



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE
A-2016-2537209

September 2, 2016

VIA FIRST CLASS MAIL AND ESERVICE

TO ALL PARTIES OF RECORD:

RE: Joint Application of Pennsylvania American Water Company and the Sewer Authority of the City of Scranton for Approval of (1) the transfer, by sale, of substantially all of the Sewer Authority of the City of Scranton's Sewer System and Sewage Treatment Works assets, properties and rights related to its wastewater collection and treatment system to Pennsylvania American Water Company, and (2) the rights of Pennsylvania American Water Company to begin to offer or furnish wastewater service to the public in the City of Scranton and the Borough of Dunmore, Lackawanna County, Pennsylvania.

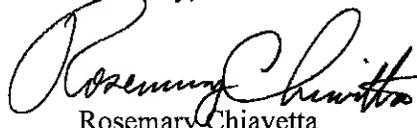
Docket Number A-2016-2537209

On September 1, 2016, each member of the Pennsylvania Public Utility Commission separately received a letter and accompanying documentation from Mr. Jack Mahlmann of Clarks Summit, Pennsylvania, opposing the sale of the Scranton Sewer Authority to the Pennsylvania American Water Company. Although each Commissioner received a separate mailing, the contents of Mr. Mahlmann's correspondence and accompanying documentation were identical.

Since this matter is now pending before the Commission, and due to the statutory prohibition on ex-parte communications at 66 Pa. C.S. Section 334(c), please be advised that I am serving under cover of this Secretarial Letter, a copy of Mr. Mahlmann's correspondence and accompanying documentation on all the Parties of Record to the above captioned case in order to cure any possible ex-parte communication caused by Mr. Mahlmann's mailing to each member of the Commission.

Furthermore, Mr. Mahlmann is being served with a copy of this Secretarial Letter, which along with Mr. Mahlmann's correspondence to each Commissioner will be placed on the docket and published to the Commission's website. One redaction is necessary in order to protect the privacy of Mr. Mahlmann's PA American Water account number, which he included in his letter along with a copy of his monthly billing statement.

Sincerely,


Rosemary Chiavetta
Secretary of the Commission

CC: All Parties of Record

Mr. Jack Mahlmann
425 Dogwood Drive
Clarks Summit, Pennsylvania 18411

Enclosures

RECEIVED

16 ~~SEP~~ PH 12:48
Sept. 01

CHAIRMAN'S OFFICE

A-2016-2537209

August 29, 2016

Gladys M. Brown, Chair
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

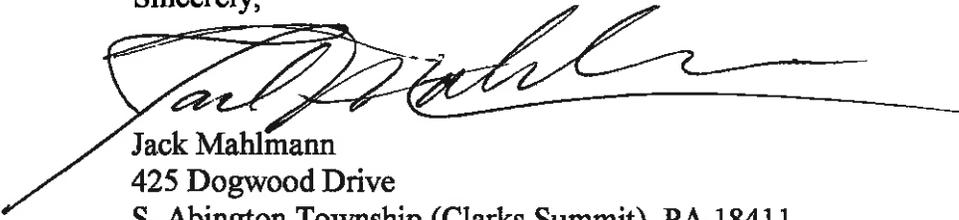
**Re: Scranton Sewer Authority Sale to Pennsylvania American
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Sincerely,



Jack Mahlmann
425 Dogwood Drive
S. Abington Township (Clarks Summit), PA 18411

Customer of Pennsylvania American Water Company, Account # [REDACTED]

RECEIVED

2016 SEP - 1 PM 3:09

PA P.U.C.
SECRETARY'S BUREAU



PO Box 371412, Pittsburgh, Pa. 15250-7412

For Service To: 425 DOGWOOD DR

Check this box for address changes and note new address on back.

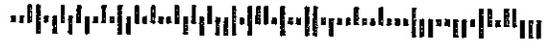


029038 1 AV 0,373 29039/029038/029287 97 01 ACTYGB 005

JACK MAHLMANN
425 DOGWOOD DR
CLARKS SUMMIT, PA 18411-1342

Bill Date	August 4, 2016
Bill Amount	\$48.18
Amount Due	\$48.90 after 8/4/16

Amount Enclosed \$



PENNSYLVANIA AMERICAN WATER
PO BOX 371412
PITTSBURGH, PA. 15250-7412



Please tear along the dotted line and return this portion with your payment.

