

ANNEX A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION

Subpart A. GENERAL PROVISIONS

CHAPTER 3. SPECIAL PROVISIONS

Subchapter G. WATER PUBLIC UTILITY [OR] AND WASTEWATER PUBLIC UTILITY PROCEEDINGS

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§ 3.501. ~~§ 3.501. [Certificate of public convenience as a water supplier or wastewater collection, treatment or disposal provider.~~

~~(a) [Applicant. An applicant for a] New applicant, Class B, Class C, and non-acquisition Class A water and wastewater applications. A new applicant, an applicant that uses the system of accounts for Class A utilities under § 65.16 (relating to system of accounts ) whose application does not qualify under subsection (b), or an applicant that uses the system of accounts for Class B or C water utilities under § 65.16 or Class B or C wastewater utilities under § 3.503 (relating to system of accounts for wastewater utilities), which seeks a certificate of public convenience as a public water distribution or wastewater collection, treatment or disposal provider, including noncertificated utilities, shall provide a copy of the business plan required by the Department of Environmental Protection (DEP) in 25 Pa. Code § 109.503(a)(3) (relating to public water system construction permits). [The Commission may reject an application which fails to include the required information and documents.] The following additional information, or documents, if not included in the business plan, shall also be included in the application, using the current forms and schedules specified by the Commission.~~

~~(1) *Plant in service.*~~

~~(i) Proposed utilities shall provide:~~

~~(A) A full description of the proposed waterworks or wastewater collection, treatment and disposal facilities and the manner, including the timing, in which the proposed service area and utility will be constructed.~~

~~(B) A breakdown of the cost of construction, by major plant category, including the sources of funds used to construct the facilities.~~

~~(ii) Utilities that have been providing service shall provide the following:~~

~~(A) The original cost, by year and major plant category, of used and useful plant in service and related accrued depreciation calculations.~~

~~(B) A breakdown of the sources of funds used to finance the construction of the facilities.~~

~~(iii) Applicants acquiring existing water or wastewater systems shall provide the following:~~

~~(A) An inventory or estimate of lead service lines and damaged wastewater service laterals existing within the system, as applicable. The applicant shall state with particularity how potential lead service lines and wastewater service laterals will be included in utility programs for the replacement of these lines as required under §§ 65.55 and 66.35 (relating to LSLR program requirements; and DWSL program requirements).~~

~~(B) An original cost plant-in-service valuation of the acquired system shall be prepared and filed for the applicant's next base rate case in accordance with § 69.711(e) (relating to acquisition incentives) regarding time to submit original cost valuation.~~

~~(2) Map of service area and general system information. A map or plan of suitable scale and detail highlighting the boundaries of the proposed service area, including:~~

~~(i) A [~~courses and distances or metes and bounds~~] bearing angles and distances description.~~

~~(ii) The location or route of the proposed waterworks or wastewater collection, treatment or disposal facilities.~~

~~(iii) The approximate time schedule for installation of the various component facilities.~~

~~(iv) The elevations of major facilities and service areas.~~

~~(v) The [~~DEP permitted~~] DEP-permitted productive or treatment capacity of sources, treatment facility and the pipe sizes and material used for construction for all transmission and distribution or collection facilities.~~

~~(vi) [A copy of the county comprehensive plan, municipal comprehensive plan and applicable zoning designations.] [Reserved].~~

~~(3) *Customers.*~~

~~(i) Proposed utilities shall provide an estimate of the number of customer connections by class in the first, fifth and tenth years, and completed development anticipated, as well as estimated water usage or gallons of wastewater treated in each of those years.~~

~~(ii) Utilities that have been providing service shall submit the actual number of customers by class and related consumption or gallons treated, or conveyed where a utility does not provide treatment, in the current calendar year and future number of connections anticipated for the next ~~[10]~~ 5 years.~~

~~(iii) Each utility shall demonstrate its ability to provide adequate water supply, treatment, storage and distribution or adequate wastewater collection, treatment or disposal capacity to meet present and future customer demands.~~

~~(4) *Rates.*~~

~~(i) Proposed utilities shall provide a proposed initial tariff which includes rates, proposed rules, and conditions of service in the format specified by the Commission (classified rate schedule).~~

~~(ii) Utilities which have been providing service shall provide a proposed initial tariff which includes rates, proposed rules, and conditions of service. The utility shall notify the customers of the utility of the filing of the application and the rates filed.~~

~~(5) *Cost of service.*~~

~~(i) Proposed utilities shall provide a 1, 5 and 10 year estimate of operating revenues, operation and maintenance expenses, annual depreciation and taxes. If operating income reflects a loss, proposed utilities shall provide a detailed explanation of the source of funds to be used to subsidize the estimated losses in support of future viability.~~

~~(ii) Utilities that have been providing service shall file ~~[the two most recent Federal Income Tax Returns (corporation) or related Schedule C forms (partnership or individual). If tax returns reflect an operating loss, utilities shall describe in detail how the operating losses are subsidized, supported by an analysis of the future viability of the utility]~~ their most recent balance sheet and income statement and, where applicable, the acquired public utility's most recent financial statements. The applicant shall also state the projected first year revenue and~~

~~operating expenses of the system. If the projected first year revenue and operating expenses of the system project a net operating loss, the applicant shall describe in detail how the operating loss is to be subsidized, supported by an analysis of the future viability of the public utility.~~

~~(6) *Proof of compliance.* Proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:~~

~~(i) Copies of public water supply/water quality management or National Pollution Discharge Elimination System (NPDES) permits if applicable.~~

~~(ii) Valid certified operators' certificates appropriate to the facilities being operated.~~

~~(iii) A 5-year compliance history with DEP with an explanation of each violation for utilities that have been providing service.~~

~~(iv) A DEP 5-year compliance history of other utilities owned or operated, or both, by the applicant, including affiliates, and their officers and parent corporations with regard to the provision of utility service.~~

~~(7) *Additional documentation.* [In addition to a copy of the documents submitted under paragraphs (1)–(6), the applicant]~~

~~(i) An applicant shall submit a letter [addressing all the applicable requirements or mandates of the following governmental entities. The letter must also append copies of certification] issued by the following governmental entities confirming that the applicant does or does not meet all the applicable requirements or mandates of the following:~~

~~[i] (A) DEP, including but not limited to 25 Pa. Code §§ 109.702 and 109.709 (relating to operation and maintenance plan; and cross-connection control program).~~

