

water commission

Secretary's Bureau  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

RE: PUC docet #A-2018-3004933

To: Mr. Secretary:

This is to advise that I object to the proposed Settlement

  
Joanie and Tennis Houston

610 Allen Drive, Reading, PA 19606

cc: Honorable Andrew M. Calvelli

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PA PUC  
SECRETARY'S BUREAU

Dear Customer:

We are sending this notice to you, as an Exeter Township customer, to advise you of a Joint Petition for Settlement (Settlement) filed with the Public Utility Commission (PUC) regarding the application of Pennsylvania-American Water Co. for approval to acquire the Exeter Township wastewater system assets. The proposed Settlement has been agreed to by Pennsylvania-American, Exeter Township, the PUC's Bureau of Investigation and Enforcement, and the Office of Consumer Advocate to resolve the issues raised in this case. The Borough of St. Lawrence, an intervenor in the case, does not oppose the settlement. **If you have any comments regarding the Settlement, you must submit them to the Secretary of the PUC and Administrative Law Judge Andrew M. Calvelli, postmarked no later than July 22, 2019.**

On July 11, 2019, the parties filed the proposed Settlement with the PUC and served a copy of the proposed Settlement on Judge Calvelli. The Settlement and supporting documents are available on our website at the following web address:

[www.pennsylvaniaamwater.com/exetersettlement](http://www.pennsylvaniaamwater.com/exetersettlement)

If, however, you would like a paper copy, please contact Pennsylvania-American's Customer Advocacy Group at (717) 550-1606 and one will be provided to you.

This brief summary of some of the points of the Settlement is provided for your convenience. However, we encourage you to please review the Settlement in its entirety. The Settlement, if approved, would do the following:

- Allow Pennsylvania-American to acquire the Exeter Township wastewater system assets and begin to supply wastewater service in the areas served by Exeter Township.
- Allow Pennsylvania-American to add \$92 million to its rate base pursuant to 66 Pa. C.S. § 1329. A utility's rate base is the value of property used by the utility to provide service to its customers and is one of many components used to establish customer rates. Pennsylvania-American's original request was a rate base addition of \$96 million.
- **Your current wastewater rates will not change until the conclusion of Pennsylvania-American's next base rate case, no earlier than January 1, 2021.**
- In Pennsylvania-American's first base rate case following the closing of this transaction, it will propose to move Exeter customer rates to cost of service, 1.8 times current Exeter customer rates, or Pennsylvania-American's Rate Zone 1 (system-average) rates, whichever is lowest.

Rate Class	Average Usage	Average Monthly* Bill at Current Rates	Potential Average Monthly Bill	Potential Increase
Residential	3,630 gal/month	\$44.33	\$71.06	\$26.73
Commercial	22,000 gal/month	\$267.76	\$368.74	\$100.98
Industrial	476,000 gal/month	\$5,261.76	\$7,268.42	\$2,006.66

\* Exeter Township customers are billed quarterly. As Pennsylvania-American customers, all customers will be billed monthly.

These amounts could change and will depend on the actual rate increase approved by the PUC and how the PUC chooses to apportion any increase among different types of utility service, rate zones and classes of customers and the period of time over which such rate increases could occur.

#### ACTIONS YOU CAN TAKE

1. You may support the proposed Settlement. To do so, please send a letter to the Secretary of the Commission with a copy to Judge Calvelli postmarked no later than July 22, 2019.
2. You may object to the proposed Settlement. To do so, please send a letter to the Secretary of the Commission with a copy to Judge Calvelli postmarked no later than July 22, 2019.
3. You may choose to do nothing.

Your letter of support or objection should include the PUC docket number **A-2018-3004933** and must be postmarked no later than **July 22, 2019** and sent to the Commission's Secretary, with a copy to Judge Calvelli. The Secretary's address is:

- The Secretary's address is: Secretary's Bureau, Pennsylvania Public Utility Commission, Commonwealth Keystone Bldg., 400 North Street, Harrisburg, PA 17120
- The Judge's address is: Honorable Andrew M. Calvelli, Office of Administrative Law Judge, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120

The documents filed in support of the application are available on the PUC's website at [www.puc.pa.gov](http://www.puc.pa.gov), for inspection and copying at the Office of the Secretary of the PUC between 8 a.m. and 4:30 p.m., Monday through Friday, and at Pennsylvania-American's offices at 852 Wesley Drive, Mechanicsburg, PA 17055. For more information, please feel free to contact Pennsylvania-American's Customer Advocacy Group at (717) 550-1606 or the PA Office of Consumer Advocate toll-free at 1-800-684-6560.

Joanie & Tennis Houston  
610 Allen Drive  
Reading, PA 19606

HARRISBURG PA 171

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