BILLING PERIOD AND METER READINGS

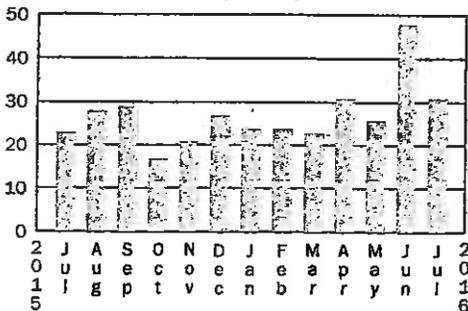
- Billing date: July 13, 2016
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- Billing period: Jun 14 to Jul 12 (29 Days)
- Next reading on or about: Aug 11, 2016
- Customer Type: Residential
- Meter Reading Measurement:
1 unit = 100 gallons of water
- Billing Measurement: 100 gallons (CGL)

Meter No.	N000922309
Size of meter	5/8"
Current Read	10,812 (Actual)
Previous Read	10,781 (Actual)
Total water used this billing period	31 units (3,100 gallons)

Total Water Use Comparison (in 100 gallons)

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Billed Use Graph (100 gallons)



BILLING SUMMARY

For Service To: 425 DOGWOOD DR
For Account [REDACTED]

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- Balance from last bill 66.97
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Balance Forward -1.00

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- Total Water Service Related Charges 46.66

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- State Tax Adjustment Surcharge -0.06
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- Pay in person: Obtain a list of locations at www.amwater.com/myh2o

Handwritten: CGL 7/24

Important messages from Pennsylvania American Water

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- New high-speed notification system now online to quickly alert you via phone, text and email when water emergencies occur. Visit our web self-service portal, My H2O Online, at www.amwater.com/myh2o to enter all your contact information.
- Have you recently changed your primary phone number? If you have, please update your account information online using My H2O Online at www.amwater.com/myh2o or call us at the number below so that we can update our records.

Customer Service: **1-800-565-7292**

M-F 7am to 7pm Emergency: 24/7

www.pennsylvaniaamwater.com

SSA explains the urgency on easements

BY KYLE WIND
STAFF WRITER

Scranton Sewer Authority is scrambling to collect 600-plus last-minute rights of way from city and Dunmore residents before the deal to privatize the wastewater system potentially closes in mid-to-late October.

The authority is offering \$100 per household to close gaps in access for sewer line maintenance and told residents if they don't sign within a week of getting the letter, officials plan to initiate legal proceedings to acquire the easements.

"If we don't start that immediately, we can't finish it in time," authority solicitor Paul Walk-

Please see **AUTHORITY**, Page A9

AUTHORITY: Easement letters caused a stir

FROM PAGE A1

er told residents at Thursday's meeting. "We're under the gun every day to do this ... I don't want to have a default in the (\$195 million sale to Pennsylvania American Water) because we don't have an easement. The pressure is put on me. I'm putting it on you, the citizen who has a

THE TIMES-TRIBUNE A9

line on his property."

When the authority came to a sale agreement to Pennsylvania American Water in March, the private utility wanted the public authority to convey the easements by the time the deal closed. The deal still must be approved by the Public Utilities Commission.

Solicitor Jeffrey Belardi explained it took four months to conduct title searches on 1,600 private properties through which sewer lines may run. They found out the operation didn't have records of easements for about 600 properties, leaving little time to resolve the problem.

"If we thought about it three years ago, we could have worked on it for three years," Mr. Walker added. "No one could have known there would be so little documentation on easements. No one cared 60 or 70 years ago about easements."

When the first round of letters started going out this month, they caused a bit of an uproar, said Scranton resident Nick Azzarelli, who wondered if signing the paperwork would tie his

hands if he wanted to, for example, put a swimming pool on his property.

Dunmore resident Mary Louise Karliak wanted to know if maintenance work could leave behind damage that devalues her property, saying utility work around a friend's home left behind caused problems.

"My husband and I put everything in our home," she said. "What do I expect?"

Mr. Walker responded property would generally be restored to its original condition after any work. He suggested Ms. Karliak consult an attorney or, without signing the easement, write that she wants a guarantee her property would be restored to its original condition on the document. The authority would then send back a modified easement.

Mr. Belardi said if sewer lines get clogged or collapse on someone's property, workers can't fix it without an easement.

"At that point, people I'm sure, would be begging, 'Please, I'll give you an easement. Just come and fix up the property. I can't flush my

toilet,'" Mr. Belardi said. "That's just the reality of it."

Mr. Walker hoped to schedule a public meeting, perhaps next week, to help people see where lines run on their properties and ease people's minds.

Scranton City Council President Joe Wechsler sent the authority a letter Friday supporting the idea of an informational meeting and suggested finding a venue that would allow for breakout sessions by neighborhood.

The authority needs to start condemnation proceedings by the second or third week of September to secure the rights-of-way before closing because residents have 30 days to file objections, Mr. Walker said.