~~[ii] (B) The Delaware River Basin Commission, the Susquehanna River Basin Commission, the Ohio River Basin Commission and the Great Lakes Commission.~~

~~[iii] (C) The requirements of any Statewide water plan, including any local watershed areas.~~

~~[iv] (D) The requirements of any officially adopted county comprehensive plans, municipal comprehensive plans, and applicable zoning designations, including any necessary amendments.~~

~~(ii) An applicant which is unable to obtain the letters described in subsection (i) shall include with its application the requirements of the governmental entities that are applicable and shall certify that it is in compliance with these requirements. The applicant shall submit copies of applicable county comprehensive plans, municipal comprehensive plans and applicable zoning designations, including any necessary amendments.~~

~~(8) *Affected persons.* The identity of public utilities, municipalities, municipal authorities, cooperatives and associations which provide public water supply service or wastewater collection, treatment or disposal service within each municipality, or a municipality directly adjacent to the municipalities, in which the applicant seeks to provide service that abuts or is situated within 1 mile of the applicant's proposed facilities.~~

~~(9) *Other requirements.* Demonstrate compliance with DEP regulations in 25 Pa. Code § 109.503(a)(3) or section 5 of the Pennsylvania Sewage Facilities Act requirements (35 P.S. § 750.5), whichever is applicable; or whether the applicant has contacted each public water supplier or wastewater collection, treatment or disposal supplier in paragraph (8), and one of the following applies:~~

~~(i) Whether a supplier is willing and able to serve the area which the applicant seeks to serve either directly or through the bulk sale of water to the applicant, or treatment of wastewater to the applicant.~~

~~(ii) If one or more supplier is willing to serve the area (either directly or through the bulk sale of water to applicant), the applicant should demonstrate that, when considering both the cost of service and the quality of service, the ultimate consumer would be better served by the applicant than by the other water suppliers.~~

~~(10) *Verification.* A verification that the water sources and customers are metered in accordance with § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission.] *Service area extensions for planned developments.* If an application is filed to extend service territory to a planned development, the applicant shall provide evidence of preliminary plan approval for anticipated subdivisions and final plan approval whenever such approval is granted.~~

~~(b) *Class A water and wastewater acquisition applications.* An applicant that currently provides service in this Commonwealth utilizing the system of accounts for Class A water utilities under § 65.16(a) or Class A wastewater utilities under § 3.503 which seeks a certificate of public convenience to acquire a public water distribution or wastewater collection, treatment or disposal system shall provide the~~

following information with the application, using forms and schedules of the Commission if specified:

(1) *Plant in service.* A full description of the waterworks or wastewater collection, treatment and disposal facilities. If any of this information is unavailable from the acquired public water distribution or wastewater collection, treatment or disposal system operator the applicant shall so state and explain why. The description must include:

(i) An inventory or estimate of lead service lines and damaged wastewater service laterals existing within the system, as applicable. The applicant shall state with particularity how potential lead service lines and wastewater service laterals will be included in utility programs for the replacement of these lines as required under §§ 65.55 and 66.35.

(ii) An original cost plant in-service valuation of the acquired system shall be prepared and filed for the applicant's next base rate case in accordance with § 69.711(c).

(2) *Map of service area.* A map or plan of suitable scale and detail, highlighting the boundaries of the proposed service area including all of the following:

(i) A bearing angles and distances description.

(ii) The location or route of the waterworks or wastewater collection, treatment or disposal facilities.

(iii) The elevations of major facilities and service areas.

(3) *Capacity.* The DEP-permitted productive or treatment capacity of sources, treatment facilities, major distribution or collection facilities and, to the extent known at the time of filing, the pipe sizes and material used for construction for transmission and distribution or collection facilities.

(4) *Zoning and additional compliance certifications for un-served service area.* A certification that the unserved requested service area complies with the county comprehensive plan, municipal comprehensive plan and applicable zoning designations.

(5) *Customers.* The actual number of customers of the selling entity by class, related consumption or gallons treated in the previous calendar year, and the future number of estimated connections for the next 5 years. If the selling entity will continue to provide service to customers after closing on a proposed transaction,

values for the number of customers of the selling entity by class and related consumption or gallons treated before and after closing shall be provided.

(6) Rates. A proposed initial tariff which includes rates, proposed rules and conditions of service. The applicant shall notify the customers of the selling entity of the filing of the application and any proposed rate changes.

(7) Selling entity's proof of compliance. Proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:

(i) Copies of public water supply/water quality management, 25 Pa. Code Chapter 105 (relating to dam safety and waterway management) Dams and Reservoirs or National Pollution Discharge Elimination System (NPDES) permits if applicable.

(ii) Valid certified operators' certificates appropriate to the facilities being operated.

(iii) The selling entity's 5-year compliance history with DEP with a brief explanation of each violation, if any.

(iv) Identification of applicable requirements of the governmental entities listed in subsection (a)(7)(i), and certification that the applicant complies with the applicable requirements of those entities.

(v) Copies of the applicable Act 537 Plan documents for all affected municipalities relating to the acquired service area, as required under section 5 of the Pennsylvania Sewage Facilities Act.

(c) Metering verification. An application to provide water service must include a verification that the water sources and customers are metered in accordance with § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission.

~~{(b)}~~ (d) Additional considerations. The Commission will consider and may rely upon the comprehensive plans, multimunicipal plans, zoning ordinances and joint municipal zoning ordinances, consistent with the authority in sections 619.2 and 1105 of the Municipalities Planning Code (53 P.S. §§ 10619.2 and 11105), when reviewing applications for a certificate of public convenience as a public water supplier or wastewater collection, treatment or disposal provider.

~~{(c)}~~ (e) Filing. Applications under this section must conform to §§ 1.31 and 1.32 (relating to requirements for documentary filings; and filing specifications), and include a mode of payment as prescribed by § 1.42 (relating to mode of payment of

fees) and in the amount delineated in § 1.43 (relating to schedule of fees payable to the Commission). The applicant shall file with the Commission the original of the application. An application which fails to include the information and documents outlined in subsections (a) [and] (b) and (c), as specified by the Commission for water and wastewater collection, treatment or disposal companies, is subject to rejection by the Commission. The original must contain exhibits. An affidavit of service showing the identity of those served under subsection ~~[(f)]~~ (g) shall accompany the original application filed with the Commission.

