  
2 demographic information, as applicable.

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

6 § 2005. Right to access lands that were previously public.

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

11 § 2006. New customer rights.

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

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