
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1205 Session of
2023

INTRODUCED BY SAPPEY, HILL-EVANS, MADDEN, HOWARD, HANBIDGE,
SANCHEZ, WARREN, FREEMAN, SHUSTERMAN, BURNS, OTTEN,
KRAJEWSKI, BOROWSKI AND GREEN, MAY 19, 2023

REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND
UTILITIES, MAY 19, 2023

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. Notifications.
- 5 2006. Right to access lands that were previously public.
- 6 2007. New customer rights.
- 7 § 2001. Definitions.

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

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

13 § 2002. Truth in water and wastewater privatization.

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

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

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

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

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

1 calendar year.

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

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

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

12 § 2003. Truth in water source.

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

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

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

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

29 § 2004. Right to information.

30 (a) Information collection.--Water and wastewater utilities

1 shall be required to engage in mandatory information collection
2 on rate increases, arrearages, service disconnections and water
3 lien sales. Information collection shall include geographic and
4 demographic information, as applicable.

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

8 § 2005. Notifications.

9 A water or wastewater utility shall provide the following
10 notifications via United States mail and electronic mail, if
11 applicable, to existing water and wastewater customers:

12 (1) Upon submitting an application to the commission
13 requesting a rate increase, the water or wastewater utility
14 shall:

15 (i) notify existing customers that the water or
16 wastewater utility has made an application for a rate
17 increase with the amount of the proposed increase clearly
18 specified.

19 (ii) Provide existing customers with detailed
20 information advising customers of the commission's
21 ratemaking process and instructing customers on how they
22 can participate in the process.

23 (2) Upon commission approval of a rate increase,
24 notification shall be sent to existing customers stating the
25 date the rate increase will become effective and an estimate
26 on how the increase is expected to impact customer's monthly
27 water and wastewater utility bills.

28 § 2006. Right to access lands that were previously public.

29 After the acquisition of a water or wastewater system that
30 was owned by a municipality or municipal authority, ratepayers

1 shall have access to the lands that were previously publicly
2 accessible.

3 § 2007. New customer rights.

4 The rights provided under this chapter shall be provided to a
5 new customer of a water or wastewater utility within 30 days of
6 becoming a customer.

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