~~[(d)]~~ (f) *Notice.*

The application will be docketed by the Secretary of the Commission and thereafter forwarded for publication in the *Pennsylvania Bulletin* with a ~~[60-day]~~ 30-day protest period. ~~[The applicant shall also publish notice of application as supplied by the Secretary, daily for 2 consecutive weeks in one newspaper of general circulation located in the territory covered by the application and shall submit proof of publication to the Commission. In addition, the utility or applicant shall individually notify existing customers of the filing of the application.]~~ The application will be docketed by the Secretary of the Commission and thereafter forwarded for publication in the *Pennsylvania Bulletin* with a 30-day protest period. At the time of filing with Commission, the applicant shall notify acquired customers of the filing of the application. An applicant which has been providing service to customers without a certificate of public convenience to serve those customers shall individually notify existing customers of the filing of the application. The applicant shall also publish notice of application as supplied by the Secretary, once a week for 2 consecutive weeks in one newspaper of general circulation located in the territory covered by the application and shall submit proof of publication to the Commission. If the application includes a request to provide service in an area covered by a mandatory connection ordinance, the notice provided under this section shall include conspicuous notice that such an ordinance applies.

~~[(e)]~~ (g) *Application form.* The Commission may provide [a] standard application [form] forms for use by an applicant for this section and will, to the extent practicable, provide the application [form] forms on the Commission's web site.

(1) Any standard application form developed for purposes of this section that involves a matter of an interagency nature will be developed or revised only after notice is published in the *Pennsylvania Bulletin*, posted on the Commission's website to the extent practicable, and after consultation with interested persons or agencies is conducted.

~~(2) Any standard application form developed for purposes of this section that involves matters other than those governed by paragraph (1) will be developed or revised only after notice is published in the *Pennsylvania Bulletin*, posted on the Commission's website to the extent practicable, and after consultation with any interested persons or agencies is conducted.~~

~~(3) Any standard application form developed for purposes of this section will be developed by the Commission staff and may be subject to formal approval by the Commission. Any standard application form developed for purposes of this section not formally approved by the Commission shall be subject to § 5.44 (relating to petitions for [appeal] reconsideration from actions of the staff).~~

~~{(f)}~~ (h) Copies.

~~(1) At the time of filing, the applicant shall cause a complete copy of the application with exhibits to be served by registered or certified mail, return receipt requested, upon:~~

~~—————{(1)} (i) Each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service area.~~

~~(ii) The statutory advocates and DEP's central and regional offices.~~

~~(2) A water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment or disposal service to the public and whose service area abuts or is within 1 mile of the service area proposed in the application.~~

~~(3) [The statutory advocates and DEP's central and regional offices.]~~  
~~[Reserved].~~

~~{(g)} (i) *References.* [Subsection (a) supplements] Subsections (a) and (b) supplement § 5.11 (relating to applications generally).] (Reserved).~~

~~§ 3.502. [Protests to applications for certificate of public convenience as a water supplier or wastewater collection, treatment or disposal provider.~~

~~(a) Protests generally. A person objecting to the application shall file with the Secretary and serve upon the applicant or applicant's attorney, if any, a written protest which must contain the following:~~

~~—————(1) The applicant's name and the docket number of the application.~~

~~—————(2) The name, business address and telephone number of the protestant.~~

~~———(3) The name, business address, Pennsylvania attorney identification number and telephone number of the protestant's attorney or other representative.~~

~~———(4) A statement of the nature of the protestant's interest in the application.~~

~~(b) Participation in a proceeding. Upon the filing of a timely protest the protestant will be allowed to participate in the proceeding as a party intervenor. Statutory advocates participate in any proceeding based on their statutory right of participation.~~

~~(c) Motions. A protest will be treated as a pleading; and the applicant may, within 20 days after the closing date for the filing of protests, file motions to strike, to dismiss, or for amplification as provided in § 5.101 (relating to preliminary motion).~~

~~(d) Protests: time of filing. A protest shall be filed within the time specified in the notice appearing in the Pennsylvania Bulletin, which shall be at least [60] 30 days from the date of publication thereof except [when the need for the proposed service or other exigent circumstances supports a request for a shorter protest period] upon good cause shown. Failure to file the protest in accordance with this subsection shall be a bar to subsequent participation in the proceeding, except if permitted by the Commission for good cause shown or as provided in § 5.71 (relating to initiation of intervention). In determining whether good cause has been shown for a protest beyond the period set forth in this section, the Commission will take into account whether the scheduling of a municipal meeting has caused hardship for a timely protest.] (Reserved).~~

(Editor's Note: The following section was proposed in the NOPR to be added and was printed in regular type to enhance readability.)

~~§ 3.503. System of accounts for wastewater utilities.~~

~~(a) A public utility having annual jurisdictional operating revenue of \$1 million or more (average of the last 3 consecutive years) for wastewater service shall keep its accounts in conformity with the most recent Uniform System of Accounts for Class A Wastewater Utilities prescribed by the National Association of Regulatory Utility Commissioners (N.A.R.U.C.) published prior to the effective date of this section.~~

~~(b) A public utility having annual jurisdictional operating revenues of \$200,000 or more but less than \$1 million (average of the last 3 consecutive years) for wastewater service shall keep its accounts in conformity with the most recent Uniform System of Accounts for Class B Wastewater Utilities prescribed by N.A.R.U.C. published prior to the effective date of this section.~~

~~(e) A public utility having annual jurisdictional operating revenues of less than \$200,000 (average of the last 3 consecutive years) for wastewater service shall keep its accounts in conformity with the most recent Uniform System of Accounts for Class C Wastewater Utilities prescribed by N.A.R.U.C. published prior to the effective date of this section.~~

~~(d) Public utilities subject to this section shall have until 1 year from the effective date of this section to convert to the most recent Uniform System of Accounts for Class A, Class B or Class C Wastewater Utilities prescribed by N.A.R.U.C.]~~

*(Editor's Note: The following sections 3.511—3.516 were not proposed in the NOPR. This will be in CAPs without underlining for submission to IRRC.)*

### **§ 3.511. Purpose.**

This subchapter establishes the information required to be incorporated in:

(1) Applications to obtain a certificate of public convenience from the Commission to become a certificated water public utility or a certificated wastewater public utility in the Commonwealth.

(2) Applications filed by a Class A, Class B or Class C water public utility or a Class A, Class B or Class C wastewater public utility seeking to obtain a certificate of public convenience either to:

(i) Provide service beyond its certificated service territory.

