

[J-32-2026]
IN THE SUPREME COURT OF PENNSYLVANIA
MIDDLE DISTRICT

TODD, C.J., DONOHUE, DOUGHERTY, WECHT, MUNDY, BROBSON, McCAFFERY, JJ.

CONYNGHAM TOWNSHIP,	: No. 34 MAP 2025
	: :
Appellee	: Appeal from the Order of the
	: Commonwealth Court at No. 113
	: CD 2024, dated October 4, 2024,
v.	: Vacating and Remanding the
	: Decision of the Public Utility
	: Commission at No. C-2021-
PENNSYLVANIA PUBLIC UTILITY	: 3023624 dated January 18, 2024
COMMISSION,	: :
	: ARGUED: April 16, 2026
Appellant	: :

OPINION

JUSTICE McCAFFERY

DECIDED: October 29, 2026

For more than 80 years, municipal authorities throughout the Commonwealth have operated largely without regulation by the Pennsylvania Public Utility Commission (Commission). Under the Public Utility Code (Code), 66 Pa.C.S. §§ 101-3316, the Commission exercises regulatory authority over public utilities and municipal entities providing utility service to customers beyond their corporate boundaries. Since 1945, the prevailing law has been that the Commission lacks regulatory authority over municipal authorities incorporated under the Municipality Authorities Act (MAA), 53 Pa.C.S. §§ 5601-5623. The MAA is a comprehensive statutory scheme governing municipal authorities that places jurisdiction over disputes involving their rates and service exclusively with the courts of common pleas. With one exception,¹ municipal authorities established under the MAA historically have not been regulated by the Commission, even

¹ The Pittsburgh Water and Sewer Authority, discussed *infra*, is the sole exception.

when they provide service outside the boundaries of their incorporating municipalities. However, in 2024, the Commonwealth Court concluded the Commission possessed jurisdiction to consider a challenge to a municipal authority's failure to obtain Commission approval, in the form of a certificate of public convenience (certificate), before extending its utility service to customers beyond the boundaries of the incorporating municipality. We granted discretionary review to consider the propriety of that decision.

We hold the Commission's jurisdiction over **municipal corporations**, as defined in the Code, does not extend to **municipal authorities** incorporated under the MAA, because the MAA vests the courts of common pleas with exclusive jurisdiction over municipal authorities' rates and services. We further hold that municipal authorities incorporated under the MAA are not subject to Commission regulation when they operate beyond the boundaries of their incorporating municipalities. Therefore, we reverse the Commonwealth Court's order.

I. FACTS AND PROCEDURAL HISTORY

In 1973, the Borough of Shickshinny (Borough), a municipality in Luzerne County, filed Articles of Incorporation with the Secretary of the Commonwealth establishing the Sanitary Sewer Authority of the Borough of Shickshinny (Authority) as a municipal authority for the purpose of constructing, improving, furnishing and equipping a sanitary sewage system and sewage treatment works. See Certified Record at 909a-912a. Shortly thereafter, the Secretary issued a Certificate of Incorporation "evidencing the incorporation of [the A]uthority under the provisions of [the Municipality Authorities Act of 1945 (1945 MAA)]." *Id.* at 917a. The Borough is the Authority's sole member.

The Authority treats domestic wastewater and discharges the treated wastewater into the Susquehanna River in accordance with a permit issued by the Pennsylvania

Department of Environmental Protection (DEP). The Authority operates a sewage processing plant on Authority-owned property in adjacent Conyngham Township (Township). The Authority provides sewage treatment services to the Borough, a portion of the Township, and a few other areas beyond the Borough limits. The Township's sewer lines are owned and maintained by the Conyngham Township Sewer Authority (CTSA) and convey wastewater to the Authority's processing plant *via* a single point of connection, where it is treated by the Authority. The Township is not within the Borough's corporate limits and has no representation on the Authority's governing board.

In 1992, the Authority and the Township entered into a Sewage Treatment Agreement, wherein the Authority agreed to provide sewage treatment and disposal services to the CTSA as a single bulk customer. At that time, the Authority provided sewer services to approximately 220 residential customers and 8 commercial customers in the Township as well as the Township itself, which received service at its municipal building. For 28 years, the Authority directly billed the CTSA for its bulk sewage treatment services. The CTSA, in turn, directly billed residential and commercial customers in the Township a flat \$134 quarterly rate for sewer services.

In September 2020, the Authority notified the Township it was cancelling the Sewage Treatment Agreement due to the Township's failure to address influx and infiltration issues for the prior three years.² Consequently, in January 2021, the Authority began directly billing individual Township customers \$75 per quarter for its sewer services. Between January 2021 and September 2021, the Authority collected nearly \$55,000 from Township customers.

² In 2020, the Authority also filed suit in the Court of Common Pleas of Luzerne County against the Township and the CTSA, alleging breach of contract and unjust enrichment and seeking declaratory and injunctive relief. That suit was still pending as of the date of the Commission's decision in this case. See Certified Record at 1165a.

A. Agency Proceedings

In January 2021, the Township filed a Formal Complaint with the Commission, alleging the Authority was operating as a public utility in the Township and directly billing Township customers without a Commission-issued certificate. Under Section 1102(a)(5) of the Code, a certificate is required “[f]or any municipal corporation to acquire, construct, or begin to operate, any plant, equipment, or other facilities for the rendering or furnishing to the public of any public utility service beyond its corporate limits.” 66 Pa.C.S. § 1102(a)(5). In its Formal Complaint, the Township asked the Commission to “order [the Authority] to immediately stop billing residents of [the] Township and return all monies collected until after a valid [c]ertificate ... is obtained.” Certified Record at 3a.

In September 2021, the Commission’s Bureau of Investigation and Enforcement (Bureau) filed a Notice of Intervention in the matter, seeking a civil penalty against the Authority. The Bureau asserted that following its preliminary investigation, it determined “the Authority’s termination of the Sewage Treatment Agreement with the Township[] ... and its subsequent provision of wastewater services to numerous Township residents for compensation renders it ... a public utility subject to the Commission’s jurisdiction.” Certified Record at 142a.

When the parties were unsuccessful in resolving their dispute through mediation, the matter proceeded to a hearing before an administrative law judge (ALJ). Before the hearing, the parties submitted a Joint Stipulation of Facts. The ALJ held an evidentiary hearing in October 2022 and closed the record in March 2023.

The ALJ issued an Initial Decision sustaining the Township’s Formal Complaint. The ALJ concluded the Township met its burden of proving the Authority was improperly operating as a public utility in the Township without a Commission-issued certificate, specifically finding the Authority “provided sewer treatment service beyond its Borough

limits for compensation in violation of Section 1102(a)(5) of the Code.” Certified Record at 1115a. The ALJ directed the Authority to file an application for a certificate with the Commission and to issue partial refunds to Township customers, but he denied the Bureau’s request for a civil penalty. Notably, in reaching his decision, the ALJ did not consider or address the applicability of the MAA, even though the Authority raised the issue in its brief filed with the ALJ.

The Authority then filed exceptions to the ALJ’s Initial Decision, asserting the Commission lacked jurisdiction over the Authority under Section 5607(d)(9) of the MAA, which provides, in pertinent part:

Any person questioning the reasonableness or uniformity of a rate fixed by an authority or **the adequacy, safety and reasonableness of the authority’s services, including extensions thereof, may bring suit against the authority in the court of common pleas** of the county where the project is located or, if the project is located in more than one county, in the court of common pleas of the county where the principal office of the project is located. **The court of common pleas shall have exclusive jurisdiction to determine questions involving rates or service.**

53 Pa.C.S. § 5607(d)(9) (emphases added). The Authority averred the threshold question before the Commission was whether its jurisdiction over municipal corporations, as defined in the Code, also extends to municipal authorities incorporated under the MAA. Relying on Section 5607(d)(9) of the MAA, the Authority asserted: (1) the MAA vests the courts of common pleas with exclusive jurisdiction over municipal authorities’ rates and services, and (2) municipal authorities are not subject to Commission regulation, even when they operate beyond the boundaries of their incorporating municipalities.

