


COMMONWEALTH OF PENNSYLVANIA



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May 27, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Indian Springs Water Company
Docket No. M-2019-3011972

Dear Secretary Chiavetta:

Attached for electronic filing please find the **Exceptions of Thomas V. Tinsley** to the Recommended Decision issued on May 10, 2021 in the above-referenced proceeding. Please contact the OCA with any questions related to this filing.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci

Laura J. Antinucci
Assistant Consumer Advocate
PA Attorney I.D. # 327217
E-Mail: LAntinucci@paoca.org

Enclosures

cc : Honorable Steven K. Haas, Administrative Law Judge (email only)
Office of Special Assistants (email only)
Certificate of Service

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CERTIFICATE OF SERVICE

Re: Indian Springs Water Company : Docket No. M-2019-3011972

I hereby certify that I have this day served a true copy of the following document, the **Exceptions of Thomas V. Tinsley** to the Recommended Decision, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 27th day of May 2021.

SERVICE BY E-MAIL ONLY

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Thomas V. Tinsley, Jr.
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Dated: May 27, 2021
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PUC Docket No. M-2019-3011972

Exceptions of Thomas V. Tinsley

May 27, 2021

To Whom it may concern,

I do not agree with the decision from Judge Haas for the following reasons.

1. Wells cost more than \$5000. The contribution to customers is not enough.

Since the complete cost of installing a well is in the neighborhood of \$25,000 (well drilling, hook up, landscaping, and additional operating equipment) a stipend of \$5,000 is not reasonable. Since the only one benefiting from this change is the Glen Summit Company (GSC) this cost should be born solely by the GSC. Since the GSC is not a party to the transaction between the Indian Springs Water Company (ISWC) and its customers this should have nothing to do with the dealings between the ISWC and its customers. The GSC is a for profit corporation, the ISWC is a separate for profit corporation and the ISWC stockholders are separate but similar entities therefore the dealing between the entities can not be commingled.

2. The customers will owe taxes.

The GSC is the source of the money that will be offered to the customers not their provider ISWC. The customers will have a constructive receipt tax liability for the offer. No one has told the customers that they could have criminal liability if they do not pay taxes on the \$5,000 to the Federal, State and possibly Local government. If they pay taxes customers will get even less than \$5,000 to pay for the wells.

3. Indian Springs will owe taxes

The ISWC stock holders are receiving nothing for the gift of land to the GSC. The GSC is only paying ISWC the excess cost of the receivers remuneration which will be a few thousand dollars (approximately \$10,000). The ISWC is going to deny its stockholders the value of the land (approximately \$ 6,000,000) and is going to have to pay the authorities the taxes on that value. At the time of the transaction the tax rate could be 40%. The ISWC has no ability to pay the tax bill or to compensate the stockholders. It's my opinion that the PUC would not be acting in the interest of the government or its citizens if it approves a transaction that denies remuneration to the appropriate taxing authorities or its ISWC stockholders. The list of the recipients should be provided to the PA department of Revenue and the IRS of the United States.

4. The compensation for the land assets is not fair.

The GSC and the ISWC are commercial enterprises with different but similar stock holders and so the transfer of assets should be based on a fair market value at the time of the transfer. Since the ISWC and the GSC landholdings are adjacent and intertwined the values of either property should be similar if not equal in value per unit. The current value of lot transfers in Glen Summit are in the neighborhood of \$75,000. The value of 86.4 acres should be in the neighborhood of 6,480,000. The GSC is going to pay a mathematical computation not fair market value, it also doesn't include the road access, utility access, and or location. The stockholders of ISWC are entitled to fair compensation for these assets. Since the ISWC has not looked for or provided this deal to any other interested party, as a stockholder I object to the GSC having preferential treatment and a bargain price to this illegal transaction.

5. The GSC

The GSC doesn't have the financial or cash flow ability to acquire additional assets indirectly related to its stated purpose. The Pennies for Fountain Lake is just an example of the fund raising attempts to raise money for the project to buy the land assets. Their emails to customers demonstrate their inability to fund the project. Also they have referred to obtaining a bank loan which I have not seen proof of or any commitment releasing the funds for the transaction. It has just come to light that the Mountain Top sewer authority is starting an up grade project in Glen Summit which will cost approximately \$3,000,000 which the sewer authority want Glen Summit to pay. Negotiations are currently in progress. No one will benefit by allowing the GSC to acquire assets as its ill equipped to manage and in all likelihood lead to bankruptcy of the Company. An examination of the GSC's financial statement by a competent reviewer could provide the PUC with an analysis.

6. No Fire Hydrants

All residents lose the potential to get fire hydrants because there will be no water system just wells. Homeowners insurance is higher without the fire hydrants.

7. Status reports did not have enough information

I object to the status reports that only specified that negotiations were continuing and did not give dates, times, or specific progress by item.

In Summary, if this transaction were permitted the following results will occur, the GSC would receive in excess of \$6 million in assets for a pittance of cash. The ISWC stockholders would give up over \$6 million in assets for free and the value of there stock will be substantially reduced. The ISWC customers would also have to pay taxes. If they don't pay taxes, various taxing authorities would lose a substantial amount of money. The GSC wins, ISWC stockholders, customers, and Pennsylvania citizens lose. This is unconscionable. I have similar percentage of stock in both companies so my position does not suffer by whom owns the assets.

Sincerely yours,

/s/ Thomas V. Tinsley

Thomas V. Tinsley

Customer of ISWC

Stockholder of ISWC

Past Officer of ISWC

Resident of Glen Summit since 1947

Stockholder of GSC

Past Officer of GSC