(ii) Acquire the assets of an existing water public utility or wastewater public utility, whether privately or municipally-owned, when the valuation of the assets to be acquired are booked at the original cost of the acquired system when first devoted to the public service less the applicable accrued depreciation and related contributions as prescribed under 66 Pa.C.S. § 1311 (relating to valuation of and return on the property of a public utility).

### **§ 3.512. Definitions.**

The following words and terms, when used in this subchapter, have the following meanings unless the context clearly indicates otherwise:

*Acquisition*—The purchase of one public utility by another, the merger of two or more public utilities, or the purchase of used or useful utility assets by one public utility from

another public utility as these terms are used in 66 Pa.C.S. § 1102 (relating to enumeration of acts requiring a certificate).

Act 537 Plan—The comprehensive plan for the provision of adequate sewage systems adopted by a municipality or municipalities possessing authority or jurisdiction over the provision of such systems and submitted to and approved by the DEP and as may be revised under Section 5 of the Pennsylvania Sewage Facilities Act (35 P.S. §750.5).

Affiliate—An entity that is an affiliated interest of the applicant as defined in 66 Pa.C.S. § 2101.

Applicant—A person, corporation or municipal corporation seeking to obtain a certificate of public convenience from the Commission.

Application—A written request for permission or authorization filed with the Commission.

Certificated wastewater public utility—A person, corporation or municipal corporation that has been authorized by the Commission or the Commonwealth to provide wastewater public utility service.

Certificated water public utility—A person, corporation or municipal corporation that has been authorized by the Commission or the Commonwealth to provide water public utility service.

Class A wastewater public utility—A certificated wastewater public utility that keeps its accounts in conformity with § 66.2(a) (relating to system of accounts for wastewater public utilities).

Class B wastewater public utility—A certificated wastewater public utility that keeps its accounts in conformity with § 66.2(b).

Class C wastewater public utility—A certificated wastewater public utility that keeps its accounts in conformity with § 66.2(c).

Class A water public utility—A certificated water public utility that keeps its accounts in conformity with § 65.16(a) (relating to system of accounts for water public utilities).

Class B water public utility—A certificated water public utility that keeps its accounts in conformity with § 65.16(b).

Class C water public utility—A certificated water public utility that keeps its accounts in conformity with § 65.16(c).

Comprehensive plan—a document adopted by a municipal corporation which establishes an overall plan and recommended actions relevant to the current and future land use and

growth management needs of the area under the Pennsylvania Municipalities Planning Code (53 P.S. §§ 10101-11202).

Corporation—The term as defined in 66 Pa.C.S. § 102.

DEP—The Commonwealth’s Department of Environmental Protection.

Professional engineer—A professional engineer (P.E.), licensed to practice engineering in the Commonwealth under the Engineer, Land Surveyor and Geologist Registration Law (63 P.S. Chapter 5), that is responsible for designing the new water system or new wastewater system.

Equivalent dwelling unit—a unit of measure that is based on the flow characteristics of an average single-family residence in terms of sewage quantity and constituent quality.

Extension—The extension of a water main or a wastewater main including the pipe, elbows, tees, valves, reducers, service taps, and other appurtenances which may be part of the facilities required to provide water public utility service or wastewater public utility service.

Main—The pipe of a public utility system, excluding service laterals, located in a public highway, street, alley or private right-of-way which pipe is used in collecting and conveying wastewater or transporting and distributing water.

Municipal authority—A body politic and corporate created or incorporated under the Municipality Authorities Act (P.L. 287, No. 22), 53 Pa.C.S. §§ 5601—5622 (relating to municipal authorities).

Municipal corporation—As defined in 66 Pa.C.S. § 102.

Municipally-owned public water system—A water system that is owned or operated by a municipal corporation.

Municipally-owned public wastewater system—A wastewater system owned or operated by a municipal corporation.

N.A.R.U.C. or NARUC—The National Association of Regulatory Utility Commissioners. N.A.R.U.C. is a non-profit organization, founded in 1889, dedicated to representing state public service commissions and state public utility commissions that regulate utilities that provide essential services such as energy, telecommunications, power, water, wastewater, and transportation.

New wastewater system—a wastewater system that is newly constructed or proposed after the effective date of this rule by an applicant or an existing wastewater system that is owned or operated by an uncertificated entity.

*New water system*—a water system that is newly constructed or proposed after the effective date of this rule by an applicant or an existing water system that is owned or operated by an uncertificated entity.

*Person*—As defined in 66 Pa.C.S. § 102.

*Planned development*—An area of land, controlled by a landowner, to be developed into a collection of structures that may include residential, commercial or industrial uses.

*Public utility*—Persons or corporations owning or operating equipment or facilities in this Commonwealth for diverting, developing, pumping, impounding, distributing, or furnishing water or for wastewater collection, treatment or disposal to the public for compensation. The term does not include a person or corporation not otherwise a public utility who or which furnishes service only to himself or itself, or a bona fide cooperative association which furnishes service only to its stockholders or members on a nonprofit basis.

*Proposed public utility*—An applicant that seeking to obtain a certificate of public convenience from the Commission to become a certificated water public utility or a certificated wastewater public utility.

*Public Utility Code*—66 Pa.C.S. §§ 101—3316 (relating to the Public Utility Code).

*Public water system*—A water system which provides water to the public for human consumption and that serves at least 15 service connections or at least 25 people daily for at least 60 days of the year. Water for human consumption includes water that is used for drinking, bathing and showering, cooking, dishwashing or maintaining oral hygiene.

*Public wastewater system*—A wastewater system for the collection and/or collection and treatment of wastewater from two or more lots, or two or more equivalent dwelling units and the treatment or disposal, or both, of the wastewater at another site.

*Service connection*—The facilities necessary to provide the customer service, including the water service line or wastewater service lateral, the main tap, meter and other related facilities.

*Service territory*—The geographical area in which a certificated water public utility or a certificated wastewater public utility has obtained Commission or Commonwealth authorization to provide public utility service.

*Tariff*—The schedule of rules and charges of a certificated water public utility or certificated wastewater public utility for its respective water public utility service or wastewater public utility service as filed with and approved by the Commission or effective by operation of law under which the public utility is required to provide public utility service.

Uncertificated entity—A person or corporation that is providing water public utility service or wastewater public utility service to the public for compensation in the Commonwealth without first obtaining a certificate of public convenience from the Commission or a municipal corporation, other than a municipal authority, that is providing water public utility service or wastewater public utility service outside of its corporate boundaries without first obtaining a certificate of public convenience from the Commission.

Wastewater—The term as defined under 66 Pa.C.S. §102.

