

March 14, 2024

Pennsylvania Public Utility Commission
400 North Street Keystone Bldg.
Harrisburg, PA 17120

VIA E-FILING

Please accept the attached comment to Docket number M-2016-2543193 the Tentative Supplemental Implementation Order concerning the Valuation of Acquired Municipal Water & Wastewater Systems - Act 12 of 2016 Implementation.

Thank you,

Keith Sauer

4824 Farming Ridge Blvd
Reading, PA 19606

Act 12 has allowed investor-owned private companies to take over municipal water and wastewater systems for a much higher value than that is fiscally responsible. This essentially gives for profit water and sewer companies a blank check to take our money. In Pennsylvania, two major players, Aqua America and Pennsylvania American Water have been on a conquest to take over and control ever last drop of water and wastewater in the state. These for-profit utilities lobbied for ACT 12 in 2016. Now they pay inflated prices for municipal systems and pass those costs onto the ratepayers in terms of rate increases every other year with no signs of stopping.

Look at Exeter Township's wastewater treatment plant for example. In 2019 the system sold to PA American Water for an outrageous \$93.5 million dollars approved by a previous board by a 4:1 vote. Representatives from PA American Water come in and dazzle the township and sell only "benefits" for a sale. The residents are not given enough time to formulate knowledgeable comments and rebuttals to the professional sales reps from the water company. Township supervisors see the sale as a big cash windfall and eventually take the deal so they don't have to raise taxes. They promise the money will sustain the townships finances and they'll never have to raise taxes for 10 years. They promise to continue allowing the Homestead act, which saves about \$127 a year per homeowner. What really happens is boards change. Terms are up and new Supervisors are elected, and those promises are long gone. The Homestead exemption only lasted 2 years until a new board repealed it. At the end of 2023, the Township voted to raise taxes 24% for the 2024 year. What ever happened to being financially sound for the next 10 years? Meanwhile our combined water and wastewater bills increased well over 171% from that time. We used to pay about \$55 a month to PAWC for water, and \$70 a quarter to the township for Sewer. This was an annual spend of about \$940 a year for water and wastewater services. Now present day after numerous PUC approved rate increases requested by PAWC, I paid \$3295.34. That's a \$2355.34 annual increase (\$196.28 a month) for no tangible benefit to the product that is delivered. We are still charged every drop of water as waste, even if we wash our car, water our garden or fill our pool. The water itself is extremely hard, has a high chlorine taste, and tarnishes fixtures and appliances. It has a tendency to "lock up" water meters requiring replacements every few years, and PAWC estimates and back bills you even if their meter was broken, which should be their problem as they chose the meter manufacturer, not the customer.

Every year it seems PAWC has other sights in their crosshairs. Every time they propose acquiring another system in an unrelated area of Pennsylvania, they will send a "Notice of Proposed Base Rate Increase" if the sale goes through, our rates would go up. For example, they recently requested to purchase a system in Butler, PA along with a 7% wastewater and 0.8% water increase. This is just north of Pittsburgh in the western portion of the state. Now why would my rates be proposed to increase all the way in the eastern portion of the state in Exeter township? When they sold the idea to purchase our wastewater treatment facility, they called it "Economies of scale". They said the bigger they are the better deals they can get for maintenance of the system and the more ratepayers are paying into the system. This sounds true but isn't really the case, because if it were, when Butler or other systems were being proposed for purchase, our base rate increase should be GOING DOWN... because it's adding more ratepayers to the pool of income. Instead, they are making us ratepayers in completely other areas pay for their acquisition costs. PAWC and Aqua should be forced to fund this themselves, but when you think of it, they have shareholders to answer to, so of course they are going to raise the rates. This is a big problem and why I am 100% against ACT12, even though the damage was already done here in Exeter township.

The more outreach I can do to help other municipalities not go through what we went through the better. The more acquisitions that fail to come to fruition, the less our (and other PAWC) rates will go up to pay for it. Why do big water companies like PAWC and Aqua continue to want to front so much money for municipal systems anyway?

Although I want a complete repeal of ACT12, the PUC's role here does not have jurisdiction to that extent of the law until our legislative representatives enact change. For now, I believe the PUC should force any potential acquisitions to **hold at least 2 public meetings, and also make one available via telephone** for many ratepayers who are unable to travel.

The PUC needs to be present, along with a neutral non water company representative present to field questions. There should be at minimum, 30 days from the last public meeting until a public comment period closes. This gives residents the opportunity to formulate their comments and questions to the PUC for representation. The PUC needs to take public comment seriously. There is municipal government temptation in selling their water and wastewater systems because it involves a huge cash windfall and nobody has to claim they are "raising taxes". However, the ratepayers will pay indefinitely. It's a tax increase without raising taxes. Eventually the huge cash windfall in the township will be depleted and they will be back as square one again with nothing to show for it. Look at the case in Towamencin Township (see <https://why.org/articles/towamencin-township-residents-will-sue-township-sewer-sale/>). The Board voted to sell their healthy system to PAWC. However, the residents voted for the Home Rule Charter and won that item in the last election. Now they are suing the Board of Supervisors because the residents **do not want** the sale to go through. The residents have spoken but the BOS is stubborn and blinded by money. This is a real-world example of government temptation. Many government officials don't even live in the affected service area. In Exeter Township for example, none of the supervisors that voted for the sale were personally affected. They either had well water and septic or moved to other areas not served by PAWC.

Bring the decision back to the people. I can't stress the importance and value of public comment enough. Public systems are owned by the people. They pay into it, give them a say. **Improve transparency and ban on non-disclosure agreements and require public bidding. Stop predatory pricing by mandating that the reasonableness ratio cannot exceed 1.0 times the actual book value.**

Finally, just to showcase the outrageousness of PAWC's price increases over the years, please see the attached table of what we pay as a family of 4, simply for water and wastewater service. Another unusual issue is the random billing period from 27 days to 35 days. Keep in mind that the monopoly PAWC also filed for another rate increase a mere 11 months after their last rate increase went into effect (Docket numbers R-2023-3043189 (W) R-2023-3043190 (WW)). This is because PA ACT12 allowed the sale to happen. There are many municipalities like Reading Water Authority, Mt Penn Water Authority, North Penn Water Authority, and others who have the pleasure of about \$1000 a year for the same level of service. We have NO OTHER CHOICES for Water and Wastewater. I can go to papowerswitch.com and choose a new energy or natural gas supplier. I can choose different internet providers. I can pick my insurance companies or my wireless carrier. Water and wastewater is a monopoly. Until the same kind of deregulation that occurred for power and gas industry occurs for water and wastewater, we are stuck.