Authority and Pennsylvania American Water officials are discussing the possibility of the authority setting aside more contingency money to pay for the company to continue the process if it's not complete at closing, he added.

Contact the writer:
kwind@timessharnrock.com,
@kwindTT on Twitter

AUGUST 28, 2016

Sale delay may bring tax hike

*Mayor Courtright's
city recovery plan
relies on windfall to
boost pension plans.*

BY JIM LOCKWOOD
STAFF WRITER

If a sale of the Scranton Sewer Authority isn't finalized on schedule, city taxpayers could pay for the delay with a 32 percent tax increase in 2017.

Mayor Bill Courtright's recovery plan relies on selling the sewer system, which serves Scranton and Dunmore, primarily to shore up the city's severely underfunded pension plans — the most anemic in the state. If the sale is not completed by Oct. 31, the city won't get a windfall in time to offset soaring pension contributions in the 2017 budget, which must be enacted by mid-November.

Any delay of the sale would punch a \$10 million hole in the 2017 budget, requiring a 32 percent tax hike or worse, the state possibly installing a receiver, according to the arguments made by the water company, authority and city to the state Public Utility Commission.

"If the transaction is not finalized by Oct. 31, 2016, the city will face an untenable 2017 budget which may result in the Commonwealth of Pennsylvania recommending installation of a receiver in the city," according to a July 19 joint brief by the water company and sewer authority. "Without meeting this time frame, the city's approximately \$90 million budget will, at minimum, have to address a \$10 million budget shortfall."

Under the proposed deal, Scranton and Dunmore would get large windfalls from net proceeds — \$96 million for the city and \$24 million for the borough. While the city has not determined how to allocate cash not yet in hand, the mayor testified before the PUC a few months ago in Harrisburg that the city needs the \$96 million to shore up pensions and reduce high-interest debt.

Scranton's required contribution to its pension plans will be \$18.8 million next year — a \$4.4 million increase over this year's payment. Last week, city Business Administrator David Bulzoni said the city would need to receive sewer-sale proceeds by the end of 2017 to meet the deadline to pay the 2017 pension contribution. He said he is exploring alternatives for interim funding, something akin to a tax anticipation note.

After PUC judges on Wednesday released their recommendation against the sale, Mr. Bulzoni said interim funding is a stopgap, not a solution.

"There are alternatives you can create on an interim basis that can help with the (pension contribution) increase," Mr. Bulzoni said. "The issue with interim funding is it's interim funding, but you still have to have a longer-term solution."

Contact the writer:
jlockwood@timeshamrock.com,
@jlockwoodIT on Twitter

August 29, 2016

Andrew G. Place, Vice Chair
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

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PO Box 371412, Pittsburgh, Pa. 15250-7412

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JACK MAHLMANN
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CLARKS SUMMIT, PA 18411-1342

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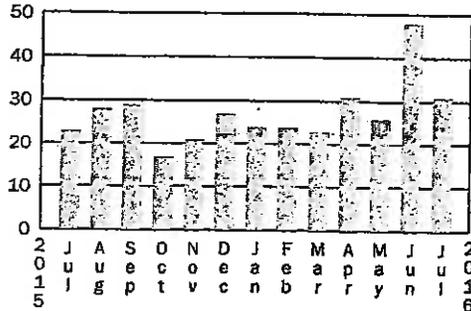
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Handwritten: 25/07/24

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029039/029287 ACTYGB ETM1000004 12 (ACTYGB 0290390101300) 633751283710

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AUGUST 28, 2016

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RECEIVED
PA PUBLIC UTILITY COMMISSION

2016 SEP -1 PM 1:18

OFFICE OF
JOHN F. COLEMAN JR.

August 29, 2016

John F. Coleman, Jr., Commissioner
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

**Re: Scranton Sewer Authority Sale to Pennsylvania American
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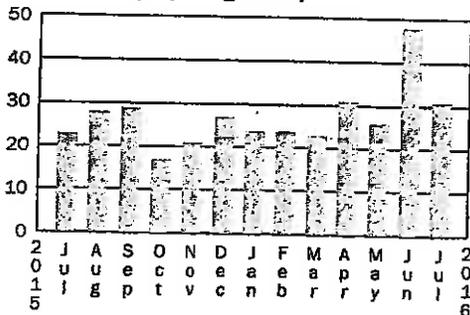
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Handwritten note: 2/12/16

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- New high-speed notification system now online to quickly alert you via phone, text and email when water emergencies occur. Visit our web self-service portal, My H2O Online, at www.amwater.com/myh2o to enter all your contact information.
- Have you recently changed your primary phone number? If you have, please update your account information online using My H2O Online at www.amwater.com/myh2o or call us at the number below so that we can update our records.