Wastewater public utility service—The term as defined under 66 Pa.C.S. § 102.

Wastewater system—The equipment and facilities owned or operated by an entity for the processing of wastewater and includes any activity related to such processing, including collecting, handling, treating, transporting, disposing and delivery of wastewater.

Water public utility service—The term as defined under 66 Pa.C.S. § 102.

Water system—The equipment and facilities owned or operated by an entity for diverting, developing, pumping, impounding, treating, distributing or furnishing water.

### **§ 3.513. Requirements to become a certificated water public utility or a certificated wastewater public utility.**

(a) Application requirements for a new water or wastewater system. An application to obtain a certificate of public convenience to become a certificated water public utility or a certificated wastewater public utility, through a new water or wastewater system, shall be submitted in writing on forms provided by the Commission in accordance with § 3.551 (relating to official forms) and shall be accompanied by information or documentation reasonably necessary to enable the Commission to determine if granting the application is in the public interest as prescribed by Section 1103 of the Public Utility Code. Applications under this section must conform to §§ 1.31 and 1.32 (relating to requirements for documentary filings; filing specifications) and must include the following:

(1) General Information. Identify the following:

(i) Name of applicant

(ii) Address

(iv) Affiliates that own or operate a public water system or a public wastewater system in Pennsylvania or any other jurisdiction.

(2) Map of service territory. A map or plan of suitable scale and detail highlighting the boundaries of the proposed service territory, including:

(i) A description by bearing angles and distances.

(ii) The location and route of the proposed water system or proposed wastewater system, existing and proposed streets, streams and water surfaces, and the direction of flow of the existing and proposed water system or wastewater system.

(iii) Topography and elevation, including the elevations of major facilities and service areas.

(iv) A description of all nearby public water systems or public wastewater systems, including location, service areas, primary facilities, system capabilities, hydraulic profile, and contact person and phone number.

(v) Identification of current proposed and potential future service areas, and that of neighboring public water systems.

(3) Plant in service and general system information.

(i) A proposed public utility shall provide the following:

(A) Engineer's reports and letters signed by a Professional engineer.

(I) A copy of the Professional engineer's report that includes design plans, a full description of the proposed water system or wastewater system with the size, quantities, and materials of facilities and the manner, including the approximate time schedule for installation of the various facilities of the water system or wastewater system to be constructed in the proposed service territory.

(II) A certification letter from a Professional engineer that the subject water system was designed and constructed in compliance with §§ 65.17 and 65.18 (relating to standards of design; standards of construction).

(B) A breakdown of the cost of construction, by major plant category, including the sources of funds used to construct the proposed water system or wastewater system.

(C) A breakdown of pipe sizes, quantities, and materials used for construction for all transmission and distribution or collection, conveyance, and disposal facilities.

(D) A valid certified operator's certificate appropriate to the facilities to be operated.

(E) The most recent 5-year DEP compliance of Affiliates of the applicant that own or operate a public water system or a public wastewater system in Pennsylvania or any other jurisdiction with an explanation of each violation.

(ii) An uncertificated entity shall provide the following:

(A) The original cost, by year and major plant category, of used and useful plant in service and related accrued depreciation calculations.

(B) A copy of the engineering report accompanied by a certification letter from a Professional engineer that the water system was designed and constructed in compliance with 52 Pa. Code §§ 65.17 and 65.18.

(C) All valid certified operator's certificates appropriate to the facilities being operated.

(D) The most recent 5-year compliance history with DEP with an explanation of each violation.

(4) Information about customers. The applicant shall demonstrate its ability to provide adequate water public utility service or adequate wastewater public utility service to meet present and future customer demands.

(i) A proposed public utility shall provide an estimate of the number of connections by customer class in the first year, fifth year and tenth year of proposed operation and anticipated completed development, as well as estimated water usage or estimated gallons of wastewater treated in each of those years.

(ii) An uncertificated entity shall submit the number of connections by customer class at the time that the application is filed with the Commission and in the first year, fifth year and tenth year of proposed operation, as well as estimated water usage or gallons of wastewater treated in each of those years.

(5) Information regarding rates.

(i) A proposed public utility shall provide a proposed initial tariff that includes proposed rates, proposed rules and proposed conditions of service in the format specified by the Commission (classified rate schedule).

(ii) An uncertificated entity shall provide a proposed initial tariff that includes proposed rates, proposed rules and proposed conditions of service. The uncertificated entity shall provide written notice to its customers indicating that it has filed an application for authority and the proposed rates in the application and shall provide a copy of this notice and a verification statement confirming that notice required under this section have been met.

(6) Cost of service.

(i) A proposed public utility shall provide one-year, five-year and ten-year estimates of operating revenue, operation and maintenance expenses, annual depreciation and taxes. If operating income reflects a loss, the proposed public utility shall provide a detailed explanation of the source of funds to be used to subsidize the estimated losses in support of future viability.

(ii) An uncertificated entity shall file its most recent Federal Income Tax Returns (corporation) or related Schedule C forms (partnership or sole proprietorship). It shall also provide its projected first-year operating revenue, operation and maintenance expenses, annual depreciation and taxes under its initial tariff. If the projected first-year operating revenue, operation and maintenance expenses, annual depreciation and taxes reflect a net operating loss, the uncertificated entity shall describe in detail how the operating loss will be subsidized, supported by an analysis of its future viability as a certificated public utility.

(7) Information on affected water systems and wastewater systems. An applicant shall do the following:

(i) Identify each operator of a municipally-owned public water system or municipally-owned public wastewater system that is providing water public utility service or wastewater public utility service within the municipality or municipalities in which the applicant seeks to become a certificated water public utility or a certificated wastewater public utility.

(ii) Identify the other certificated water public utilities or certificated wastewater public utilities providing water public utility service or wastewater public utility service within the municipality or municipalities in which the applicant seeks to provide water public utility service or wastewater public utility service.

(iii) Identify the other certificated water public utilities or municipally-owned public water systems, or certificated wastewater public utilities or municipally-owned wastewater systems, that are directly adjacent to, abut or are situated within 1 mile of the applicant's proposed facilities.

(iv) If one or more of the entities in paragraphs (i) – (iii) above asserts a willingness or interest in serving the territory directly, the applicant shall demonstrate that, when considering both the cost of service and the quality of service, the customers in the proposed service territory would be better served by the applicant than by another entity.

(8) Metered Service.

(i) A proposed public utility shall submit evidence that the water sources and customers are metered in accordance with § 65.7 (relating to metered service).