DATE	AMOUNT	GALLONS	Cost Per Gal	Period (Days)	Gal/Day	Cost/Day	Cost/Wk	EFT Date
3/12/2024	\$ 233.00	4500	\$ 0.051778	29	155	\$ 8.03	\$ 56.24	4/3/2024
2/9/2024	\$ 255.35	5000	\$ 0.051070	30	167	\$ 8.51	\$ 59.58	3/4/2024
1/10/2024	\$ 246.41	4800	\$ 0.051335	27	178	\$ 9.13	\$ 63.88	2/1/2024
12/4/2023	\$ 332.35	6700	\$ 0.049604	35	191	\$ 9.50	\$ 66.47	1/5/2024
11/9/2023	\$ 242.64	4700	\$ 0.051626	28	168	\$ 8.67	\$ 60.66	12/1/2023
10/12/2023	\$ 247.12	4800	\$ 0.051483	28	171	\$ 8.83	\$ 61.78	11/3/2023
9/14/2023	\$ 283.00	5600	\$ 0.050536	35	160	\$ 8.09	\$ 56.60	10/6/2023
8/10/2023	\$ 274.03	5400	\$ 0.050746	28	193	\$ 9.79	\$ 68.51	9/1/2023
7/13/2023	\$ 386.18	7900	\$ 0.048884	35	226	\$ 11.03	\$ 77.24	8/4/2023
6/8/2023	\$ 242.66	4700	\$ 0.051630	28	168	\$ 8.67	\$ 60.67	6/30/2023
5/11/2023	\$ 260.60	5100	\$ 0.051098	28	182	\$ 9.31	\$ 65.15	6/2/2023
4/9/2023	\$ 292.00	5800	\$ 0.050345	35	166	\$ 8.34	\$ 58.40	5/9/2023
3/9/2023	\$ 256.09	5000	\$ 0.051218	28	179	\$ 9.15	\$ 64.02	3/31/2023
2/9/2023	\$ 224.83	5200	\$ 0.043237	28	186	\$ 8.03	\$ 56.21	3/3/2023
1/17/2023	\$ 216.59	5800	\$ 0.037343	35	166	\$ 6.19	\$ 43.32	2/8/2023
12/8/2022	\$ 167.69	4300	\$ 0.038998	28	154	\$ 5.99	\$ 41.92	12/30/2022
11/10/2022	\$ 170.93	4400	\$ 0.038848	28	157	\$ 6.10	\$ 42.73	12/2/2022
10/13/2022	\$ 209.72	5600	\$ 0.037450	35	160	\$ 5.99	\$ 41.94	11/4/2022
9/8/2022	\$ 192.62	5100	\$ 0.037769	28	182	\$ 6.88	\$ 48.16	9/30/2022
8/11/2022	\$ 237.69	6500	\$ 0.036568	28	232	\$ 8.49	\$ 59.42	9/2/2022
7/14/2022	\$ 279.52	7800	\$ 0.035836	35	223	\$ 7.99	\$ 55.90	8/5/2022
6/9/2022	\$ 181.98	4800	\$ 0.037913	28	171	\$ 6.50	\$ 45.50	7/1/2022
5/12/2022	\$ 188.39	5000	\$ 0.037678	28	179	\$ 6.73	\$ 47.10	6/3/2022
4/14/2022	\$ 233.21	6400	\$ 0.036439	35	183	\$ 6.66	\$ 46.64	5/6/2022
3/10/2022	\$ 197.84	5300	\$ 0.037328	28	189	\$ 7.07	\$ 49.46	4/1/2022
2/11/2022	\$ 181.84	4800	\$ 0.037883	28	171	\$ 6.49	\$ 45.46	3/7/2022
1/13/2022	\$ 181.55	4800	\$ 0.037823	28	171	\$ 6.48	\$ 45.39	2/4/2022
12/16/2021	\$ 229.71	7200	\$ 0.031904	35	206	\$ 6.56	\$ 45.94	1/7/2022
11/11/2021	\$ 161.34	4700	\$ 0.034328	28	168	\$ 5.76	\$ 40.34	12/3/2021
10/14/2021	\$ 207.99	6300	\$ 0.033014	28	225	\$ 7.43	\$ 52.00	11/5/2021
9/16/2021	\$ 185.15	5500	\$ 0.033664	35	157	\$ 5.29	\$ 37.03	10/8/2021
8/13/2021	\$ 185.15	5500	\$ 0.033664	28	196	\$ 6.61	\$ 46.29	9/7/2021
7/15/2021	\$ 236.54	7300	\$ 0.032403	35	209	\$ 6.76	\$ 47.31	8/6/2021
6/10/2021	\$ 162.22	4700	\$ 0.034515	28	168	\$ 5.79	\$ 40.56	7/2/2021
5/13/2021	\$ 157.84	4600	\$ 0.034313	28	164	\$ 5.64	\$ 39.46	6/4/2021
4/15/2021	\$ 187.52	5700	\$ 0.032898	35	163	\$ 5.36	\$ 37.50	5/7/2021
3/12/2021	\$ 127.35	4500	\$ 0.028300	28	161	\$ 4.55	\$ 31.84	4/5/2021
2/11/2021	\$ 143.58	5400	\$ 0.026589	28	193	\$ 5.13	\$ 35.90	3/5/2021
1/14/2021	\$ 169.51	6600	\$ 0.025683	35	189	\$ 4.84	\$ 33.90	2/5/2021
12/10/2020	\$ 136.13	5100	\$ 0.026692	28	182	\$ 4.86	\$ 34.03	1/4/2021
11/12/2020	\$ 144.71	5500	\$ 0.026311	35	157	\$ 4.13	\$ 28.94	12/4/2020
10/8/2020	\$ 146.86	5600	\$ 0.026225	28	200	\$ 5.25	\$ 36.72	10/30/2020
9/10/2020	\$ 126.34	4700	\$ 0.026881	28	168	\$ 4.51	\$ 31.59	10/2/2020
8/13/2020	\$ 160.39	6300	\$ 0.025459	35	180	\$ 4.58	\$ 32.08	9/4/2020
7/15/2020	\$ 126.34	4700	\$ 0.026881	28	168	\$ 4.51	\$ 31.59	8/6/2020
6/12/2020	\$ 183.45	7400	\$ 0.024791	35	211	\$ 5.24	\$ 36.69	7/6/2020
5/7/2020	\$ 126.10	4700	\$ 0.026830	29	162	\$ 4.35	\$ 30.44	5/29/2020
Average	\$ 206.81	5485.11	\$ 0.037953	30.45	179.87	\$ 6.80	\$ 47.63	
Total	\$ 9,720.05	257,800						

Example – Rate increase notice if a system acquisition goes through. Why does it affect an unrelated portion of the state?