Customer Service: **1-800-565-7292**

M-F 7am to 7pm Emergency: 24/7

www.pennsylvaniaamwater.com

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(ACTYGB 0290390101300)

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THE TIMES-TRIBUNE A9

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AUGUST 28, 2016

Sale delay may bring tax hike

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city recovery plan
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boost pension plans.*

BY JIM LOCKWOOD
STAFF WRITER

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Any delay of the sale would punch a \$10 million hole in the 2017 budget, requiring a 32 percent tax hike or worse, the state possibly installing a receiver, according to the arguments made by the water company, authority and city to the state Public Utility Commission.

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August 29, 2016

Robert F. Powelson, Commissioner
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

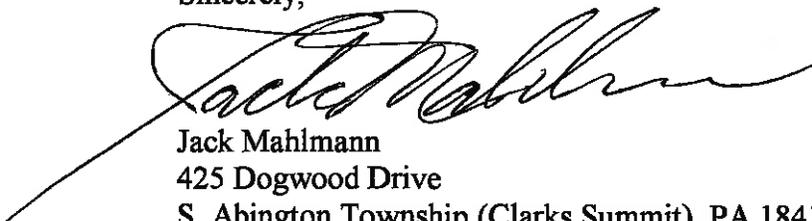
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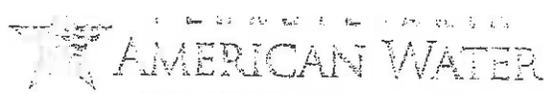
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Sincerely,



Jack Mahlmann
425 Dogwood Drive
S. Abington Township (Clarks Summit), PA 18411

Customer of Pennsylvania American Water Company, Account # [REDACTED]



PO Box 371412, Pittsburgh, Pa. 15250-7412

For Service To: 425 DOGWOOD DR

Check this box for address changes and note new address on back.

DATE PAID	August 4, 2016
TOTAL DUE	\$48.18
TOTAL PAID	\$48.90 after 8/4/16



029038 1 AV 0.373 29039/029038/029287 97 01 ACTYGB 005

JACK MAHLMANN
425 DOGWOOD DR
CLARKS SUMMIT, PA 18411-1342

Amount Enclosed \$



PENNSYLVANIA AMERICAN WATER
PO BOX 371412
PITTSBURGH, PA. 15250-7412



Please tear along the dotted line and return this portion with your payment.

BILLING PERIOD AND METER READINGS

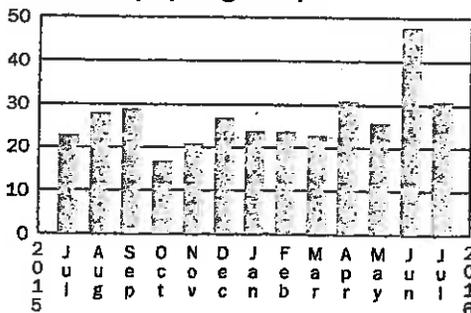
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1 unit = 100 gallons of water
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Meter No.	N000922309
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Billed Use Graph (100 gallons)



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TOTAL AMOUNT DUE \$48.18

- Pay your bill online: www.amwater.com/billpay
- Pay by eCheck without a service fee: www.amwater.com/myh2o
- Pay by phone: 24-hours a day, every day at 1-855-748-6066
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Handwritten signature: C. [unclear] 7/29

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- New high-speed notification system now online to quickly alert you via phone, text and email when water emergencies occur. Visit our web self-service portal, My H2O Online, at www.amwater.com/myh2o to enter all your contact information.
- Have you recently changed your primary phone number? If you have, please update your account information online using My H2O Online at www.amwater.com/myh2o or call us at the number below so that we can update our records.

Customer Service: 1-800-565-7292

M-F 7am to 7pm Emergency: 24/7

www.pennsylvaniaamwater.com

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(ACTYGB 0290390101300)

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SSA explains the urgency on easements

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STAFF WRITER

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CLARKS SUMMIT, PA 18411-1342

Amount Enclosed \$



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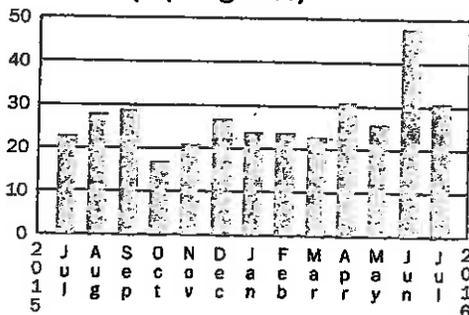
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