The Commission granted in part and denied in part the Authority’s exceptions. Specifically, the Commission concluded it lacked jurisdiction over municipal authorities providing service beyond the boundaries of their incorporating municipalities under the MAA. The Commission explained that although it historically exercised jurisdiction over

municipal corporations providing services outside their boundaries and issued certificates to those entities, the 1945 amendments to the MAA explicitly removed **municipal authorities** from the Commission's jurisdiction. Section 5607(d)(9) of the present MAA vests the courts of common pleas with exclusive jurisdiction over the rates and services of municipal authorities. The Commission noted that Pennsylvania's intermediate appellate courts have similarly interpreted Section 5607(d)(9) and held the MAA gives the courts of common pleas, not the Commission, exclusive jurisdiction over a municipal authority's rates and service, both within and beyond the boundaries of the incorporating municipality.

The Commission also relied on the parties' stipulation that the Authority is a municipal authority, noting that municipal authorities and municipal corporations are distinct entities under Pennsylvania law. Section 1301 of the Code establishes Commission jurisdiction over the rates charged by municipal corporations when those entities provide public utility service beyond their corporate limits. See 66 Pa.C.S. § 1301. Section 1501 of the Code gives the Commission jurisdiction over the quality, reliability, and adequacy of services of municipal corporations under similar terms. See 66 Pa.C.S. § 1501. However, the Commission concluded its jurisdiction does not extend to municipal authorities because the 1945 amendments to the MAA expressly removed municipal authorities from its jurisdiction, and that provision remains codified in Section 5607(d)(9) of the present MAA.

The Township appealed to the Commonwealth Court.

B. Commonwealth Court's Decision

On October 4, 2024, the Commonwealth Court vacated the Commission's order and remanded the matter to the Commission. See *Conyngham Township v. Pa. Pub. Util. Comm'n*, 325 A.3d 885 (Pa. Cmwlth. 2024). The Commonwealth Court began by

explaining that Section 1102(a)(5) of the Code allows, “[u]pon the application of any public utility and the approval of such application by the [C]ommission, evidenced by its [Certificate] first had and obtained, and upon compliance with existing laws, ... [f]or any municipal corporation to acquire, construct, or begin to operate, any plant, equipment, or other facilities for the **rendering or furnishing to the public of any public utility service beyond its corporate limits.**” *Id.* at 888 (citation omitted; emphasis and some alterations in original). Further, Section 102 of the Code expressly includes an “authority” within the definition of “municipal corporation.” *Id.* (citation omitted). The Commonwealth Court also relied on Section 1501 of the Code, which provides that “[a]ny public utility service being furnished or rendered by **a municipal corporation beyond its corporate limits shall be subject to regulation and control by the [C]ommission as to service and extensions**, with the same force and in like manner as if such service were rendered by a public utility.” *Id.* (citation and footnote omitted; emphasis in original).

The Commonwealth Court acknowledged, however, that Section 5607(d)(9) of the MAA gives the courts of common pleas jurisdiction to determine “the reasonableness or uniformity of a rate fixed by an authority or the adequacy, safety, and reasonableness of the authority’s services, including extensions thereof” and further provides that “[t]he court of **common pleas** shall **have exclusive jurisdiction to determine questions involving rates or service.**” *Conyngham Township*, 325 A.3d at 888 (citation omitted; emphases in original). Based on this statutory language, the Commonwealth Court found “the MAA does not confer jurisdiction on the common pleas courts for **all** disputes involving municipal authorities but, rather, **only** those involving ‘rates or service.’” *Id.* at 888-889 (emphases in original).

In rejecting the Commission’s claim that its jurisdiction extends only to municipal corporations and municipalities, the Commonwealth Court found the cases on which the

Commission relied involved challenges to rates, which are expressly covered by the MAA's grant of exclusive jurisdiction to the courts. The Commonwealth Court observed those cases did not address the Commission's "jurisdiction over municipal authorities concerning the Code's mandate that municipal authorities obtain [c]ertificates when furnishing service beyond their corporate limits." *Conyngham Twp.*, 325 A.3d at 889; see *Elizabeth Township v. Mun. Auth. of McKeesport*, 447 A.2d 245 (Pa. 1982); *Rankin v. Chester Mun. Auth.*, 68 A.2d 458 (Pa. Super. 1949).

The Commonwealth Court reasoned that to conclude the common pleas courts have exclusive jurisdiction over a claim that a municipal authority failed to obtain a certificate before operating beyond its corporate limits, the Court would need to construe the certification requirement as relating to "the reasonableness or uniformity of a **rate** fixed by **an authority or the adequacy, safety, and reasonableness** of the authority's **services**" pursuant to Section 5607(d)(9) of the MAA. *Conyngham Township*, 325 A.3d at 889-890 (citation omitted; emphases in original). However, the Commonwealth Court declined to do so, because it determined the certification requirement "does not 'involv[e] rates or service.'" *Id.* at 890 (citation omitted; brackets in original).

To reach that conclusion, the Commonwealth Court looked to the provisions of the Code governing the issuance of certificates. In particular, Section 1103(a) of the Code provides a certificate "shall be granted by order of the [C]ommission, only if the [C]ommission shall find or determine that **the granting of such [C]ertificate is necessary or proper** for the service, accommodation, convenience, or safety of the public." *Conyngham Township*, 325 A.3d at 890 (citation omitted; emphasis and alterations in original). According to the Commonwealth Court, the primary consideration for obtaining a certificate is whether it is "necessary or proper[.]" which it opined does not implicate rates or service. *Id.* (citation omitted).

Lastly, the Commonwealth Court found the Commission’s argument that it lacked jurisdiction over this action was undermined by the fact that the Commission previously issued certificates to municipal authorities in two prior cases. *Conyngham Township*, 325 A.3d at 890-891 (*citing E. Dunkard Water Auth. v. Sw. Pa. Water Auth.*, 2020 WL 6707503 (Pa. Cmwlth. filed Nov. 16, 2020) (unreported); *Middle Smithfield Twp. Mun. Auth. v. Maula*, 2008 WL 9404647 (Pa. Cmwlth. filed Oct. 24, 2008) (unreported)). Therefore, the Commonwealth Court concluded “the Commission had jurisdiction to consider the Township’s [Formal] Complaint challenging the Authority’s operation [in the Township] without a [c]ertificate.” *Id.* at 891.

II. ISSUE

The issue before this Court is whether the Commonwealth Court erred in concluding the Commission has jurisdiction over a municipal authority established under the MAA when the authority provides utility service to customers beyond the boundaries of its incorporating municipality. *See Conyngham Township v. Pa. Pub. Util. Comm’n*, 340 A.3d 272 (Pa. 2025).³

³ The Dissent takes issue with our use of the term “jurisdiction” throughout this decision, opining that we improperly conflate subject matter jurisdiction over a dispute with regulatory authority over a municipal authority. Dissenting Opinion at 2. According to the Dissent, this appeal is not about the Commission’s regulatory authority over municipal authorities generally, but only whether the Commission has subject matter jurisdiction to determine if Section 5607(d)(9) of the MAA applies to the underlying dispute, consistent with the Commonwealth Court’s limited holding. While the Commission did raise that issue in its Petition for Allowance of Appeal (PAA), Allocatur Docket No. 657 MAL 2024, both parties also clearly raised the overarching question of whether the Commission has any authority to regulate a municipal authority’s rates and service following the MAA’s enactment. *See, e.g., PAA*, 12/23/2024, at 32 (asserting the Commonwealth Court’s decision “has broad practical implications for previously unregulated entities that will now be considered to fall under Commission jurisdiction”); *Answer to PAA*, 12/31/2024, at 1 (asserting this appeal “involves the fundamental question of whether a municipal authority can operate as a public utility outside its jurisdictional limits without obtaining the requisite (continued...)”).