NOTICE OF PROPOSED WASTEWATER ACQUISITION AND RATE BASE ADDITION (Docket No. A-2022-3037047)



Dear Customer:

On April 10, 2023, the Pennsylvania Public Utility Commission (“PUC”) conditionally accepted for filing the application of Pennsylvania-American Water Co. (“Pennsylvania-American”) for approval to acquire the Butler Area Sewer Authority (“BASA”) wastewater system assets. BASA serves approximately 14,792 customers in Butler County. Pennsylvania-American’s application also requests that the PUC authorize an addition of \$231.5 million to Pennsylvania-American’s 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.

This acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Pennsylvania-American customers, including BASA wastewater customers. Pennsylvania-American is not requesting a rate increase as part of the acquisition. Your current rates will not change as a result of this acquisition until the conclusion of Pennsylvania-American’s first base rate case where Pennsylvania-American requests and receives PUC approval to increase its rates. Based on a non-binding estimate of the potential rate impacts, Pennsylvania-American anticipates that the potential rate impact could be as follows:

PAWC WASTEWATER				
Rate Class	Average Usage	Average Monthly Bill at PAWC Zone 1 Current Rates	Average Monthly Bill at PAWC Zone 1 2023 Rate Adjusted for Potential Impact of Acquisition	Potential Increase
Residential	3,212 gal/month	\$106.65	\$ 114.12	\$7.47 or 7.0%
Commercial	22,561 gal/month	\$509.46	\$ 545.12	\$35.66 or 7.0%
Industrial	528,207 gal/month	\$11,143.19	\$ 11,923.21	\$780.02 or 7.0%

PAWC WATER				
Rate Class	Average Usage	Average Monthly Bill at PAWC Zone 1 Current Rates	Average Monthly Bill at PAWC Zone 1 2023 Rate Adjusted for Potential Impact of Acquisition	Potential Increase
Residential	3,212 gal/month	\$69.24	\$69.79	\$0.55 or 0.8%
Commercial	22,561 gal/month	\$371.82	\$ 374.79	\$2.97 or 0.8%
Industrial	528,207 gal/month	\$5,985.09	\$ 6,032.96	\$47.88 or 0.8%

These amounts could change and will depend on how the PUC chooses to apportion any increase among different types of utility service, rate zones and classes of customers. For Pennsylvania-American customers in a rate zone other than Rate Zone 1, the potential rate impact could vary from the chart above.

PUC ROLE

The state agency that approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve, modify or deny the requested addition to rate base.

ACTIONS YOU CAN TAKE

You can support or challenge Pennsylvania-American’s request by:

- 1. Sending a letter to the PUC.** You can tell the PUC why you support or object to the application in your letter. This information can be helpful when the PUC investigates the application. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attending or presenting testimony at a PUC public input hearing.** You can attend or be a witness at a PUC public input hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania-American’s transaction and if there is enough interest in the case. At these hearings, you can present your views in person to the PUC judge and to company

representatives. Testimony under oath becomes part of the application case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.

- 3. Filing a protest or a petition to intervene.** If you want to be a party to the case, you must file a protest or a petition to intervene. You then have an opportunity to take part in all the hearings about the proposed acquisition. You can receive copies of all materials distributed by the other parties. Protests and petitions to intervene must be filed in accordance with 52 Pa. Code (relating to public utilities) on or before July 10, 2023. Filings must be made with the Secretary of the Pennsylvania Public Utility Commission at P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on Pennsylvania-American’s counsel at:

David P. Zambito, Esq.
Cozen O’Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101

The documents filed in support of the application are available on the PUC’s website at www.puc.pa.gov, and 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. The PUC docket number is A-2022-3037047. For more information, you may contact the PUC’s Bureau of Consumer Services at 1-800-692-7380.

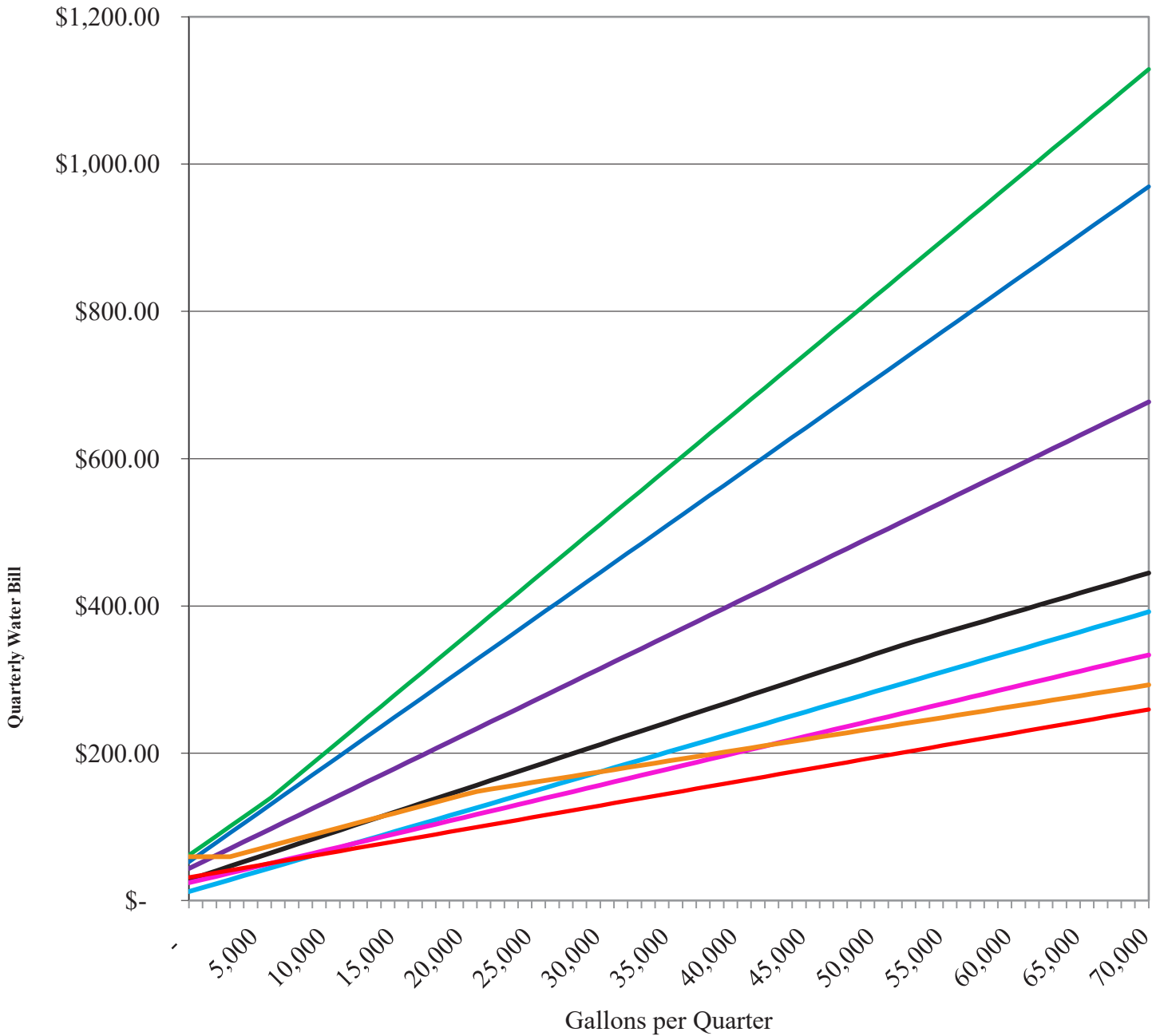
Next please see this attached exhibit showing rate comparisons as of March 24, 2022 from 8 various companies in Pennsylvania