(ii) An uncertificated entity shall submit evidence that the water sources and customers that are metered or provide a plan for furnishing metered water service in the proposed service territory in accordance with § 65.7.

*(9) Design and compliance.*

(i) A copy of applicable DEP public water supply and dam safety permits or water quality management permits or National Pollution Discharge Elimination System (NPDES) permits issued under 35 P. S. §§ 721.7 and 691.6, 691.202, 691.207 and 691.501.

(ii) A copy of the letter or letters signed by an authorized representative of the relevant governmental entity or entities confirming that the applicant does comply or does not meet all the applicable requirements. A signed letter from the governmental entity will be construed as evidence of the applicant's proof of compliance or non-compliance with the following mandates:

(A) All applicable design, construction and operation standards of DEP, including 25 Pa. Code § 109.709 (relating to cross-connection control programs), 25 Pa. Code § 109.702 (relating to operation and maintenance plan) and 25 Pa. Code § 109.703 (relating to facilities operation) and 25 Pa. Code, Chapter 92a (relating to NPDES permitting, monitoring and compliance).

(B) All applicable Act 537 Plan documents for all affected municipalities relating to the acquired service territory, as required under section 5 of the Pennsylvania Sewage Facilities Act (35 P.S. § 750.5).

(C) All applicable design, construction and operation standards and requirements of the county health department.

(D) Delaware River Basin Commission, the Susquehanna River Basin Commission, the Ohio River Basin Commission and the Great Lakes Commission standards.

(E) Applicable requirements of any Statewide water plan, including any local watershed areas.

(F) Applicable requirements of any officially adopted county, multi-municipal or municipal comprehensive plan or plans, and applicable zoning designations and ordinances, including any necessary amendments.

(b) Filing. The applicant shall file with the Commission the original of the application and include a mode of payment as prescribed by § 1.42 (relating to mode of payment of fees) and in the amount delineated in § 1.43 (relating to schedule of fees payable to the Commission). The original must contain the required information in (a)(1)—(9) above as exhibits. An affidavit of service showing the identity of those served under subsection (c) must accompany the original application filed with the Commission.

(c) Service.

(1) At the time of filing, the applicant shall cause a complete copy of the application with exhibits to be served by registered mail or certified mail, return receipt requested, upon:

(i) Each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service territory or service territories.

(ii) The Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and DEP's central office and regional office or offices for the proposed service territory or territories.

(iii) Each certificated water public utility or certificated wastewater public utility whose service territory abuts or is within 1 mile of the service territory proposed in the application.

(iv) A municipally-owned public water system or municipally-owned public wastewater system whose service territory abuts or is within 1 mile of the service territory proposed in the application.

(v) The applicant must demonstrate that it has contacted each entity identified in paragraphs (i) and (iv) above.

(d) Notice. The application will be docketed by the Secretary of the Commission and thereafter forwarded for publication in the *Pennsylvania Bulletin*. The applicant shall also publish notice of application, as supplied by the Secretary, once a week for 2 consecutive weeks in one newspaper of general circulation located in the service territory or territories covered by the application and shall submit proof of publication to the Commission. If the application includes a request to provide service in an area covered by a mandatory connection ordinance, the notice provided under this section shall include a conspicuous statement that such an ordinance applies.

(e) References. Subsections (a) supplement § 5.11 (relating to applications generally).

**§ 3.514. Extensions of water distribution mains or wastewater collection mains.**

(a) A certificated water public utility or a certificated wastewater public utility seeking to extend a main in order to provide service to a property beyond its certificated service territory including those situated within a planned development shall provide with its application:

(1) General Information. A copy of the developer's application for service or a certified statement from the owner(s) of parcels of land in the extension area that they are requesting service.

(2) Map of extended service territory. A map or plan of suitable scale and detail highlighting the boundaries of the geographical area encompassing the proposed distribution or collection main extension, including:

(i) A description by bearing angles and distances.

(ii) The location or route of the extended water or wastewater system.

(iii) The elevations of major facilities and service territory.

(3) Plant in service and general system information.

(i) An engineering report that contains a full description of the proposed distribution or collection main extension for the water system or wastewater system and the manner, including the pipe sizes, quantities, and material used for construction for all transmission and distribution or collection facilities and the approximate time schedule for installation of the various component facilities of the main extension.

(ii) A certification letter from a licensed engineering firm that the proposed main extension for the water system or wastewater system was designed and constructed in compliance with §§ 65.17 and 65.18.

(iii) A breakdown of the cost of construction including the sources of funds used to construct the extension facilities.

(iv) A valid certified operator's certificate appropriate to the facilities being operated.

(4) Design and compliance.

(i) A copy of applicable public water supply permits or water quality management permits or NPDES permits.

(ii) Copies of letters signed by an authorized representative of the relevant governmental entities confirming that the applicant complies with or does not meet all the applicable requirements regarding the collection or distribution main extension. The

signed letter from the governmental entity shall be construed as evidence of the applicant's proof of compliance or non-compliance with the following mandates:

(A) All applicable design, construction and operation standards of DEP, including 25 Pa. Code § 109.709, 25 Pa. Code § 109.702 and 25 Pa. Code Chapter 94 (relating to municipal wasteload management).

(B) All applicable design, construction and operation standards and requirements of the county health department.

(C) Delaware River Basin Commission, the Susquehanna River Basin Commission, the Ohio River Basin Commission and the Great Lakes Commission standards.

(D) Applicable requirements of the current Pennsylvania State Water Plan, including any local watershed areas.

(E) Applicable requirements of any officially adopted Act 537 Plan, county, multi-municipal or municipal comprehensive plans, and applicable zoning designations and ordinances, including evidence of preliminary plan approval for the anticipated planning development subdivision and final plan approval whenever such approval is granted or necessary amendments.

(F) A certification letter from a professional engineer that indicates the system is capable to meet a defined fire flow.

(b) *DEP compliance history.*

(1) If the applicant is a Class B or Class C water public utility, it shall provide a 5-year history of compliance with DEP regulations with an explanation of each violation.

(2) If the applicant is a Class B or Class C wastewater public utility, it shall provide a 5-year history of compliance with DEP regulations with an explanation of each violation.

(c) *Financials.*

(1) If the applicant is a Class B or Class C water public utility, it shall provide a copy of its last annual Financial Report filed with the Commission and a Summary of Earnings for the past five years.

(2) If the applicant is a Class B or Class C wastewater public utility, it shall provide a copy of its last annual Financial Report filed with the Commission and a Summary of Earnings for the past five years.