III. OVERVIEW OF PENNSYLVANIA PUBLIC UTILITY LAWS

We granted discretionary review in this case to resolve an apparent conflict between two statutes governing public utility service in Pennsylvania — the Code and the MAA — specifically as they relate to municipal authorities.⁴ Before we address the issue on appeal, we will provide a brief overview of both statutes.

A. Public Utility Code

The Code governs privately owned entities that provide water, electric, gas, sewer, and similar services to the public, as well as municipalities and municipal corporations that provide utility service to customers beyond their geographic boundaries. See 66 Pa.C.S. §§ 1101, 1102(a).⁵ The present-day Code was enacted in 1978 and was a codification, without substantial change, of the former Public Utility Law, which was in effect from 1937 to 1978. The Code grants the Commission “general administrative

[c]ertificate ... and submitting itself to Commission oversight and regulation”). In fact, that broader issue comprised the bulk of the parties’ appellate briefs and was the focus of their oral arguments before this Court. This is not surprising, since the question we directed the parties to address was: “Did the Commonwealth Court err when it held the [Commission] has jurisdiction over a municipal authority established under the [MAA]?” *Conyngham Twp. v. Pa. Pub. Util. Comm’n*, 340 A.3d 272, 273 (Pa. 2025). Based on the parties’ arguments, it is clear they understood that our use of the word “jurisdiction” meant not only subject matter jurisdiction over the underlying dispute, but, more broadly, regulatory authority and oversight over municipal authorities incorporated under the MAA. Hence, it is confounding that the Dissent opines that this broader legal issue is not actually before the Court.

⁴ The question before us, which involves the interplay between the Code and the MAA, is one of statutory interpretation. Thus, our standard of review is *de novo*, and our scope of review is plenary. See *Leight v. Univ. of Pittsburgh Physicians*, 243 A.3d 126, 136 (Pa. 2020).

⁵ “The [Commission] regulates the rates and service of investor-owned water and wastewater companies, along with some municipal systems that serve customers outside their boundaries.” *A History of the Pennsylvania Public Utility Commission* at 2, available at https://www.puc.pa.gov/general/pdf/PUC_History.pdf (last accessed October 26, 2026).

power and authority to supervise and regulate all public utilities doing business within this Commonwealth.” 66 Pa.C.S. § 501(b).

Under the Code, a “public utility,” as defined in the statute, is required to obtain a certificate to legally operate and always is subject to the Commission’s regulation.

Section 1501 of the Code provides:

Every public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and shall make all such repairs, changes, alterations, substitutions, extensions, and improvements in or to such service and facilities as shall be necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public. Such service also shall be reasonably continuous and without unreasonable interruptions or delay. **Such service and facilities shall be in conformity with the regulations and orders of the [C]ommission.** Subject to the provisions of this part and the regulations or orders of the [C]ommission, every public utility may have reasonable rules and regulations governing the conditions under which it shall be required to render service....

66 Pa.C.S. § 1501 (emphasis added). A public utility is required to obtain a certificate before it “begin[s] to offer, render, furnish or supply” utility service or “abandon[s] or surrender[s], in whole or in part, any service[.]” 66 Pa.C.S. § 1102(a)(1)-(2). The issuance of a certificate, in effect, subjects the public utility provider to the Commission’s regulation and oversight in the provision of utility service to ratepayers. The Commission will grant a certificate only if it “determine[s] that the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public” and “may impose such conditions as it may deem to be just and reasonable.” 66 Pa.C.S. § 1103(a). Through its regulation, the Commission ensures that public utility providers meet strict insurance, safety, and operational standards and provide safe, reliable, and reasonable service to the public at established rates.

In addition, “[a c]ertificate ... makes it lawful for [a] public utility to provide service **within a defined territory**, and imposes on the public utility an obligation to provide

service in that territory.” *Lukens Steel Co. v. Pa. Pub. Util. Comm’n*, 499 A.2d 1134, 1136 n.1 (Pa. Cmwlth. 1985) (*en banc*) (emphasis added); see *Borough of Lansdale v. Phila. Elec. Co.*, 170 A.2d 565, 567 (Pa. 1961) (recognizing the Commission has jurisdiction to determine a public utility’s authority under its certificate, as well as its “rights to serve [a] particular territory”). Section 1101 of the Code provides that a certificate issued by the Commission “shall include a description of the nature of the service and of the territory in which it may be offered, rendered, furnished or supplied.” 66 Pa.C.S. § 1101.

Unlike a privately owned utility, which always is subject to the Commission’s regulation, a municipal corporation that provides public utility service is subject to the Commission’s regulation **only** when it provides service to customers beyond its municipal boundaries. Section 1501 of the Code provides in relevant part:

Any public utility service being furnished or rendered by a municipal corporation beyond its corporate limits shall be subject to regulation and control by the [C]ommission as to service and extensions, with the same force and in like manner as if such service were rendered by a public utility.

66 Pa.C.S. § 1501 (emphasis added). Thus, before a municipal corporation may furnish service beyond its corporate limits, it must obtain the Commission’s approval in the form of a certificate, as set forth in Section 1102(a)(5) of the Code:

Upon the application of any public utility and the approval of such application by the [C]ommission, **evidenced by its certificate of public convenience first had and obtained**, and upon compliance with existing laws, it shall be lawful[] ... **[f]or any municipal corporation to acquire, construct, or begin to operate, any plant, equipment, or other facilities for the rendering or furnishing to the public of any public utility service beyond its corporate limits.**

66 Pa.C.S. § 1102(a)(5) (emphases added); see *Borough of Phoenixville v. Pa. Pub. Util. Comm’n*, 280 A.2d 471, 474 (Pa. Cmwlth. 1971) (*en banc*) (“As soon as a [municipality] holds itself out to render uncertificated extraterritorial service and renders such service, it

is within the jurisdiction of the Commission to determine whether extension of such service should be granted[]” because “the Commission has jurisdiction to determine the extent of the extraterritorial utility service area for the municipality.”).

The reason municipal corporations are exempt from Commission regulation when they provide utility service to customers within their borders is because those customers, as residents of the municipality, have the power to elect the local officials who set the utility’s rates and service standards. However, when a municipal corporation serves customers beyond its borders, those customers have no political representation, so the Commission steps in to provide state-level oversight and consumer protection. See *County of Dauphin v. Pa. Pub. Util. Comm’n*, 634 A.2d 281, 283 (Pa. Cmwlth. 1993) (“[T]he purpose of subjecting a municipally operated public utility which renders service beyond its corporate limits to the jurisdiction of the [Commission] is to protect users of the service who are not residents of the municipality.”); *id.* at 282 (agreeing that “the reason for regulating extraterritorial service is so that the municipality cannot discriminate against users who are outside of the corporate limits”).