RATE COMPARISONS

Statewide rate comparisons show that private investor-owned utility water rates are significantly higher than public authority rates.

Comparison of Quarterly Water Bills of Residential Customers



- Private
 - Pennsylvania-American Water Company (Rate Zone 1) 5/8" & 3/4" meters
 - AQUA Pennsylvania Water (Rate Zones 1&2) 5/8" meters
 - SUEZ North America 5/8" & 3/4" meters
- Municipal
 - Erie Water Works (EWW) 5/8" meters
 - North Penn Water Authority (NPWA) 5/8" & 3/4" meters
 - St. Marys Area Water Authority (SMAWA)
 - Mifflin County Municipal Authority (MCMA) 5/8" meters
 - Lehigh County Authority (LCA) 5/8" & 3/4" meters

**Comparison of Quarterly Water Bills
of Residential Customers**

Usage Per Quarter (gallons)	AQUA (1)	PAWC (2)	SUEZ (3)	EWW (4)	LCA (5)	MABL (6)	NPWA (7)	SMAWA (8)
0	\$61.53	\$52.50	\$43.50	\$28.27	\$31.30	\$59.73	\$12.15	\$24.20
1,000	\$74.58	\$65.60	\$52.55	\$34.39	\$34.56	\$59.73	\$17.58	\$28.62
2,000	\$87.63	\$78.70	\$61.60	\$40.51	\$37.82	\$59.73	\$23.00	\$33.04
3,000	\$100.68	\$91.80	\$70.65	\$46.64	\$41.08	\$59.73	\$28.43	\$37.46
4,000	\$113.73	\$104.90	\$79.70	\$52.76	\$44.34	\$64.65	\$33.86	\$41.88
5,000	\$126.78	\$118.00	\$88.76	\$58.88	\$47.60	\$69.57	\$39.29	\$46.30
6,000	\$139.83	\$131.10	\$97.81	\$65.00	\$50.86	\$74.49	\$44.71	\$50.72
7,000	\$155.28	\$144.20	\$106.86	\$71.13	\$54.12	\$79.41	\$50.14	\$55.14
8,000	\$170.73	\$157.30	\$115.91	\$77.25	\$57.38	\$84.33	\$55.57	\$59.56
9,000	\$186.18	\$170.40	\$124.96	\$83.37	\$60.64	\$89.25	\$60.99	\$63.98
10,000	\$201.63	\$183.50	\$134.01	\$89.49	\$63.90	\$94.17	\$66.42	\$68.40
11,000	\$217.09	\$196.60	\$143.06	\$95.61	\$67.16	\$99.09	\$71.85	\$72.82
12,000	\$232.54	\$209.70	\$152.11	\$101.74	\$70.42	\$104.01	\$77.27	\$77.24
13,000	\$247.99	\$222.80	\$161.16	\$107.86	\$73.68	\$108.93	\$82.70	\$81.66
14,000	\$263.44	\$235.90	\$170.21	\$113.98	\$76.94	\$113.85	\$88.13	\$86.08
15,000	\$278.89	\$249.00	\$179.27	\$120.10	\$80.20	\$118.77	\$93.56	\$90.50
16,000	\$294.34	\$262.10	\$188.32	\$126.22	\$83.46	\$123.69	\$98.98	\$94.92
17,000	\$309.79	\$275.20	\$197.37	\$132.35	\$86.72	\$128.61	\$104.41	\$99.34
18,000	\$325.24	\$288.30	\$206.42	\$138.47	\$89.98	\$133.53	\$109.84	\$103.76
19,000	\$340.69	\$301.40	\$215.47	\$144.59	\$93.24	\$138.45	\$115.26	\$108.18
20,000	\$356.14	\$314.50	\$224.52	\$150.71	\$96.50	\$143.37	\$120.69	\$112.60
21,000	\$371.60	\$327.60	\$233.57	\$156.84	\$99.76	\$148.29	\$126.12	\$117.02
22,000	\$387.05	\$340.70	\$242.62	\$162.96	\$103.02	\$151.24	\$131.55	\$121.44
23,000	\$402.50	\$353.80	\$251.67	\$169.08	\$106.28	\$154.19	\$136.97	\$125.86
24,000	\$417.95	\$366.90	\$260.72	\$175.20	\$109.54	\$157.14	\$142.40	\$130.28
25,000	\$433.40	\$380.00	\$269.78	\$181.32	\$112.80	\$160.09	\$147.83	\$134.70
26,000	\$448.85	\$393.10	\$278.83	\$187.45	\$116.06	\$163.04	\$153.25	\$139.12
27,000	\$464.30	\$406.20	\$287.88	\$193.57	\$119.32	\$165.99	\$158.68	\$143.54
28,000	\$479.75	\$419.30	\$296.93	\$199.69	\$122.58	\$168.94	\$164.11	\$147.96
29,000	\$495.20	\$432.40	\$305.98	\$205.81	\$125.84	\$171.89	\$169.54	\$152.38
30,000	\$510.65	\$445.50	\$315.03	\$211.94	\$129.10	\$174.84	\$174.96	\$156.80
31,000	\$526.11	\$458.60	\$324.08	\$218.06	\$132.36	\$177.79	\$180.39	\$161.22
32,000	\$541.56	\$471.70	\$333.13	\$224.18	\$135.62	\$180.74	\$185.82	\$165.64
33,000	\$557.01	\$484.80	\$342.18	\$230.30	\$138.88	\$183.69	\$191.24	\$170.06
34,000	\$572.46	\$497.90	\$351.23	\$236.42	\$142.14	\$186.64	\$196.67	\$174.48
35,000	\$587.91	\$511.00	\$360.29	\$242.55	\$145.40	\$189.59	\$202.10	\$178.90
36,000	\$603.36	\$524.10	\$369.34	\$248.67	\$148.66	\$192.54	\$207.52	\$183.32
37,000	\$618.81	\$537.20	\$378.39	\$254.79	\$151.92	\$195.49	\$212.95	\$187.74
38,000	\$634.26	\$550.30	\$387.44	\$260.91	\$155.18	\$198.44	\$218.38	\$192.16
39,000	\$649.71	\$563.40	\$396.49	\$267.03	\$158.44	\$201.39	\$223.81	\$196.58
40,000	\$665.16	\$576.50	\$405.54	\$273.16	\$161.70	\$204.34	\$229.23	\$201.00
41,000	\$680.62	\$589.60	\$414.59	\$279.28	\$164.96	\$207.29	\$234.66	\$205.42
42,000	\$696.07	\$602.70	\$423.64	\$285.40	\$168.22	\$210.24	\$240.09	\$209.84
43,000	\$711.52	\$615.80	\$432.69	\$291.52	\$171.48	\$213.19	\$245.51	\$214.26
44,000	\$726.97	\$628.90	\$441.74	\$297.65	\$174.74	\$216.14	\$250.94	\$218.68
45,000	\$742.42	\$642.00	\$450.80	\$303.77	\$178.00	\$219.09	\$256.37	\$223.10

