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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

March 3, 2021

The Honorable Gladys Brown Dutrieuille, Chair
The Honorable David W. Sweet, Vice Chair
The Honorable John F. Coleman, Jr.
The Honorable Ralph V. Yanora

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

RE: Docket No. A-2019-3015173 – Proposed Sale of the Delaware County Regional Water Quality Control Authority (DELCORA) Assets to Aqua Pennsylvania Wastewater

Dear Commissioners:

I write today in opposition to the proposed sale of the assets of the Delaware County Regional Water Quality Control Authority (DELCORA) to Aqua Pennsylvania Wastewater, as it would not serve the public interest or provide substantial benefits to DELCORA customers.

As a member of the Delaware County legislative delegation, and as Democratic Leader of the Pennsylvania House of Representatives, my priority – like yours – is to ensure the public interest is protected when it comes to crucial public utilities. After all, these utilities provide essential services to millions of people throughout Pennsylvania. I ask that you accept the recommendation of Administrative Law Judges Angela T. Jones and F. Joseph Brady to reject Aqua Pennsylvania's application to acquire DELCORA's assets.

The company has not met its burden to show a public benefit of the acquisition. In fact, published reports indicate the public may not be getting fair value for the system under the terms of the deal. While \$276.5 million may seem like an impressive amount, it is important to underscore how valuable the DELCORA system is – with approximately 165,000 customers served. There was no public bidding process to ensure transparency or to establish a fair market value for the system. Aqua Pennsylvania's per-customer price for the DELCORA system is far lower than what it has paid for other systems. No doubt that is a great deal for Aqua Pennsylvania's shareholders, but not for the people of Delaware County.

While I understand the application proposes short-term rate stabilization, there also is a risk to DELCORA customers of significant long-term rate hikes. Aqua Pennsylvania is relatively inexperienced in managing wastewater systems, with just 35,000 customers across Pennsylvania, according to news reports. The company would nearly quintuple its wastewater business with its DELCORA deal. But at what cost? My constituents cannot afford the long-term rate shock that could occur as a result of this deal.

In recognition of the importance of protecting the public interest, I respectfully request you reject the proposed sale of the DELCORA system to Aqua Pennsylvania. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanna McClinton". The signature is fluid and cursive, with a long, sweeping underline.

Joanna McClinton
State Representative
191st Legislative District
Democratic Leader

cc: Rosemary Chiavetta, Secretary, Public Utility Commission
June Perry, Director of Legislative Affairs