B. Municipality Authorities Act

The MAA is a comprehensive scheme specifically governing municipal authorities. A municipal authority is a special-purpose entity created by one or more municipalities for the purpose of acquiring, constructing, financing, and operating public works projects. See 53 Pa.C.S. § 5607(a).⁶ A municipal authority is run by a board appointed by the

⁶ According to the Pennsylvania Department of State website, a municipal authority is “a body politic and corporate’ created to finance and/or operate specific public works projects without tapping the general taxing powers of the municipality. Authorities (sometimes known as special districts in other states) are alternate vehicle[s] for accomplishing public purposes rather than through [the] direct action of counties, municipalities and school districts.” *Municipal and Other Authorities*, <https://www.pa.gov/agencies/dos/programs/business/types-of-filings-and-registrations/municipal-and-other-authorities> (last accessed October 26, 2026).

governing body of the municipality but functions independently of the local government that incorporated it. See 53 Pa.C.S. § 5610.

Before the current version of the MAA, there were two prior iterations: the Municipality Authorities Act of 1935 (1935 MAA), which was repealed and replaced 10 years later by the 1945 MAA. The 1945 MAA existed without significant change for almost 60 years.⁷

In 2001, the General Assembly codified the present-day MAA, which includes the following statements, in relevant part, of the statute's purpose and intent:

(2) The purpose and intent of this chapter being to benefit the people of the Commonwealth by, among other things, increasing their commerce, health, safety and prosperity and not to unnecessarily burden or interfere with existing business by the establishment of competitive enterprises[.]

...

⁷ The Pennsylvania Department of Community and Economic Development has described the history of municipal authorities in Pennsylvania as follows:

Municipal authorities in Pennsylvania, as in many other states, had their beginning in the 1930s Depression. As part of its fiscal recovery policy, the federal government granted money to states and municipalities for public works construction to stimulate employment and provide needed public facilities. These grants had to be matched by the recipient unit, but many states and localities were unable to pay their share, due both to reduced revenues and restrictive debt limits. A number of states, including Pennsylvania, then created state authorities to borrow outside constitutional debt limits by making use of revenue bonds. Pennsylvania was one of three states that passed general enabling legislation to allow their municipalities to create authorities. This was the [1935 MAA].

The 1935 [MAA] was repealed and replaced in 1945 by the present [MAA], which gave greater flexibility in operation and financing. The [MAA] was officially codified in the P[ennsylvania] Consolidated Statutes in 2001.

Municipal Authorities in Pennsylvania (Eleventh Edition, April 2020) at 1, available at <https://dced.pa.gov/download/municipal-authorities-in-pennsylvania/?wpdmdl=57758&refresh=6a5f743862d8b1784640568> (last accessed October 26, 2026).

(3) It is the intent of this chapter in specifying and defining the authorized purposes and projects of an authority to permit the authority to benefit the people of this Commonwealth by, among other things, increasing their commerce, health, safety and prosperity while not unnecessarily burdening or interfering with any municipality which has not incorporated or joined that authority.

53 Pa.C.S. § 5607(b)(2)-(3).

The MAA explicitly allows incorporated municipal authorities to establish their own rates and services. Section 5607(d)(9) provides, in pertinent part:

Every authority may exercise all powers necessary or convenient for the carrying out of the purposes set forth in this section, including, but without limiting the generality of the foregoing, the following rights and powers:

...

(9) **To fix, alter, charge and collect rates and other charges in the area served by its facilities at reasonable and uniform rates to be determined exclusively by it** for the purpose of providing for the payment of the expenses of the authority, the construction, improvement, repair, maintenance and operation of its facilities and properties ... **and to determine by itself exclusively the services and improvements required to provide adequate, safe and reasonable service, including extensions thereof, in the areas served.** If the service area includes more than one municipality, the revenues from any project shall not be expended directly or indirectly on any other project unless such expenditures are made for the benefit of the entire service area.

53 Pa.C.S. § 5607(d)(9) (emphases added). Thus, unlike public utilities governed by the Code, municipal authorities incorporated under the MAA have the power to “exclusively” determine their rates and “the services and improvements” necessary to provide utility service to their customers. *Id.*

The MAA also does not place geographic limits on where a municipal authority may provide utility service. Our case law holds that, whether incorporated under the present MAA, the 1945 MAA, or the 1935 MAA, “municipal authorities are not the creatures, agents or representatives of the municipalities which organize them, but rather are ‘**independent agencies of the Commonwealth and part of its sovereignty.**’”

Commonwealth v. Erie Metro. Transit Auth., 281 A.2d 882, 884 (Pa. 1971) (citation omitted; emphasis added); see *Marshall v. Port Auth. of Allegheny Cnty.*, 568 A.2d 931, 939 (Pa. 1990) (“[Municipal] authorities **must** be state created, and they must be separate and distinct entities from the municipalities which compose them.”) (Papadakos, J., dissenting) (emphasis in original). Municipal authorities, as independent agencies of the Commonwealth, “ha[ve] no boundaries within which [they] must limit [their] services.” *White Rock Sewage Corp. v. Pa. Pub. Util. Comm’n*, 578 A.2d 984, 987 (Pa. Cmwlth. 1990) (*en banc*); see *In re Application of Mun. Auth. of Upper St. Clair*, 184 A.2d 695, 698 (Pa. 1962) (recognizing “the fundamental nature of an [a]uthority as a corporate agency of the state, and not the child of a municipality”).⁸

A municipal authority’s right to define its service area is embodied in Section 5607(d)(9) of the MAA, which authorizes an incorporated authority “to determine by itself exclusively the services and improvements required to provide adequate, safe and reasonable service, including extensions thereof, in the areas served.” 53 Pa.C.S. § 5607(d)(9). This “exclusive” power addresses the authority’s independence from its organizing municipality, but, as discussed more fully below, does not affect the court of common pleas’ jurisdiction to review the legality of the authority’s actions under the MAA. See *Yezioro v. N. Fayette Cnty. Mun. Auth.*, 164 A.2d 129, 137 (Pa. Super. 1960) (“The [MAA] provision to the effect that the services provided by the authority are to be determined ‘by itself exclusively’ must certainly have been intended to make it clear that the authority itself, not the creating municipality or some other instrumentality, controlled the initial determination of the service.”).

⁸ While a municipal authority is an independent agency of the Commonwealth, the MAA provides that “[a]n authority may not pledge the credit or taxing power of the Commonwealth” and the authority’s obligations “are not obligations of the Commonwealth.” 53 Pa.C.S. § 5607(e)(1)-(2).

IV. REGULATION OF MUNICIPAL AUTHORITIES

With this background in mind, we now turn to the present dispute, which involves the conflict between the Code and the MAA regarding the regulation of municipal authorities that provide public utility service beyond the boundaries of their incorporating municipalities. To resolve this conflict, we will review the statutory language, engage in a statutory construction analysis, and examine prior case law interpreting both statutes and their predecessor laws.

Generally, under the Code, the Commission regulates the rates and services of public utilities and municipal corporations that provide utility service beyond their boundaries, whereas municipal authorities incorporated under the MAA establish their own rates and services, without Commission approval.

The conflict in this case arises, specifically, from the definition of “municipal corporation” in the Code. The Code defines “municipal corporation” as “[a]ll cities, boroughs, towns, townships, or counties of this Commonwealth, and also any public corporation, **authority**, or body whatsoever **created or organized under any law of this Commonwealth for the purpose of rendering any service similar to that of a public utility.**” 66 Pa.C.S. § 102 (emphases added). In other words, the Code defines “municipal corporation” as including **both** municipalities — cities, boroughs, towns, and townships — **and** “authorit[ies] ... created or organized under any law of this Commonwealth for the purpose of rendering any service similar to that of a public utility.” 66 Pa.C.S. § 102. “Authority” is not defined separately in the Code. Under the plain language of Section 1501 of the Code, then, authorities are regulated in the same manner as public utilities when they provide extraterritorial service, meaning they are subject to Commission regulation and must obtain a certificate before operating beyond their corporate limits. See 66 Pa.C.S. §§ 1102(a)(5), 1501.

