
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 432 Session of
2023

INTRODUCED BY KANE, KEARNEY, FONTANA, COLLETT, STREET, COSTA,
COMITTA AND SANTARSIERO, MARCH 14, 2023

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
MARCH 14, 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
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.