

# PROPOSED RULEMAKING

## PENNSYLVANIA PUBLIC UTILITY COMMISSION

[52 PA. CODE CH. 65]

[L-950110]

### Water Service

The Pennsylvania Public Utility Commission (Commission) on December 14, 1995, adopted an order to promulgate a proposed regulation to amend obsolete and excessive water service regulations codified at 52 Pa. Code §§ 65.8 and 65.16 (relating to meter accuracy; and the Uniform Systems of Accounts). These sections will be modified to promote ease of application, as well as fairness. The contact persons for this rulemaking are Judith Koch Carlson, Office of Special Assistants (717) 783-5392 and Stephen Gorka, Assistant Counsel, Law Bureau (717) 787-3490.

#### *Executive Summary*

On March 28, 1996, the Commission adopted a proposed rulemaking to amend relevant sections of Title 52 pertaining to water utilities. The rulemaking will eliminate required water meter testing under certain circumstances and require the substitution of the current Systems of Accounts for the present, obsolete accounting method.

Public Meeting held  
December 14, 1995

*Commissioners Present:* John M. Quain, Chairperson, Statement follows; Lisa Crutchfield, Vice Chairperson; John Hanger; David W. Rolka; and Robert K. Bloom

### Proposed Rulemaking Order

#### *By the Commission:*

By Order entered May 23, 1995, we issued an Advance Notice of Proposed Rulemaking To Review And Rescind All Obsolete And Excessive Rules And Regulations at Docket No. L-950103. The advance notice was published in the *Pennsylvania Bulletin* on June 3, 1995, 25 Pa.B. 2188, and 60-day comment period set.

We received comments from the Office of Consumer Advocate and our own Bureaus of Audits and Law which reflect the need to update two sections contained in Chapter 65. We are setting forth proposed changes for both sections, and we believe these changes will clarify, simplify and remove excessive and burdensome requirements from our water service regulations.

Our review of the comments received was careful and meticulous. We are well aware of our duty to ensure the safety of utility service, and our proposed changes will not result in any lapse in our mandate.

What follows is a summary of the proposed changes.

§ 65.8. Meters. Section (d)(2) is eliminated as excessive and obsolete, removing the necessity to test meters which have been removed from service when replaced by new meters utilizing remote reading devices.

§ 65.16. System of accounts. Proposed language changes the Uniform System of Accounts for Water Utilities to the NARUC system for greater consistency.

In proposing these changes, we believe that our efficiency as a regulatory agency will be enhanced. We are eliminating a section which no longer serves a useful purpose and we are modifying another to promote the ease of application as well as fairness. We encourage those affected by these changes to file comments.

Accordingly, pursuant to sections 501, 504, 505, 506, 1301 and 1501 of the Public Utility Code, 66 Pa.C.S. §§ 501, 504, 505, 506, 1301 and 1501, and the Commonwealth Documents Law, 45 P.S. § 1201 *et seq.*, and the regulations promulgated thereunder, we shall institute a rulemaking proceeding to accomplish the objectives described in the body of this order. *Therefore,*

#### *It Is Ordered that:*

1. A rulemaking proceeding is hereby instituted at this docket.

2. The Commission's regulations are hereby proposed to be amended by deletion of § 65.8(d)(2) and amendment to § 65.16.

3. The Secretary shall submit this order and Annex A to the Office of Attorney General for approval as to legality.

4. The Secretary shall submit this order and Annex A to the Governor's Budget Office for review of fiscal impact.

5. The Secretary shall submit this order and Annex A for informal review by the designated standing committees of both houses of the General Assembly, and for informal review and approval by the Independent Regulatory Review Commission.

6. The Secretary shall deposit this order and Annex A with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin*. Interested persons may submit written comments, an original and 10 copies, to John G. Alford, Secretary, Pennsylvania Public Utility Commission, and shall have 30 days from the date this order is published to submit comments. The contact persons are Judith Koch Carlson, Office of Special Assistants (717) 783-5392, and Donna S. Zehner, Law Bureau (717) 783-2812.

7. A copy of this order shall be served upon all persons who submitted comments in this rulemaking proceeding.

JOHN G. ALFORD,  
*Secretary*

**Fiscal Note:** 57-169. No fiscal impact; (8) recommends adoption.

#### *Statement of Chairperson John M. Quain*

Before us today are two significant rulemakings that when combined, will delete or rescind 62 obsolete and redundant sections of our regulations and revise another 43 sections. Furthermore, when this Commission again meets on January 11, 1996, we will consider another 58 sections pertaining to Chapters 63, 64 and 56 for possible rescission or revision.

I wish to express my appreciation to all of the staff of the various bureaus, and those public commentators who contributed to this massive undertaking.

Annex A  
**TITLE 52. PUBLIC UTILITIES**  
**PART I. PUBLIC UTILITY COMMISSION**  
**Subpart C. FIXED UTILITY SERVICES**  
**CHAPTER 65. WATER SERVICE**

**§ 65.8. Meters.**

\* \* \* \* \*

(d) *Installation and removal of meters.*

\* \* \* \* \*

(2) *Removal of meters.* A water meter which is removed from service shall be tested within 30 days for accuracy to complete that meter's test history. When a meter is removed from service, it shall be properly sealed to secure registers and measuring devices until it can be properly tested for accuracy. **Meters permanently removed from service and replaced by new meters utilizing remote reading devices are exempt from the requirements of this paragraph.**

\* \* \* \* \*

**§ 65.16. System of Accounts.**

(a) [ A public utility having annual operating revenues for the preceding 3 years which average more than \$100,000 shall keep its accounts in conformity with the *Uniform System of Accounts for Water Utilities* prescribed by the Commission effective January 1, 1948, as amended, effective January 1, 1959, as amended, effective November 1, 1984. Each such public utility shall reclassify its water plan accounts, establish and maintain continuing

property records for water plant, and account for retirements of water plant in conformity with the provisions contained in the *Uniform System of Accounts*.

(b) A public utility having annual operating revenues for the preceding three years which average \$100,000 or less shall keep its accounts in conformity with the *Uniform Classification of Accounts for Water Companies* prescribed by the Commission effective January 1, 1918. ]

A public utility having annual operating revenue of \$750,000 or more (average of the last 3 consecutive years) shall keep its accounts in conformity with the *Uniform System of Accounts for Class A Water Utilities 1984* (or later) prescribed by the National Association of Regulatory Utility Commissioners (N.A.R.U.C.).

(b) A public utility having annual operating revenues of \$150,000 or more but less than \$750,000 (average of the last 3 consecutive years) shall keep its accounts in conformity with the *Uniform System of Accounts for Class B Water Utilities 1984* (or later) prescribed by N.A.R.U.C.

(c) A public utility having annual operating revenues of less than \$150,000 (average of the last 3 consecutive years) shall keep its accounts in conformity with the *Uniform System of Accounts for Class C Water Companies 1984* (or later) prescribed by N.A.R.U.C.

[Pa.B. Doc. No. 96-762. Filed for public inspection May 10, 1996, 9:00 a.m.]

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