Given the Code's inclusion of "authority" in its definition of "municipal corporation," the question then becomes whether **municipal authorities incorporated under the MAA** are subject to Commission regulation. The Township asserts that a municipal authority created under the MAA is clearly encompassed within the Code's definition of "municipal corporation," since it is "created or organized under [a] law of this Commonwealth for the purpose of rendering [a] service similar to that of a public utility." 66 Pa.C.S. § 102. The Township posits that since authorities are municipal corporations under the Code, and the Commission has jurisdiction over municipal corporations operating beyond their boundaries, a municipal authority operating beyond the boundaries of its incorporating municipality — such as the Authority here — is subject to Commission regulation in the same manner as a public utility. Were this Court to look only to the provisions of the Code, we might agree. However, because the Authority in this case specifically was established under, and is governed by, the MAA, we also must consider the provisions of that statute.

The MAA defines "authority" as "[a] body politic and corporate created under this chapter," the 1935 MAA, or the 1945 MAA. 53 Pa.C.S. § 5602. As explained earlier, the MAA explicitly grants municipal authorities the power to set their own rates and manage their own operations. More importantly, the MAA contains an express jurisdictional provision, which vests the courts of common pleas with exclusive jurisdiction over disputes involving the rates and services of incorporated municipal authorities. See 53 Pa.C.S. § 5607(d)(9). This jurisdictional limitation over municipal authorities first appeared in the 1945 MAA and remains in the present MAA substantially unchanged.⁹

⁹ Section 4B(h) of the 1945 MAA stated:

Any person questioning the reasonableness or uniformity of any rate fixed by any [a]uthority or the adequacy, safety and reasonableness of the (continued...)

Unlike the Code, the MAA does not subject municipal authorities to Commission regulation. The only state-level approval the MAA requires before an authority can legally operate, regardless of its service area, is that of the Secretary of the Commonwealth. See 53 Pa.C.S. § 5603(e). While the Code includes municipal authorities in its definition of “municipal corporation” subject to Commission jurisdiction when they serve customers beyond their boundaries, Section 5607(d)(9) of the MAA appears to remove them from the Commission’s jurisdiction. Consequently, with respect to municipal authorities providing utility service beyond the boundaries of their incorporating municipalities, the MAA is in direct conflict with the Code.

The Commission asserts that although the Code includes “authorities” in its definition of municipal corporations, its jurisdiction no longer encompasses municipal authorities because the 1945 MAA explicitly removed them from the Commission’s jurisdiction, and that provision remains in effect in the present MAA. On the other hand, the Township acknowledges that under Section 5607(d)(9) of the MAA, jurisdiction over disputes involving the “reasonableness or uniformity” of a municipal authority’s rates or the “adequacy, safety, and reasonableness” of its services lies exclusively with the courts of common pleas. However, the Township contends that Section 5607(d)(9) does not divest the Commission of **all** jurisdiction over municipal authorities. In particular, the Township asserts that before an incorporated municipal authority may provide utility

[a]uthority’s services, including extensions thereof, may bring suit against the [a]uthority in the court of common pleas of the county wherein the project is located, or if the project is located in more than one county then in the court of common pleas of the county wherein the principal office of the project is located. The court of common pleas shall have exclusive jurisdiction to determine all such questions involving rates or service.

Graver v. Pa. Pub. Util. Comm’n, 469 A.2d 1154, 1156 (Pa. Cmwlth. 1984) (quoting 53 P.S. § 306B(h) (repealed)).

service beyond its borders, the Code mandates that it obtain Commission approval in the form of a certificate.

To resolve this conflict between the Code and the MAA, we are guided by the Statutory Construction Act of 1972, which states that the object of all statutory interpretation “is to ascertain and effectuate the intention of the General Assembly.” 1 Pa.C.S. § 1921(a). While “[t]he best indication of legislative intent is the plain language of the statute,” we identify the plain meaning by considering “the statutory language in context and give words and phrases their ‘common and approved usage.’” *Crown Castle NG E. LLC v. Pa. Pub. Util. Comm’n*, 234 A.3d 665, 674 (Pa. 2020) (citations omitted). We do not read the provisions in isolation, but instead understand each provision in the context of the entire statute. See *Green Analytics N., LLC v. Pa. Dep’t of Health*, 343 A.3d 1086, 1094 (Pa. 2025).

Where, as here, conflicting language appears in two different statutes, the Statutory Construction Act instructs: “Whenever a general provision in a statute shall be in conflict with a special provision in the same or another statute, the two shall be construed, if possible, so that effect may be given to both.” 1 Pa.C.S. § 1933. Further, in interpreting conflicting statutory provisions, we presume the General Assembly did not intend a result that is “absurd, impossible of execution[,] or unreasonable.” 1 Pa.C.S. § 1922(1).

Between 1937 (when the Code’s predecessor, the Public Utility Law, was first enacted) and 1945, the Commission exercised regulatory authority over privately owned utilities as well as municipalities and municipal authorities that provided utility service beyond their boundaries. However, the Commission’s power over municipal-owned utilities was significantly limited in 1945, when the General Assembly added a provision to the MAA, now codified at 53 Pa.C.S. § 5607(d)(9), granting the courts of common pleas

exclusive jurisdiction over the rates and service of municipal authorities incorporated thereunder. Since that time, according to the Commission and its *amici*, the Commission generally has not exercised jurisdiction or regulatory authority over municipal authorities incorporated under the MAA.

In 1949, the Superior Court first recognized the apparent conflict between the former Public Utility Law and the then-newly enacted 1945 MAA with regard to municipal authorities providing service beyond their boundaries. In *Rankin*, the Superior Court explained that Section 2(15) of the Public Utility Law included public authorities in the definition of “municipal corporation,” and Section 301 (as amended in 1939) vested the Commission with jurisdiction over controversies involving the rates charged by a municipal corporation to customers outside its borders. *Rankin*, 68 A.2d at 460-461 (*citing* 66 P.S. §§ 1102(15) and 1141 (repealed)). Recognizing that these provisions were enacted in 1937 and 1939, the Superior Court held the 1945 MAA, being the later enactment, “impliedly repealed” the inconsistent provisions of the Public Utility Law, noting that “separate legislation, complete in itself, may have an amendatory effect upon other and uncited statutes by implication or indirection[.]” *Rankin*, 68 A.2d at 461. The Superior Court concluded:

The principle is well established that where, as here, there is a positive repugnancy between provisions of separate laws enacted at different sessions of the legislature, the earlier provision is impliedly repealed.... Both by actual intendment and construction, **it appears abundantly clear there was a definite limitation imposed upon the operation and effect of [Section] 301 of the Public Utility Law by the [1945 MAA], whereby the determination of issues involving reasonableness of rates beyond the corporate limits of the municipality creating the [a]uthority—as well as within—now lies exclusively with the court of common pleas.**

Id. (emphasis added).¹⁰

Subsequently, in 1978, the General Assembly repealed the Public Utility Law and replaced it with the Code. Section 301 of the former Public Utility Law — providing that municipal corporations that serve customers beyond their corporate limits are subject to Commission regulation — now appears in Section 1501 of the Code. See 66 Pa.C.S. § 1501. The definition of “municipal corporation” in the former Public Utility Law, which includes public authorities, now appears in Section 102 of the Code. See 66 Pa.C.S. § 102.

With regard to repealed statutes, Section 1962 of the Statutory Construction Act provides:

Whenever a statute is repealed and its provisions are at the same time reenacted in the same or substantially the same terms by the repealing statute, the earlier statute shall be construed as continued in active operation. All rights and liabilities incurred in such earlier statute are preserved and may be enforced.