Comparison of Quarterly Water Bills of Residential Customers

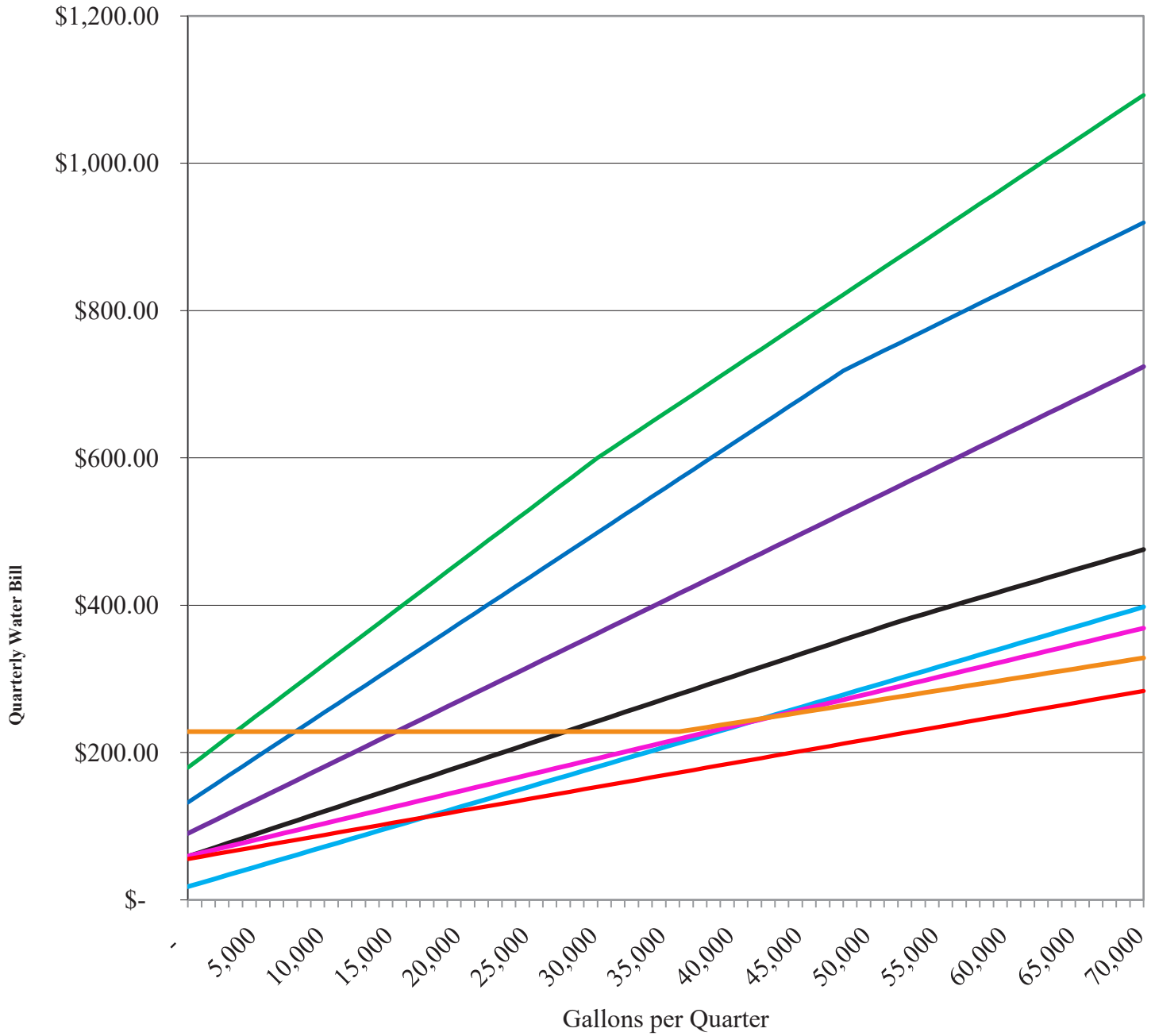
Usage Per Quarter (gallons)	AQUA (1)	PAWC (2)	SUEZ (3)	EWW (4)	LCA (5)	MABL (6)	NPWA (7)	SMAWA (8)
46,000	\$757.87	\$655.10	\$459.85	\$309.89	\$181.26	\$222.04	\$261.80	\$227.52
47,000	\$773.32	\$668.20	\$468.90	\$316.01	\$184.52	\$224.99	\$267.22	\$231.94
48,000	\$788.77	\$681.30	\$477.95	\$322.13	\$187.78	\$227.94	\$272.65	\$236.36
49,000	\$804.22	\$694.40	\$487.00	\$328.26	\$191.04	\$230.89	\$278.08	\$240.78
50,000	\$819.67	\$707.50	\$496.05	\$334.38	\$194.30	\$233.84	\$283.50	\$245.20
51,000	\$835.13	\$720.60	\$505.10	\$340.50	\$197.56	\$236.79	\$288.93	\$249.62
52,000	\$850.58	\$733.70	\$514.15	\$346.62	\$200.82	\$239.74	\$294.36	\$254.04
53,000	\$866.03	\$746.80	\$523.20	\$352.31	\$204.08	\$242.69	\$299.79	\$258.46
54,000	\$881.48	\$759.90	\$532.25	\$357.75	\$207.34	\$245.64	\$305.21	\$262.88
55,000	\$896.93	\$773.00	\$541.31	\$363.19	\$210.60	\$248.59	\$310.64	\$267.30
56,000	\$912.38	\$786.10	\$550.36	\$368.64	\$213.86	\$251.54	\$316.07	\$271.72
57,000	\$927.83	\$799.20	\$559.41	\$374.08	\$217.12	\$254.49	\$321.49	\$276.14
58,000	\$943.28	\$812.30	\$568.46	\$379.52	\$220.38	\$257.44	\$326.92	\$280.56
59,000	\$958.73	\$825.40	\$577.51	\$384.96	\$223.64	\$260.39	\$332.35	\$284.98
60,000	\$974.18	\$838.50	\$586.56	\$390.40	\$226.90	\$263.34	\$337.77	\$289.40
61,000	\$989.64	\$851.60	\$595.61	\$395.84	\$230.16	\$266.29	\$343.20	\$293.82
62,000	\$1,005.09	\$864.70	\$604.66	\$401.28	\$233.42	\$269.24	\$348.63	\$298.24
63,000	\$1,020.54	\$877.80	\$613.71	\$406.72	\$236.68	\$272.19	\$354.06	\$302.66
64,000	\$1,035.99	\$890.90	\$622.76	\$412.16	\$239.94	\$275.14	\$359.48	\$307.08
65,000	\$1,051.44	\$904.00	\$631.82	\$417.60	\$243.20	\$278.09	\$364.91	\$311.50
66,000	\$1,066.89	\$917.10	\$640.87	\$423.04	\$246.46	\$281.04	\$370.34	\$315.92
67,000	\$1,082.34	\$930.20	\$649.92	\$428.48	\$249.72	\$283.99	\$375.76	\$320.34
68,000	\$1,097.79	\$943.30	\$658.97	\$433.92	\$252.98	\$286.94	\$381.19	\$324.76
69,000	\$1,113.24	\$956.40	\$668.02	\$439.36	\$256.24	\$289.89	\$386.62	\$329.18
70,000	\$1,128.69	\$969.50	\$677.07	\$444.80	\$259.50	\$292.84	\$392.05	\$333.60