(d) *Information on affected water systems and wastewater systems.*

(1) Identify each operator of a municipally-owned public water system or municipally-owned public wastewater system that is providing water public utility service or wastewater public utility service within the municipalities in which it seeks to extend its distribution main.

(2) Identify the other certificated water public utilities or certificated wastewater public utilities providing water public utility service or wastewater public utility service within the municipalities in which the applicant seeks to extend its distribution main.

(3) Identify the other certificated water public utilities or municipally-owned public water systems, or certificated wastewater public utilities or municipally-owned public wastewater systems, that are directly adjacent to, abut or are situated within 1 mile of the proposed extension of its distribution main.

(e) Service.

(1) At the time of filing, a complete copy of the application with exhibits shall be served by registered or certified mail, return receipt requested, upon:

(i) Each city, borough, town, township, county and related planning office, which is included, in whole or in part, in the proposed extended service territory or service territories.

(ii) The Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and DEP's central office and regional office or offices situation in the proposed extended service territory or territories.

(iii) Each affected water system and wastewater system described in subsection (d)(1) and (2) above.

(f) Notice. The application will be docketed by the Secretary of the Commission and thereafter forwarded for publication in the *Pennsylvania Bulletin*. The applicant shall also publish notice of application, as supplied by the Secretary, once a week for 2 consecutive weeks in one newspaper of general circulation located in the service territory or territories covered by the application and shall submit proof of publication to the Commission. If the application includes a request to provide service in an area covered by a mandatory connection ordinance, the notice provided under this section shall include a conspicuous statement that such an ordinance applies.

**§ 3.515. Acquisitions of an existing water system or a wastewater system by a certificated water public utility or certificated wastewater public utility.**

(a) Applications for the acquisition of an existing water system or existing wastewater system shall incorporate the following information. The applicant may request a waiver of certain requirements, pursuant to 52 Pa. Code § 1.91:

(1) General Information.

(i) A copy of the executed purchase agreement along with evidence that each entity was authorized to enter into the purchase agreement.

(ii) A copy of an appraisal of the water or wastewater system in both print and electronic format, with all supporting materials and workpapers.

(iii) The cost of the property of the acquired system as shown on the balance sheet of the transferor.

(iv) The depreciation and amortization reserves applicable to said property, estimated if not ascertainable from books and records.

(2) Additional documentation.

(i) Map of acquired service territory. A map or plan of suitable scale and detail delineating the boundaries of the new service area on an existing service area map or as a new service area map, including the location or route of the existing water or wastewater system.

(ii) Plant in service and general system information.

(A) A full description of the acquired water system or wastewater system, including a list of all major facilities and appurtenances such as wells, tanks, pumps, and structures, and the quantity and material used for construction for all transmission and distribution or collection facilities.

(B) A distribution system map showing the location of major facilities, pipe sizes, fire flow and pressure zones or a collection system map showing the location of major facilities, pipe sizes, gravity or force main designation and direction of flow.

(C) A statement of contributions toward construction of said system, such contributions to be subdivided so as to show those subject to refund and those which are not.

(D) An identification of the DEP-permitted productive or treatment capacity of sources, treatment facilities, major distribution or collection facilities.

(E) A copy of a valid certified operator's certificate from the acquiring company appropriate to the facilities being operated.

(F) A list of planned water or wastewater system improvements, to include addressing upgrades required by DEP and/or to the acquiring public utility's existing system along with the associated estimated costs.

*(iii) Design and compliance.*

(A) Copies of letters signed by an authorized representative of the relevant governmental entities confirming that the system of the selling entity does comply or does not meet all the applicable requirements. The signed letter from the governmental entity shall be construed as evidence of proof of compliance or non-compliance with the following mandates:

(I) A copy of applicable DEP public water supply and dam safety permits or water quality management permits or National Pollution Discharge Elimination System (NPDES) permits issued under 35 P. S. §§ 721.7 and 691.6, 691.202, 691.207 and 691.501.

(II) Applicable design, construction and operation standards of DEP, including 25 Pa. Code § 109.709 and 25 Pa. Code § 109.702.

(III) Applicable Act 537 Plan documents for all affected municipalities relating to the acquired service territory, as required by section 5 of the Pennsylvania Sewage Facilities Act.

(IV) All applicable design, construction and operation standards and requirements of the county health department.

(V) Delaware River Basin Commission, the Susquehanna River Basin Commission, the Ohio River Basin Commission and the Great Lakes Commission standards.

(VI) Applicable requirements of the current Pennsylvania State Water Plan, including any local watershed areas.

(VII) Applicable requirements of any officially adopted county, multi-municipal or municipal comprehensive plans, and applicable zoning designations and ordinances, including any necessary amendments.

(iv) Customers. The number of customers of the selling entity by class of customer, related water consumption or wastewater gallons treated in the previous

calendar year, and the future number of estimated connections for the next 5 years with the estimated demand, by year.

(v) Rates. A proposed initial tariff shall be submitted with the application that must include rates, proposed rules, and conditions of service and a copy of the customer notice sent to all affected customers comparing the rates before and for the first year after the acquisition and identifying any costs not fully reflected in the first year's rates. The customer notice must also include information regarding whether the proposed rates are higher than the rates of the selling water public utility or wastewater public utility.

(d) DEP compliance history.

(1) If the acquisition application is filed by a Class B or a Class C water public utility it shall provide a 5-year history of compliance with DEP regulations with an explanation of each violation.

(2) If the acquisition application is filed by a Class B or a Class C wastewater public utility, it shall provide a 5-year history of compliance with DEP regulations with an explanation of each violation.

(e) Financials.

(1) If the acquisition application is filed by a Class B or Class C water public utility, it shall provide a copy of its last annual Financial Report filed with the Commission and a Summary of Earnings for the past five years.

(2) If the applicant is a Class B or Class C wastewater public utility, it shall provide a copy of its last annual report and a Summary of Earnings for the past five years.

(f) Information on affected water systems and wastewater systems. Identify the other certificated water public utilities or certificated wastewater public utilities or municipally-owned public water systems or municipally-owned public wastewater systems that are directly adjacent to, abut or are situated within 1 mile of the acquired system.

(g) Service of acquisition application.

(1) At the time of filing, a complete copy of the acquisition application with exhibits shall be served by registered or certified mail, return receipt requested, upon:

(i) The planning office of each municipal corporation that is included in whole or in part in the service territory or service territories of the selling water public utility or wastewater public utility.