1 Pa.C.S. § 1962. Thus, the provisions of the former Public Utility Law that were repealed and reenacted, in substantially the same form, in the Code must be construed as in active operation. However, that is not the end of the analysis, because we have an intervening statute, the 1945 MAA, which purportedly created an exclusive jurisdiction provision applicable to municipal authorities. On this issue, Section 1963 of the Statutory Construction Act instructs:

¹⁰ Subsequently, this Court partially overruled *Rankin* “to the extent [*Rankin*] appear[ed] to sanction an equity proceeding as a medium for passing upon the reasonableness of an [a]uthority’s rates.” *Calabrese v. Collier Twp. Mun. Auth.*, 240 A.2d 544, 548 (Pa. 1968). However, on the issue of jurisdiction over municipal authorities, we held: “The [1945 MAA] provides an [e]xclusive remedy for passing upon the reasonableness of the rates of a municipal [a]uthority by a proceeding before a tribunal to which it has given [e]xclusive jurisdiction to determine such questions. Such tribunal is not a court of common pleas sitting as a chancery court, ... but **a common law court of common pleas.**” *Id.* (emphasis added).

A statute which reenacts the provisions of an earlier statute **shall not be construed to repeal an intermediate statute which modified but did not effect an amendment to such earlier statute**. Such intermediate statute shall be construed to remain in force and **to modify the reenactment in the same manner as it modified the earlier statute**.

1 Pa.C.S. § 1963 (emphases added). Hence, we must determine whether Section 4B(h) of the 1945 MAA, the predecessor to Section 5607(d)(9), modified the former Public Utility Law. If we conclude that it did, then Section 4B(h) of the 1945 MAA — and, in turn, Section 5607(d)(9) of the present MAA — must be construed to modify the Code in the same manner as it modified the Public Utility Law.

Since the Code’s enactment in 1978, our courts have consistently held the courts of common pleas have exclusive jurisdiction over the rates and services of municipal authorities incorporated under the MAA, even though the Code continues to define a “municipal corporation” as including an “authority.” In *Elizabeth Township*, this Court concluded that Section 4B(h) of the 1945 MAA was intended to preclude challenges to municipal authorities’ rates from being heard by the Commission:

Prior to the enactment of the [1945 MAA], a municipal corporation which had not formed an authority to provide utility services was subject to rate challenges in one of two forums. If the rate challenge arose out of services provided by the corporation **within** its corporate boundaries, the challenge was to be brought in the courts of common pleas. If the challenge arose out of services provided **outside** the corporate boundaries, the challenge was to be brought before the [Commission], in the same manner as rate challenges brought against public utilities.

The predecessor to the [1945 MAA], the [1935 MAA], contained neither an express provision authorizing challenges to rates set by a municipal authority nor a provision allocating jurisdiction over such disputes between the courts of common pleas and the [Commission]. In construing the [1935 MAA] in the context of a challenge to the rates of a municipal authority as applied outside the boundaries of the municipal corporation creating the authority, the Superior Court relied upon statutory and decisional law relating to municipal corporations to hold that these challenges are within

the jurisdiction of the [Commission]. *State College Borough Auth[.] v. [Pa. Pub. Util. Comm'n]*, ... 31 A.2d 557 ([Pa. Super.] 1943).^[11]

When viewed against this background, **it is clear that the provision of [S]ection 4B(h) of the [1945 MAA], which states that the courts of common pleas shall have “exclusive jurisdiction” over all challenges to the rates set by a municipal authority[,]** was intended to reject the holding of *State College* that had permitted challenges to the rates of municipal authorities to be heard by the [Commission]. However, nothing in this **reallocation of jurisdiction** over rate challenges from the [Commission] to the courts of common pleas was designed to alter the manner in which the rate challenge is to be conducted. That portion of [S]ection 4B(h) specifically authorizing rate proceedings merely confirmed **the power of the courts of common pleas to scrutinize ratemaking discretion in the same fashion as the [Commission].**

Elizabeth Township, 447 A.2d at 247-248 (some internal citations omitted; emphases added).¹²

Following *Elizabeth Township*, the Commonwealth Court applied the principles set forth in Sections 1962 and 1963 of the Statutory Construction Act and concluded that “Section 4B(h) of the [1945 MAA] ... modifie[d] the Public Utility Code in the same manner as it modified the Public Utility Law.” *Graver*, 469 A.2d at 1157. Specifically, the Commonwealth Court held that, under the 1945 MAA, the courts of common pleas “have jurisdiction to determine questions of the reasonableness of rates fixed or of the services provided by a municipal authority beyond the limits of the municipality which created it[.]”

¹¹ In *State College*, the Superior Court held that “[S]ection 301 [of the Public Utility Law], in the light of the definition which includes a municipal authority within the term ‘municipal corporation,’ ... gives the [C]ommission regulatory jurisdiction over the public utility service of municipalities and their authorities beyond the corporate limits of the municipality[.]” *State College*, 31 A.2d at 559. Shortly after the Superior Court’s decision in *State College*, the General Assembly enacted the 1945 MAA, which clarified the legislature’s intent with regard to jurisdiction over municipal authorities.

¹² Although *Elizabeth Township* specifically involved a rate challenge, the “reallocation of jurisdiction” referenced by this Court necessarily includes challenges to an authority’s service. Both the 1945 MAA and the present MAA grant the courts of common pleas “exclusive jurisdiction to determine questions involving rates **or service.**” 53 Pa.C.S. § 5607(d)(9) (emphasis added); see *Graver*, 469 A.2d at 1156.

Id. at 1155; see also *Borough of Sewickley Water Auth. v. Mollica*, 544 A.2d 1122, 1124 (Pa. Cmwlth. 1988) (distinguishing “between a municipality providing water service and a **municipal authority** providing water service,” the latter of which lies exclusively within the jurisdiction of the common pleas courts) (emphasis in original).

This interpretation makes sense when we consider the language and purpose of the MAA. The stated purpose of the MAA is “to benefit the people of the Commonwealth by, among other things, increasing their commerce, health, safety and prosperity” and by “specifying and defining the authorized purposes and projects of an authority” incorporated under the MAA. 53 Pa.C.S. §§ 5607(b)(2)-(3), 5620. Unlike a municipality that provides utility service, a municipal authority incorporated under the MAA, while created by a municipality (or, in the case of a joint authority, municipalities), is an agency of the Commonwealth, not the municipality that created it, and has the power to determine its own rates, service, and service area. See 53 Pa.C.S. § 5607(d)(9); see also *White Rock*, 578 A.2d at 987 (municipal authorities established under the MAA “are independent agencies of the Commonwealth and a part of its sovereignty” and, therefore, have “no boundaries within which [they] must limit [their] services”). The MAA authorizes an incorporated municipal authority to engage in projects that “benefit the people of the Commonwealth,” so long as it does not “unnecessarily burden[] or interfer[e] with any municipality which has not incorporated or joined that authority.” 53 Pa.C.S. § 5607(b)(3); see 53 Pa.C.S. § 5607(d) (outlining an authority’s broad rights and powers). The service area of an authority is, in effect, wherever it chooses to provide or extend its service, subject to certain statutory limitations. See 53 Pa.C.S. § 5607(b).¹³ As stated earlier,

¹³ For example, one limitation the MAA places on municipal authorities is when they seek to acquire buildings or land in “any municipality which has not incorporated or joined that authority.” 53 Pa.C.S. § 5607(b)(3). In such instances, the governing body of the non-member municipality must either approve the acquisition by resolution or, if the property acquired is not subject to tax abatement, enter an agreement with the municipality (continued...)