Present Rates as of March 24, 2022

1. AQUA Pennsylvania, Inc. - Tariff Water-PA P.U.C. No. 3 - Effective: May 19, 2022
2. Pennsylvania-American Water Company - Supplement No. 33 to Tariff Water-PA P.U.C. No. 5 - Effective: January 1, 2022
3. Suez Water Pennsylvania Inc. - Supplement No. 61 to: Water – Pa. P.U.C. No. 7 - Effective: January 1, 2022
4. Erie Water Works (EWW) - Rates Effective 1/1/2022
5. Lehigh County Authority (LCA) - Rates Effective 1/1/2022
6. Mifflin County Municipal Authority (MCMA) - Rate Resolution 6-2021, Effective 1/1/2022
7. North Penn Water Authority (NPWA) - Rates from website 3/24/2022
8. St. Marys Area Water Authority (SMAWA) - Rates Effective 3/1/2017

Comparison of Quarterly Water Bills of Commercial Customers

1" Meter



- Private
- Pennsylvania-American Water Company (Rate Zone 1)
- AQUA Pennsylvania Water (Rate Zones 1&2)
- SUEZ North America
- Municipal
- Erie Water Works (EWW)
- North Penn Water Authority (NPWA)
- St. Marys Area Water Authority (SMAWA)
- Mifflin County Municipal Authority (MCMA)
- Lehigh County Authority (LCA)

**Comparison of Quarterly Water Bills
of Commercial Customers**

1" Meter

Usage Per Quarter
(gallons)

