Kofi Osei

M-2016-2543193 Comment

By suggesting changes to Section 1329's implementation, the PUC has correctly identified that this portion of Title 66 is fundamentally broken. It is incumbent on the General Assembly to repeal Section 1329, but in absence of legislative action, the PUC should use its authority as a regulatory body to reduce the damage of the law in their jurisdiction. Commissioner Barrow has pointed out multiple times that there are other more appropriate acquisition procedures for some of these Section 1329 applications and the PUC seems to get into routine lawsuits over Section 1329 approvals.

- The PUC should bind itself to deny all Section 1329 applications with a Reasonable Review Ratio over 1.00
 - a. Premiums over depreciated cost being included in the rate base should be subject to much more scrutiny than 1329 requires. Municipalities and Utilities should be encouraged to use another acquisition procedure if this is the result they want.
- 2. The PUC should deny or stay all 1329 applications until Cicero vs the PUC and the Butler/PAWC lawsuit are final.
 - a. I do not believe the PUC has any business approving these applications when the power to do so is legally questionable.
- 3. The PUC should bind itself to accept administrative law judge recommendations to deny applications.
 - a. This is the heart of the lawsuits; residents shouldn't have to go through the extensive effort of getting a denial recommendation from the ALJ only for the PUC to ignore it.
- 4. The PUC should require Section 1329 applications to have open bidding.
 - a. This legislation is described as "Fair Market Valuation" but in absence of open bidding, there is a possibility for quite a bit of negotiation before a sale is approved. The idea of a "fair market" evaluation for the exchange of a monopoly is already absurd on its face but some semblance of a market with open bidding would be useful. Open bidding is complimentary to the meeting requirements suggested.