Section 5607(d)(9) specifically empowers an authority “to determine by itself exclusively the services and improvements required to provide adequate, safe and reasonable service, including extensions thereof, in the areas served.” 53 Pa.C.S. § 5607(d)(9).¹⁴ The MAA does not require an authority to obtain the Commission’s approval before extending its utility service to areas beyond the boundaries of the incorporating municipality.¹⁵ Unlike public utilities governed by the Code, incorporated municipal authorities are self-governing and operate autonomously, without Commission oversight. See 53 Pa.C.S. § 5610; see *also* 53 Pa.C.S. § 5617 (“The use of the facilities of the authority and the operation of its business shall be subject to the rules and regulations as adopted by the authority.”).

As the Commission’s *amici* point out, many incorporated municipal authorities serve multiple areas across municipal boundary lines. See *Upper St. Clair*, 184 A.2d at 698 (“[M]any [authorities] exercise certain powers and perform certain functions both within and without the municipal limits of the incorporating municipality, within certain constitutional and statutory limitations, and rightly so.”); *White Rock*, 578 A.2d at 987

regarding the payment of taxes. See 53 Pa.C.S. § 5607(b)(3); see *also* 53 Pa.C.S. § 5615 (governing an authority’s acquisition of lands or water rights by purchase or eminent domain).

¹⁴ The MAA defines “[i]mprovement” as “[e]xtension, enlargement and improvement. The term ‘to improve’ shall mean and include to extend, to enlarge and to improve all in such manner as may be deemed desirable.” 53 Pa.C.S. § 5602.

¹⁵ However, a municipal authority does need Commission approval when it seeks to acquire any existing facilities or equipment owned by a public utility regulated by the Commission. See *White Oak Borough Auth. v. Pa. Pub. Util. Comm’n*, 103 A.2d 502, 505 (Pa. Super. 1954) (stating the MAA “requires approval by the ... Commission where the [a]uthority acquires a project, a substantial portion of which is subject to the jurisdiction of the Commission”); 53 Pa.C.S. § 5613(b)(1). An authority also needs Commission approval to construct tunnels, bridges, and other structures “to effect or permit the abolition of a grade crossing[,]” as railroad grade crossings fall within the Commission’s jurisdiction. 53 Pa.C.S. § 5607(d)(25); see 66 Pa.C.S. § 2702.

(recognizing the municipal authority at issue “may provide services to many different areas in the Commonwealth”). Indeed, the MAA contemplates that a municipal authority’s service area may encompass non-member municipalities, particularly in the provision of water and sewer services.¹⁶ See, e.g., 53 Pa.C.S. §§ 5607(d)(9) (“If the service area includes more than one municipality, the revenues from any project shall not be expended directly or indirectly on any other project unless such expenditures are made for the benefit of the entire service area.”); 5610(a.1) (setting forth the procedure for appointing a governing board where “a water or sewer authority incorporated by one municipality provides water or sewer services to residents in at least two counties and has water or sewer projects in more than two counties where the combined population of the served municipalities, excluding the incorporating municipality, is at least five times the population of the incorporating municipality”); 5607(d)(24)(i)(C)(V)(e) (addressing the method for calculating tapping fees for sewer or water systems “[i]f an authority[’s] service area is not entirely within a municipal boundary but is entirely within a county or other geographic area within Pennsylvania”).

As a practical matter, the Commission cannot regulate the rates and service of an incorporated municipal authority the same way it regulates a municipality or municipal corporation providing service beyond its “corporate limits.” 66 Pa.C.S. § 1102(a)(5). That is because an incorporated municipal authority does not have “corporate limits” like a municipality does. The corporate limits of a municipality are its legally defined geographic

¹⁶ “Water and sewer authorities commonly serve more than one municipality to take advantage of the economies of scale and natural drainage areas.” *Municipal Authorities in Pennsylvania* (Eleventh Edition, April 2020) at 2, available at <https://dced.pa.gov/download/municipal-authorities-in-pennsylvania/?wpdmdl=57758&refresh=6a5f743862d8b1784640568> (last accessed October 26, 2026).

boundaries within which it exercises jurisdiction and taxing power.¹⁷ While a municipal authority is “incorporated” by a municipality or municipalities under the MAA, the “limits” of an incorporated authority’s service, as recognized in the MAA, are its **project** limits. See 53 Pa.C.S. §§ 5602 (defining “[p]roject”); 5607(a) (identifying the “[s]cope of projects permitted”).¹⁸ Here, consistent with the language of the MAA, the Authority’s Articles of Incorporation do not delineate a specific service area or any physical boundaries within which it will provide service, broadly stating “[t]hat the projects which shall be undertaken by the [Authority] shall be to construct, improve, furnish and equip a sanitary sewage system and treatment works and to acquire necessary land for such purposes and to do and perform all necessary things incident thereto.” Certified Record at 911a; see 53 Pa.C.S. § 5607(d)(4). Under Section 5607(c) of the MAA, where an incorporating municipality “fail[s] to specify the project or projects to be undertaken, then the authority shall be deemed to have all the powers granted by this chapter.” 53 Pa.C.S. § 5607(c).¹⁹

Notably, since the MAA’s enactment, only one municipal authority incorporated thereunder, the Pittsburgh Water and Sewer Authority, was specifically brought within the

¹⁷ The Code does not define “corporate limits.”

¹⁸ In addition to public utility service, municipal authorities incorporated under the MAA provide a wide variety of public services, including parks and recreation, refuse collection, incinerator plants, steam heating plants, playgrounds, public school facilities, and hospitals and health centers. See 53 Pa.C.S. § 5607(a).

¹⁹ The Dissent disagrees with our interpretation of a municipal authority’s “enumerated powers” in Section 5607(d)(9) as permitting an authority to determine its own service areas. Dissenting Opinion at 5. Specifically, the Dissent believes the phrase “in the areas served” in Section 5607(d)(9) “presupposes that there are[] ... some boundaries within which the municipal authority is authorized to serve.” *Id.* Respectfully, we do not read “in the areas served” as limiting language, but as evincing a municipal authority’s broad power to choose how and where it will provide service. In other words, the only “boundaries” are those determined **by the municipal authority**. As explained above, our interpretation is supported by the MAA’s stated purpose, the surrounding statutory provisions, and the case law holding that municipal authorities, as independent agencies of the Commonwealth, have no boundaries within which they must limit their services.

Commission's jurisdiction by legislative fiat. In 2017, the General Assembly enacted Act 65 of 2017, adding Chapter 32, titled "Water and Sewer Authorities in Cities of the Second Class," to the Code. See 66 Pa.C.S. §§ 3201-3209. Section 3201 defines "authority," for purposes of Chapter 32, as a "body politic and corporate established by **a city of the second class**" under the 1935 MAA or the 1945 MAA. 66 Pa.C.S. § 3201 (emphasis added). The City of Pittsburgh is the only city of the second class in the Commonwealth. Section 3202(a)(2) requires the Pittsburgh Water and Sewer Authority to obtain a Commission-issued certificate before providing utility service "beyond the areas served as of" April 1, 2018, the amendment's effective date. 66 Pa.C.S. § 3202(a)(2). To date, the General Assembly has not amended the Code to expressly grant the Commission jurisdiction over any other municipal authority incorporated under the MAA. This further suggests that, in enacting the MAA's exclusive jurisdiction provision, the General Assembly intended to remove incorporated municipal authorities from the Commission's purview.

