

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

**Application of Aqua Pennsylvania Wastewater,
Inc. Pursuant to Sections 1102 and 1329 of the
Public Utility Code for Approval of its Acquisition
of the Wastewater System Assets of Limerick
Township**

**PUBLIC MEETING: July 12, 2018
2605434-OSA**

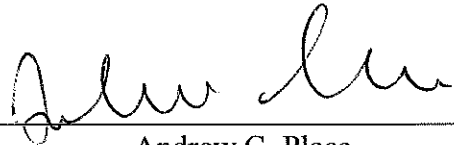
Docket No. A-2017-2605434

STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE

Before us for disposition is the Joint Petition for Resolution of Proceedings and Amendment of the Opinions and Orders Entered November 29, 2017, and April 19, 2018 (Petition or Settlement) of Aqua Pennsylvania Wastewater, Inc. (Aqua PA or the Company), Limerick Township (Limerick), and the Office of Consumer Advocate (OCA) (collectively Joint Petitioners), that was filed on June 7, 2018. This Settlement proposes the resolution of certain issues and its adoption will lead to the withdrawal of an OCA appeal that is currently pending before the Commonwealth Court.¹

I recognize that the Settlement addresses in a positive manner several issues that are relevant to the valuation of municipality or municipal authority water and/or wastewater assets that are being or will be acquired by Aqua PA under Section 1329 of the Public Utility Code. 66 Pa. C.S. § 1329.² The proposed disposition of these issues will be applied to future acquisition transactions under Sections 1102 and 1329. However, the proposed Settlement does not sufficiently address my material concerns regarding the absence of net affirmative benefits for Aqua PA's acquisition of the Limerick wastewater system that I had expressed in my original dissenting statement when this acquisition was originally approved.³ The proposed Settlement will only postpone the substantial revenue requirement and rate effects of the Limerick wastewater system asset acquisition,⁴ inclusive of the sizeable 39.48% acquisition premium or \$18,219,511. Eventually, both the Limerick system ratepayers as well as the Aqua PA wastewater and water service end-user consumers, will have to bear substantial cost burdens associated with this acquisition on a going forward basis without realizing any corresponding affirmative net benefits from this transaction.

For these reasons, I cannot support the result of the proposed Settlement.



Andrew G. Place
Vice Chairman

Dated: July 12, 2018

¹ Settlement at 6.

² Settlement at 5-6.

³ *Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Sections 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of Limerick Township*, Docket No. A-2017-2605434, Statement of Vice Chairman Andrew G. Place, Binding Poll – Issue No. 8, November 8, 2017.

⁴ Settlement at 4-5.