	AQUA (1)	PAWC (2)	SUEZ (3)	EWV (4)	LCA (5)	MABL (6)	NPWA (7)	SMAWA (8)
0	\$179.40	\$132.30	\$90.15	\$58.87	\$55.48	\$228.18	\$17.79	\$59.40
1,000	\$193.42	\$144.51	\$99.20	\$64.99	\$58.74	\$228.18	\$23.22	\$63.82
2,000	\$207.43	\$156.71	\$108.25	\$71.11	\$62.00	\$228.18	\$28.64	\$68.24
3,000	\$221.45	\$168.92	\$117.30	\$77.24	\$65.26	\$228.18	\$34.07	\$72.66
4,000	\$235.47	\$181.12	\$126.35	\$83.36	\$68.52	\$228.18	\$39.50	\$77.08
5,000	\$249.49	\$193.33	\$135.41	\$89.48	\$71.78	\$228.18	\$44.93	\$81.50
6,000	\$263.50	\$205.53	\$144.46	\$95.60	\$75.04	\$228.18	\$50.35	\$85.92
7,000	\$277.52	\$217.74	\$153.51	\$101.73	\$78.30	\$228.18	\$55.78	\$90.34
8,000	\$291.54	\$229.94	\$162.56	\$107.85	\$81.56	\$228.18	\$61.21	\$94.76
9,000	\$305.55	\$242.15	\$171.61	\$113.97	\$84.82	\$228.18	\$66.63	\$99.18
10,000	\$319.57	\$254.35	\$180.66	\$120.09	\$88.08	\$228.18	\$72.06	\$103.60
11,000	\$333.59	\$266.56	\$189.71	\$126.21	\$91.34	\$228.18	\$77.49	\$108.02
12,000	\$347.60	\$278.76	\$198.76	\$132.34	\$94.60	\$228.18	\$82.91	\$112.44
13,000	\$361.62	\$290.97	\$207.81	\$138.46	\$97.86	\$228.18	\$88.34	\$116.86
14,000	\$375.64	\$303.17	\$216.86	\$144.58	\$101.12	\$228.18	\$93.77	\$121.28
15,000	\$389.66	\$315.38	\$225.92	\$150.70	\$104.38	\$228.18	\$99.20	\$125.70
16,000	\$403.67	\$327.58	\$234.97	\$156.82	\$107.64	\$228.18	\$104.62	\$130.12
17,000	\$417.69	\$339.79	\$244.02	\$162.95	\$110.90	\$228.18	\$110.05	\$134.54
18,000	\$431.71	\$351.99	\$253.07	\$169.07	\$114.16	\$228.18	\$115.48	\$138.96
19,000	\$445.72	\$364.20	\$262.12	\$175.19	\$117.42	\$228.18	\$120.90	\$143.38
20,000	\$459.74	\$376.40	\$271.17	\$181.31	\$120.68	\$228.18	\$126.33	\$147.80
21,000	\$473.76	\$388.61	\$280.22	\$187.44	\$123.94	\$228.18	\$131.76	\$152.22
22,000	\$487.77	\$400.81	\$289.27	\$193.56	\$127.20	\$228.18	\$137.19	\$156.64
23,000	\$501.79	\$413.02	\$298.32	\$199.68	\$130.46	\$228.18	\$142.61	\$161.06
24,000	\$515.81	\$425.22	\$307.37	\$205.80	\$133.72	\$228.18	\$148.04	\$165.48
25,000	\$529.83	\$437.43	\$316.43	\$211.92	\$136.98	\$228.18	\$153.47	\$169.90
26,000	\$543.84	\$449.63	\$325.48	\$218.05	\$140.24	\$228.18	\$158.89	\$174.32
27,000	\$557.86	\$461.84	\$334.53	\$224.17	\$143.50	\$228.18	\$164.32	\$178.74
28,000	\$571.88	\$474.04	\$343.58	\$230.29	\$146.76	\$228.18	\$169.75	\$183.16
29,000	\$585.89	\$486.25	\$352.63	\$236.41	\$150.02	\$228.18	\$175.18	\$187.58
30,000	\$599.91	\$498.45	\$361.68	\$242.54	\$153.28	\$228.18	\$180.60	\$192.00
31,000	\$612.23	\$510.66	\$370.73	\$248.66	\$156.54	\$228.18	\$186.03	\$196.42
32,000	\$624.54	\$522.86	\$379.78	\$254.78	\$159.80	\$228.18	\$191.46	\$200.84
33,000	\$636.86	\$535.07	\$388.83	\$260.90	\$163.06	\$228.18	\$196.88	\$205.26
34,000	\$649.17	\$547.27	\$397.88	\$267.02	\$166.32	\$228.18	\$202.31	\$209.68
35,000	\$661.49	\$559.48	\$406.94	\$273.15	\$169.58	\$228.18	\$207.74	\$214.10
36,000	\$673.80	\$571.68	\$415.99	\$279.27	\$172.84	\$228.18	\$213.16	\$218.52
37,000	\$686.12	\$583.89	\$425.04	\$285.39	\$176.10	\$231.13	\$218.59	\$222.94
38,000	\$698.43	\$596.09	\$434.09	\$291.51	\$179.36	\$234.08	\$224.02	\$227.36
39,000	\$710.75	\$608.30	\$443.14	\$297.63	\$182.62	\$237.03	\$229.45	\$231.78
40,000	\$723.06	\$620.50	\$452.19	\$303.76	\$185.88	\$239.98	\$234.87	\$236.20
41,000	\$735.38	\$632.71	\$461.24	\$309.88	\$189.14	\$242.93	\$240.30	\$240.62
42,000	\$747.69	\$644.91	\$470.29	\$316.00	\$192.40	\$245.88	\$245.73	\$245.04
43,000	\$760.01	\$657.12	\$479.34	\$322.12	\$195.66	\$248.83	\$251.15	\$249.46
44,000	\$772.32	\$669.32	\$488.39	\$328.25	\$198.92	\$251.78	\$256.58	\$253.88
45,000	\$784.64	\$681.53	\$497.45	\$334.37	\$202.18	\$254.73	\$262.01	\$258.30

**Comparison of Quarterly Water Bills
of Commercial Customers**

1" Meter

Usage Per Quarter (gallons)	AQUA (1)	PAWC (2)	SUEZ (3)	EWW (4)	LCA (5)	MABL (6)	NPWA (7)	SMAWA (8)
46,000	\$796.95	\$693.73	\$506.50	\$340.49	\$205.44	\$257.68	\$267.44	\$262.72
47,000	\$809.27	\$705.94	\$515.55	\$346.61	\$208.70	\$260.63	\$272.86	\$267.14
48,000	\$821.58	\$718.14	\$524.60	\$352.73	\$211.96	\$263.58	\$278.29	\$271.56
49,000	\$833.90	\$727.29	\$533.65	\$358.86	\$215.22	\$266.53	\$283.72	\$275.98
50,000	\$846.21	\$736.45	\$542.70	\$364.98	\$218.48	\$269.48	\$289.14	\$280.40
51,000	\$858.53	\$745.60	\$551.75	\$371.10	\$221.74	\$272.43	\$294.57	\$284.82
52,000	\$870.84	\$754.75	\$560.80	\$377.22	\$225.00	\$275.38	\$300.00	\$289.24
53,000	\$883.16	\$763.91	\$569.85	\$382.91	\$228.26	\$278.33	\$305.43	\$293.66
54,000	\$895.47	\$773.06	\$578.90	\$388.35	\$231.52	\$281.28	\$310.85	\$298.08
55,000	\$907.79	\$782.21	\$587.96	\$393.79	\$234.78	\$284.23	\$316.28	\$302.50
56,000	\$920.10	\$791.36	\$597.01	\$399.24	\$238.04	\$287.18	\$321.71	\$306.92
57,000	\$932.42	\$800.52	\$606.06	\$404.68	\$241.30	\$290.13	\$327.13	\$311.34
58,000	\$944.73	\$809.67	\$615.11	\$410.12	\$244.56	\$293.08	\$332.56	\$315.76
59,000	\$957.05	\$818.82	\$624.16	\$415.56	\$247.82	\$296.03	\$337.99	\$320.18
60,000	\$969.36	\$827.98	\$633.21	\$421.00	\$251.08	\$298.98	\$343.41	\$324.60
61,000	\$981.68	\$837.13	\$642.26	\$426.44	\$254.34	\$301.93	\$348.84	\$329.02
62,000	\$993.99	\$846.28	\$651.31	\$431.88	\$257.60	\$304.88	\$354.27	\$333.44
63,000	\$1,006.31	\$855.44	\$660.36	\$437.32	\$260.86	\$307.83	\$359.70	\$337.86
64,000	\$1,018.62	\$864.59	\$669.41	\$442.76	\$264.12	\$310.78	\$365.12	\$342.28
65,000	\$1,030.94	\$873.74	\$678.47	\$448.20	\$267.38	\$313.73	\$370.55	\$346.70
66,000	\$1,043.25	\$882.89	\$687.52	\$453.64	\$270.64	\$316.68	\$375.98	\$351.12
67,000	\$1,055.57	\$892.05	\$696.57	\$459.08	\$273.90	\$319.63	\$381.40	\$355.54
68,000	\$1,067.88	\$901.20	\$705.62	\$464.52	\$277.16	\$322.58	\$386.83	\$359.96
69,000	\$1,080.20	\$910.35	\$714.67	\$469.96	\$280.42	\$325.53	\$392.26	\$364.38
70,000	\$1,092.51	\$919.51	\$723.72	\$475.40	\$283.68	\$328.48	\$397.69	\$368.80

