
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 626 Session of
2023

INTRODUCED BY LAWRENCE, CIRESI, GILLEN, HANBIDGE, MOUL, SAPPEY,
SHUSTERMAN AND C. WILLIAMS, AUGUST 30, 2023

REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND
UTILITIES, AUGUST 30, 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.

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

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

10 § 1329. Valuation of acquired water and wastewater systems.

11 * * *

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

13 (1) If the acquiring public utility and selling utility
14 agree to use the process outlined in subsection (a), the
15 acquiring public utility shall include the following as an
16 attachment to its application for commission approval of the
17 acquisition filed pursuant to section 1102 (relating to
18 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. Unless the
20 results of the ratepayer referendum under subsection (d.1)
21 show a majority of ratepayers approve of the proposed
22 acquisition, the proposed acquisition shall be considered
23 contrary to the public interest and the commission shall not
24 approve the application for acquisition. If the commission
25 issues an order approving the application for acquisition,
26 the order shall include:

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

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

1 * * *

2 (d.1) Ratepayer referendum.--A ratepayer referendum shall be
3 conducted by a selling utility with a fair market value of
4 \$1,000,000 or more. The following shall apply:

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

9 (2) At least 45 days before mailing a referendum ballot
10 to each ratepayer account under paragraph (3), a selling
11 utility shall notify each ratepayer account of the referendum
12 through a mailing of no more than two pages via the United
13 States mail at the cost of the acquiring public utility. The
14 Office of Consumer Advocate shall develop the mailing. The
15 acquiring public utility shall place a full page
16 advertisement in a newspaper of general circulation in the
17 municipalities served by the selling utility and may
18 additionally notify ratepayers of the referendum via
19 electronic mail, a publicly accessible Internet website and
20 any other method of communication. Each notice under this
21 paragraph shall at least contain, in plain language, the
22 maximum possible impact on a ratepayer account's utility
23 rates, fees or surcharges as a result of the acquisition.

24 (3) The selling utility shall mail each ratepayer
25 account, on a date determined by the selling utility, a
26 referendum ballot in a clearly marked envelope and provide
27 instructions on how a ratepayer may vote either via paper
28 ballot or a secure publicly accessible Internet website. A
29 failure to respond by a ratepayer account shall be deemed a
30 disapproval of the sale by the ratepayer account. Each ballot

1 under this paragraph shall contain, in plain language, the
2 maximum possible impact on a ratepayer account's utility
3 rates, fees or surcharges as a result of the acquisition. A
4 failure to include the maximum possible impact on a ratepayer
5 account's utility rates, fees or surcharges on a ballot as
6 required under this paragraph or the inclusion of inaccurate
7 impact data on a ballot shall render the ballot insufficient
8 for purposes of this subsection.

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

15 * * *

16 Section 2. This act shall take effect in 60 days.