
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1862 Session of
2023

INTRODUCED BY MATZIE, BOROWSKI, HANBIDGE, KAZEEM, KRUEGER,
O'MARA, SAPPEY, McNEILL, MADDEN, DONAHUE, T. DAVIS, PROBST,
HADDOCK, KINSEY, FIEDLER, DELLOSO, KRAJEWSKI, MAYES AND
DALEY, NOVEMBER 30, 2023

REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND
UTILITIES, NOVEMBER 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 acquisition of water and sewer
4 utilities.

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

7 Section 1. Section 1327(b) and (c) of Title 66 of the
8 Pennsylvania Consolidated Statutes are amended and the section
9 is amended by adding subsections to read:

10 § 1327. Acquisition of water and sewer utilities.

11 * * *

12 (a.1) Duties of selling municipal corporation.--If the
13 seller of property under subsection (a) is a municipal
14 corporation, the following shall apply:

15 (1) A municipal corporation shall issue a request for
16 proposals for an acquiring public utility. An agreement for
17 the acquisition of the property may not be signed and

1 executed within 180 days of the issuance of the request for
2 proposals under this paragraph.

3 (2) The municipal corporation shall advertise the
4 request for proposals under paragraph (1) in no less than two
5 newspapers of general circulation within the municipality
6 where the municipal corporation is established no later than
7 30 days after the issuance of the request for proposals and
8 no later than 60 days after the publication of the first
9 advertisement.

10 (3) At the next regularly scheduled meeting of the
11 municipal corporation and each subsequent regularly scheduled
12 meeting within 180 days of the issuance of the request for
13 proposals under paragraph (1), the municipal corporation
14 shall issue a report on the status of the request for
15 proposals and provide for a public comment period on the
16 request for proposals.

17 (4) No later than 30 days before a scheduled vote on the
18 selected request for proposals under paragraph (1), the
19 municipal corporation shall provide estimates of the rates
20 charged to the customers by each public utility that submits
21 an offer to the request for proposals under paragraph (1)
22 from an approved actuary. The municipal corporation shall
23 notify each resident of the municipality where the municipal
24 corporation is established of the estimates under this
25 paragraph and post the estimates on the social media account
26 operated by the municipal corporation within 30 days before a
27 scheduled vote on the selected request for proposals under
28 paragraph (1).

29 (b) Procedure.--The commission, upon application by a public
30 utility, person or corporation which has agreed to acquire

1 property from another public utility, municipal corporation or
2 person, may approve an inclusion in rate base in accordance with
3 subsection (a) prior to the acquisition and prior to a
4 proceeding under this subchapter to determine just and
5 reasonable rates if:

6 (1) within 30 days from the date the applicant submits
7 an offer to the request for proposals under subsection (a.1),
8 if applicable, or the next billing cycle, whichever is
9 earlier, the applicant has provided notice of the proposed
10 acquisition and any proposed increase in rates to the
11 customers served by the property to be acquired, in such form
12 and manner as the commission, by regulation, shall require;

13 (2) within 30 days after providing the notice under
14 paragraph (1), or the next billing cycle, whichever is
15 earlier, the applicant has provided notice to its customers,
16 in such form and manner as the commission, by regulation,
17 shall require, if the proposed acquisition would increase
18 rates to the acquiring public utility's customers by an
19 amount in excess of 1% of the acquiring public utility's base
20 annual revenue and estimates of the rates charged by the
21 acquiring public utility to the customers from an approved
22 actuary;

23 (3) the applicant has provided notice of the application
24 to the Director of Trial Staff and the Consumer Advocate; and

25 (4) in addition to any other information required by the
26 commission, the application includes a full description of
27 the proposed acquisition and a plan for reasonable and
28 prudent investments to assure that the customers served by
29 the property to be acquired will receive adequate, efficient,
30 safe and reasonable service.

1 (c) Hearings.--[The commission may hold such hearings on the
2 application as it deems necessary.] Upon receipt of the
3 application, the commission shall schedule and conduct at least
4 two public hearings on the proposed acquisition within the
5 municipal boundaries of the selling public utility, municipal
6 corporation or person or the nearest appropriate venue as the
7 commission deems appropriate. The commission shall schedule the
8 first hearing no later than 45 days after receipt of the
9 application. The commission shall schedule the second hearing no
10 earlier than 30 days, but no later than 60 days, from the date
11 of the first hearing.

12 * * *

13 (g) Definitions.--As used in this section, the term
14 "approved actuary" means an individual, not employed by a
15 municipal corporation that is a seller of property under
16 subsection (a) or an acquiring public utility, who has at least
17 five years of actuarial experience and who is enrolled as a
18 member of the American Academy of Actuaries.

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