(ii) The Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and DEP's central office and regional office or offices located in the service territory of the selling entity.

(iii) Each certificated water public utility or certificated wastewater public utility, or a municipally-owned public water system or municipally-owned public wastewater system whose service territory abuts or is within 1 mile of the acquired service territory or service territories.

(h) Notice. The application will be docketed by the Secretary of the Commission and thereafter forwarded for publication in the *Pennsylvania Bulletin*. The applicant shall also publish notice of application, as supplied by the Secretary, once a week for 2 consecutive weeks in one newspaper of general circulation located in the service territory or territories covered by the application and shall submit proof of publication to the Commission. If the application includes a request to provide service in an area covered by a mandatory connection ordinance, the notice provided under this section shall include a conspicuous statement that such an ordinance applies.

### **§ 3.516. Protests.**

(a) Protests. A person objecting to an application filed under §§ 3.513, 3.514 and 3.515 shall file with the Secretary of the Commission and serve upon the applicant, or the applicant's attorney if the applicant is represented, a written protest which must contain the following:

(1) The applicant's name and the docket number of the application.

(2) The name, business address and telephone number of the protestant.

(3) The name, business address, Pennsylvania attorney identification number and telephone number of the protestant's attorney or other representative.

(4) A statement of the nature of the protestant's interest in the application.

(b) Protest filings.

(1) A protest, if filed, must be filed and served within the time specified in the notice appearing in the *Pennsylvania Bulletin*, which shall be at least 30 days from the date of publication thereof except when the need for the proposed service or other exigent circumstances supports a request for a shorter protest period upon good cause shown.

(2) Failure to file the protest in accordance with this subsection shall be a bar to subsequent participation in the proceeding except if permitted by the Commission for good cause shown or as provided in § 5.71 (relating to initiation of intervention).

(3) In determining whether good cause has been shown for a protest beyond the period set forth in this section, the Commission will take into account whether the scheduling of a municipal meeting has caused hardship for a timely protest.

(4) A protest will be treated as a pleading.

(c) Participation in a proceeding. Upon the filing of a timely protest the protestant will be allowed to participate in the proceeding as a party intervenor. Statutory advocates may participate in any proceeding based on their statutory right of participation.

(d) Motions. The applicant may, within 20 days after the closing date for the filing of protests, file a motion or motions to strike, to dismiss, or for amplification as provided in § 5.101 (relating to preliminary motion).

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**Subpart C. FIXED SERVICE UTILITIES**  
**CHAPTER 65. WATER SERVICE**  
**SUBCHAPTER A. SERVICE GENERALLY**

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**§ 65.16. System of accounts for water public utilities**

(a) A public utility having annual jurisdictional operating revenue of [**\$750,000**] **\$1,000,000** or more (average of the last 3 consecutive years) **for water service** shall keep its accounts in conformity with the Uniform System of Accounts for Class A Water Utilities prescribed by the National Association of Regulatory Utility Commissioners (N.A.R.U.C.) **published prior to the effective date of this section.**

(b) A public utility having annual jurisdictional operating revenues of [**\$150,000**] **\$200,000** or more but less than [**\$750,000**] **\$1,000,000** (average of the last 3 consecutive years) **for water service** shall keep its accounts in conformity with the most recent Uniform System of Accounts for Class B Water Utilities prescribed by N.A.R.U.C **published prior to the effective date of this section.**

(c) A public utility having annual jurisdictional operating revenues of less than [**\$150,000**] **\$200,000** (average of the last 3 consecutive years) **for water service** shall keep its accounts in conformity with the most recent Uniform System of Accounts for Class C Water [**Companies**] Utilities prescribed by N.A.R.U.C **published prior to the effective date of this section.**

(d) Public utilities subject to this section shall have until [**January 1, 2000,**] **one year from the effective date of this section** to convert to the most recent Uniform System of Accounts for Class A, Class B, or Class C Water Utilities prescribed by N.A.R.U.C.

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(Editor's Note: This is new in FFRO. It will be in CAPS when delivered to IRRC.)

**Subpart C. FIXED SERVICE UTILITIES**  
**CHAPTER 66. WASTEWATER SERVICE**  
**SUBCHAPTER A. SERVICE GENERALLY**

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**§ 66.2. SYSTEM OF ACCOUNTS FOR WASTEWATER PUBLIC UTILITIES.**

**(A) A PUBLIC UTILITY HAVING ANNUAL JURISDICTIONAL OPERATING REVENUE OF \$1,000,000 OR MORE (AVERAGE OF THE LAST 3 CONSECUTIVE YEARS) FOR WASTEWATER SERVICE SHALL KEEP ITS ACCOUNTS IN CONFORMITY WITH THE MOST RECENT *UNIFORM SYSTEM OF ACCOUNTS FOR CLASS A WASTEWATER UTILITIES* PRESCRIBED BY THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS (N.A.R.U.C.) PUBLISHED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.**

**(B) A PUBLIC UTILITY HAVING ANNUAL JURISDICTIONAL OPERATING REVENUES OF \$200,000 OR MORE BUT LESS THAN \$1,000,000 (AVERAGE OF THE LAST 3 CONSECUTIVE YEARS) FOR WASTEWATER SERVICE SHALL KEEP ITS ACCOUNTS IN CONFORMITY WITH THE MOST RECENT *UNIFORM SYSTEM OF ACCOUNTS FOR CLASS B WASTEWATER UTILITIES* PRESCRIBED BY N.A.R.U.C PUBLISHED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.**

**(C) A PUBLIC UTILITY HAVING ANNUAL JURISDICTIONAL OPERATING REVENUES OF LESS THAN \$200,000 (AVERAGE OF THE LAST 3 CONSECUTIVE YEARS) FOR WASTEWATER SERVICE SHALL KEEP ITS ACCOUNTS IN CONFORMITY WITH THE MOST RECENT *UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C WASTEWATER UTILITIES* PRESCRIBED BY N.A.R.U.C PUBLISHED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.**

**(D) A PUBLIC UTILITY SUBJECT TO THIS SECTION SHALL HAVE UNTIL ONE YEAR FROM THE EFFECTIVE DATE OF THIS SECTION TO CONVERT TO THE MOST RECENT UNIFORM SYSTEM OF ACCOUNTS FOR CLASS A, CLASS B, OR CLASS C WASTEWATER UTILITIES PRESCRIBED BY N.A.R.U.C. AND PUBLISHED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.**