
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2075 Session of
2018

INTRODUCED BY CHARLTON, DRISCOLL, HEFFLEY, FLYNN, CORBIN,
BIZZARRO, QUIGLEY, BARRAR, SANTORA AND SCHWEYER,
FEBRUARY 16, 2018

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, FEBRUARY 16, 2018

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 and return on the property
4 of a public utility.

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

7 Section 1. Section 1311(b) of Title 66 of the Pennsylvania
8 Consolidated Statutes is amended to read:

9 § 1311. Valuation of and return on the property of a public
10 utility.

11 * * *

12 (b) Method of valuation.--

13 (1) The value of the property of the public utility
14 included in the rate base shall be the original cost of the
15 property when first devoted to the public service less the
16 applicable accrued depreciation as such depreciation is
17 determined by the commission.

18 (2) (i) The value of the property of a public utility

1 providing water or wastewater service shall include the
2 original cost incurred by the public utility for the
3 replacement of customer-owned lead water service lines
4 and the replacement or rehabilitation of damaged
5 customer-owned sewer laterals, notwithstanding that the
6 customer will hold legal title to the replacement water
7 service line or replacement or rehabilitated sewer
8 lateral.

9 (ii) The original cost of the replacement water
10 service line or replacement or rehabilitated sewer
11 lateral shall be deemed other related capitalized costs
12 that are part of the public utility's distribution
13 system.

14 (iii) The public utility incurring the cost under
15 subparagraph (i) may recover a return on, and a return
16 of, the cost that the commission determines to have been
17 prudently incurred and will help prevent adverse effects
18 on public health or public safety or help the public
19 utility comply with laws and regulations pertaining to
20 drinking water or environmental standards.

21 (iv) The commission may allocate the cost associated
22 with the replacement of a customer-owned lead water
23 service line and the replacement or rehabilitation of a
24 damaged customer-owned sewer lateral among each customer,
25 classes of customers and types of service.

26 (v) Notwithstanding any other provision of this
27 title to the contrary, a public utility providing water
28 or wastewater service must obtain prior approval of the
29 commission or replacement or rehabilitation of damaged
30 customer-owned sewer laterals.

1 * * *

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