

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PA 17120

Pennsylvania Public Utility Commission,  
*et al. v. Pennsylvania-American Water  
Company*

Public Meeting December 7, 2017  
2595853 – OALJ  
Docket No. R-2017-2595853, *et al.*

**STATEMENT OF COMMISSIONER NORMAN J. KENNARD**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Recommended Decision of Administrative Law Judges Dennis J. Buckley and Benjamin J. Myers recommending approval of a Joint Petition for Settlement (Joint Settlement) regarding Pennsylvania-American Water Company's (PAWC) water and wastewater tariff filings in the above captioned proceeding. The Joint Settlement seeks, *inter alia*, to provide PAWC with additional annual operating revenue of \$61.85 million.

I enthusiastically commend the Parties for reaching a full settlement of all the issues. I recognize that this matter involved numerous formal and informal complaints and note that the Joint Settlement was unanimous among all the active Parties. The ALJs accurately noted that reaching settlement was surely a challenging task.

I find that the Joint Settlement represents a very good outcome with respect to PAWC's acquisition of the City of Scranton (SSA) wastewater assets that we approved one year ago.<sup>1</sup> Under the Joint Settlement, PAWC will not claim an amortization of or return on the SSA acquisition adjustment. Further, the subsidization of wastewater customers by the water customers has been kept to a minimum. Finally, PAWC has agreed to file a cost of service study that separately identifies all storm water costs for combined sewer systems and PAWC will make an allocation of costs between water and wastewater operations in its next base rate filing. The Joint Settlement will also create stability and certainty for PAWC ratepayers by requiring PAWC to forego: (1) implementing a Distribution System Improvement Charge (DSIC) during the calendar year ending December 31, 2018, and (2) filing another general rate increase prior to March 31, 2020. Therefore, I agree that the Joint Settlement should be approved.

**Date: December 7, 2017**

  
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**NORMAN J. KENNARD**  
**COMMISSIONER**

<sup>1</sup> See *Joint Application of Pennsylvania-American Water Company and the Sewer Authority of the City of Scranton*, Docket No. A-2016-2537209 (Order entered October 19, 2016).