Present Rates as of March 24, 2022

1. AQUA Pennsylvania, Inc. - Tariff Water-PA P.U.C. No. 3 - Effective: May 19, 2022
2. Pennsylvania-American Water Company - Supplement No. 33 to Tariff Water-PA P.U.C. No. 5 - Effective: January 1, 2022
3. Suez Water Pennsylvania Inc. - Supplement No. 61 to: Water – Pa. P.U.C. No. 7 - Effective: January 1, 2022
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7. North Penn Water Authority (NPWA) - Rates from website 3/24/2022
8. St. Marys Area Water Authority (SMAWA) - Rates Effective 3/1/2017

USER RATES ARE NOT THE ONLY FACTOR

by David Busch
Keystone Alliance Consulting

The rate comparisons reflect the same eight water systems presented in 2018 in the “Proud History Bright Future” publication. The takeaway from this and the 2018 analysis on the surface could be that the three private utilities have higher rates for both residential and commercial customers. This is a true statement, but regarding the topic of privatization it is only one of many factors that are critical to the discussion. User rates are a critical part of any utilities operation. They provide the funds that make most of what your system does possible.

Utility rates are important to our customers as well, so as a result rates often receive an inappropriate amount of our time and concern. Municipally owned utilities focus on the long-term sustainability of their operations to insure the long-term benefits to our customers. Municipally owned utilities benefit from a number of advantages over the private sector that help keep our rates lower over time. A few of these advantages are as follows:

The vast majority of the revenues collected by municipally run or municipal authority utilities stay in the communities that they serve. This is because the staff members often live in the areas they serve. Municipal and municipal authority systems have no stockholders or corporate profits to worry about so 100 percent of the revenues from a municipally run or municipal authority utility are used to pay for system operations and capital assets in the community where the revenue is generated.

Municipal authorities’ operations are tax exempt from state sales taxes. Property owned by an authority is tax adverse, meaning that an authority may apply and generally it is granted that no tax will be charged on property that is used in the operation of the authority.

Because a municipal entity is smaller than a private utility company, the efforts and cost of operations are more focused on the customers and there is a stronger link between the customers served and the revenue generated by those customers. Large private utilities often subsidize operations in one community with the revenues from another. The limited number of rate zones shown in the tariffs of a private utility firms pool the revenues and expenses from many communities together. As a result, there is a greater separation between the cost of operation and the rates charged to individual customers.

All user rates imposed by a municipal authority are done so by the authority board at a public meeting held in the community they serve. User rates of all private utilities are approved by the Pennsylvania Public Utility Commission (PUC). The PUC process may include public hearings, but are held mostly in Harrisburg.

RATE COMPARISONS – WHAT’S TRUE AND WHAT’S SPIN?

*by Anthony J. Bellitto, Jr., P.E., Executive Director
North Penn Water Authority*

Municipal Authorities will always charge lower rates to their customers for water and sewer services because they are non-profit. Customers of private, for-profit water and sewer utilities will always pay more. This difference in costs charged to the customers is well documented with actual data comparisons in numerous cases in Pennsylvania and across the nation.

The big private utility companies, like Aqua, certainly know that they are the higher cost alternative, so they don’t even try to argue the point. Instead, they put their own misleading spin on this by claiming that publicly owned systems have rates that are “artificially low” because they are falling apart and not investing in the necessary improvements to their system infrastructure. They claim that the lower rates put the public at risk of receiving poor water quality and unreliable service, and that only the privatization of those public systems will provide the necessary capital funding for infrastructure improvements. However, it is important to note that this is a false narrative and nobody should be fooled by such misinformation. It’s fake news, and it can easily be proven as such.

It all comes down to the track record of operational performance. All water and sewer systems – both public and private – must meet the same very strict standards and regulations set by the state and federal governments. These standards relate to water quality, chlorine residuals, pressure requirements, discharge limits, environmental protections, and dependable service, among

other criteria. If these strict standards are not met every day, the system would receive violation notifications or would have to mobilize emergency repairs or issue boil water alerts or tell their customers to not drink the water. How often, and how wide-spread, these problems occur is a tangible measure of the health and well-being of the water or sewer system. The occurrence of these operational problems – and the number of customers impacted – is a matter of public record. If a publicly-owned system has numerous and frequent problems and system disruptions, then perhaps its operations are so distressed that privatization could help resolve those issues.

However, the recent aggressive efforts for privatization have instead targeted municipal systems that are not distressed. They are going after the large, well-managed, and financially stable municipal systems, which have a track record of excellent, high-quality reliable service. So, in these cases a private company would provide no better service than the customers are currently receiving. Top management at those private utilities spin a narrative in their public statements that their operational performance is so much better than the publicly-owned systems. But this posture is not supported by the evidence.

There are plenty of examples of situations in which privately owned systems have numerous and wide-spread service disruptions and boil water advisories related to water main breaks, power failures, equipment

breakdowns, and treatment plant interruptions. The private utilities are not as “bullet-proof” as they claim to be, and the municipal systems are not poorly operated as they assert. A side-by-side comparison of actual operational performance records is a welcome way to validate whether the customers are being served better by private or public systems.

In actuality, the reason that the private companies charge so much higher rates than municipal systems is three-fold: first, it’s because costs are spread over a very wide customer base, so customers living in one geographic region have to contribute to paying for infrastructure improvements in other distant areas in which they receive no benefit; second, it’s because the for-profit business model requires that the company pay a dividend to their shareholders; and, third, they pay exorbitantly high salaries, bonuses, and stock options to their upper management, when compared to the more modest financial compensation received by employees of publicly owned systems.

When municipal authorities operate better, cheaper, and more reliably, they provide a far superior value to their customers and there is no benefit to privatizing. This is all a matter of public record that is easily documented. Let the facts speak for themselves, instead of the spin we hear far too often. Bottom line – the truth is that when the top management at Aqua and other private utilities take aggressive steps to privatize a municipal system, the end result is that those individuals promoting the takeover will be personally enriched financially by the transaction, while the customers are left holding the bag, forced to pay much higher costs forever into the future. This is not in the best long-term interests of the customers, and therefore should be strenuously opposed.