We conclude that Section 4B(h) of the 1945 MAA — and, in turn, Section 5607(d)(9) of the present MAA — must be construed to modify the Code in the same manner as it modified the Public Utility Law. See 1 Pa.C.S. § 1963. Although the Code broadly defines "municipal corporation" to include an "authority," this definition no longer includes municipal authorities incorporated under the MAA, which are governed by their own comprehensive statutory scheme. See 1 Pa.C.S. § 1933. That statutory scheme imposes its own requirements on municipal authorities that undertake public utility projects and includes an express jurisdictional provision, vesting the courts of common pleas with "exclusive jurisdiction" over disputes involving a municipal authority's rates and service.

Requiring municipal authorities incorporated under the MAA to obtain a certificate before providing utility service beyond the boundaries of their incorporating municipalities would contravene both the language and the purpose of the MAA. The MAA gives municipal authorities the exclusive power to establish their own rates, service, and **service areas** and grants the common pleas courts exclusive jurisdiction to hear disputes involving the adequacy, safety, and reasonableness of their rates and service.²⁰ It seems incongruous that the General Assembly would require an incorporated municipal authority to obtain a certificate to begin serving customers in non-member municipalities — thereby placing the authority under the Commission’s jurisdiction — but then preclude the Commission from hearing any challenges to the rates or services the authority provides to those customers. This would be an absurd result. See 1 Pa.C.S. § 1922(1) (in ascertaining a statute’s legislative intent, we must presume “the General Assembly does not intend a result that is absurd, impossible of execution or unreasonable”).²¹

²⁰ See *Butler Twp. Area Water & Sewer Auth. v. Dep’t of Env’t Res.*, 664 A.2d 185, 188 (Pa. Cmwlth. 1995) (stating that, under the MAA’s exclusive jurisdiction provision, “[q]uestions involving ‘service[,] such as ‘the adequacy, safety and reasonableness’ of the service, concern matters of the size of a distribution area and whether and/or how a particular service is to be provided”).

²¹ The Dissent “would conclude that the Commission, as the tribunal that generally has primary jurisdiction to interpret the Code’s provisions, would be the appropriate tribunal to decide whether Section 1102 [of the Code] requires a municipal authority to obtain a [certificate].” Dissenting Opinion at 4. Putting aside the fact that the Commission has already answered that question (in fact, that is the reason for this appeal), allowing the Commission to answer that question in the affirmative would require every municipal authority providing service beyond its geographic boundaries to obtain a certificate, thereby subjecting the authority to the jurisdiction **and** regulatory authority of the Commission. Such a result would completely vitiate the MAA and its express command that “[t]he court of common pleas shall have **exclusive** jurisdiction to determine questions involving rates or service.” 53 Pa.C.S. § 5607(d)(9) (emphasis added). A municipal authority provides “service” to its ratepayers and charges them “rates.” Every action taken by a municipal authority is, by necessity, in pursuit of its “service” to its ratepayers. “Exclusive,” as used in the MAA, means just that — exclusive. It does not confer coextensive jurisdiction to the Commission and the courts of common pleas, as the Dissent would contemplate.

To effectuate the purposes of both statutes, we conclude the General Assembly intended to treat municipal authorities incorporated under the MAA differently than municipal corporations, as they are distinct legal entities. See George A. Bibikos, Esq., *Municipal Corporations and Public Utility Service in Pennsylvania*, 13 Widener L.J. 879, 881 (2004) (“Municipalities and municipal authorities are separate legal entities created by separate laws. The primary distinction is that municipalities are politically created sovereigns, while municipal authorities are essentially independent agencies of the [C]ommonwealth.”) (footnotes omitted). As agencies of the Commonwealth, municipal authorities have no boundaries within which they must limit their service, and the MAA empowers them to exclusively determine the “reasonable and uniform rates” to charge their customers and “the services and improvements required to provide adequate, safe and reasonable service, including extensions thereof, in the areas served.” 53 Pa.C.S. § 5607(d)(9). This grant of authority includes the power to determine the **area** in which an authority will provide service, both “within and without the municipal limits of the incorporating municipality.” *Upper St. Clair*, 184 A.2d at 698.

Once the General Assembly enacted the 1945 MAA, it removed municipal authorities from the Commission’s jurisdiction and placed jurisdiction over their rates and services in the courts of common pleas. See *Elizabeth Township*, 447 A.2d at 248 (concluding the General Assembly’s intent in vesting exclusive jurisdiction over “rates and services” with the common pleas courts was to preclude such challenges from being heard by the Commission); *Graver*, 469 A.2d at 1155. Consequently, we conclude that municipal authorities incorporated under the MAA are not required to obtain a

Commission-issued certificate before operating beyond the boundaries of their incorporating municipalities.²²

Contrary to the Township's contention on appeal, Township residents who receive sewage treatment service from the Authority are not without statutory protections. The MAA provides those customers with remedies for unreasonable rates or service failures and further provides that "[a]ny person questioning the reasonableness or uniformity of a rate fixed by an authority or the adequacy, safety and reasonableness of the authority's services" may file suit against the Authority in the court of common pleas. 53 Pa.C.S. § 5607(d)(9). As this Court recognized in *Elizabeth Township*, "the court of common pleas ... 'sits, in effect, as a public utility commission'" when hearing disputes involving municipal authorities incorporated under the MAA. *Elizabeth Township*, 447 A.2d at 248 (citation omitted in original). In addition, municipal authorities providing wastewater service, like the Authority here, are regulated by DEP. Therefore, even absent

²² The Dissent would uphold the Commonwealth Court's remand to the Commission to interpret the Code and the MAA and decide "the merits of the underlying issue, *i.e.*, whether Section 1102(a)(5) of the Code required the Authority to obtain a [certificate] to continue offering utility services in the Township." Dissenting Opinion at 5-6. Respectfully, this proposed disposition makes little practical sense. That is because **the Commission has already answered that question** implicitly in its two written opinions in this case. See Commission's Opinion, 11/1/2023, at 25 (concluding, after analyzing the relevant statutory provisions and case law, that "the Commission's jurisdiction presently extends only to municipalities, not municipal authorities" and "the Commission has no authority over entities created and operating under the [MAA]"); Commission's Opinion, 1/18/2024, at 10 (concluding that "under the [MAA], jurisdiction over the rates and services of municipal authorities, beyond, as well as within, the limits of the municipality which created the authority, is vested exclusively with the courts of common pleas" and "the Commission lacks jurisdiction over the issues raised by the Township's Complaint against [the Authority]"). As explained in footnote 3 above, the Commission also maintained, throughout this appeal, that it lacks regulatory authority over a municipal authority incorporated under the MAA. Consequently, we cannot discern what purpose would be served by remanding this matter to the Commission to rule on an issue it has already decided. Rather, in holding municipal authorities incorporated under the MAA are not subject to Commission regulation when they provide utility service beyond their boundaries, we have resolved the merits of the underlying dispute **as a matter of law**.

Commission oversight, there are regulatory and other safeguards in place to protect the customers of municipal authorities, both within and beyond the boundaries of their incorporating municipalities.

V. CONCLUSION

While the Code grants the Commission jurisdiction over municipalities and municipal corporations that provide public utility service beyond their boundaries, municipal authorities are distinct legal entities established under, and governed by, a separate statutory scheme. We hold the Commission's jurisdiction over municipal corporations, as defined in the Code, does not extend to municipal authorities incorporated under the MAA, because the MAA vests the courts of common pleas with exclusive jurisdiction over those authorities' rates and services. We further hold that municipal authorities incorporated under the MAA are not subject to Commission regulation when they provide utility service beyond the boundaries of their incorporating municipalities. Accordingly, we reverse the Commonwealth Court's order.

Chief Justice Todd and Justices Donohue, Dougherty and Mundy join the opinion.

Justice Brobson files a dissenting opinion in which Justice Wecht joins.