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Public Utility Commission  
Philadelphia Office  
Administrative Law Judge

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Jenkintown, PA 19046  
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April 23, 2010

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SECRETARY'S BUREAU  
PUC

Honorable Angela T. Jones  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
801 Market Street, Suite 4063  
Philadelphia, PA 19107

Dear Judge Jones:

I would like to formally oppose the settlement in the Water Rate Case; Pennsylvania Public Utility Commission, et al. v. Aqua Pennsylvania, Inc. Docket # R-2009-2132019. I feel that the issues I presented in opposition to the rate increases were not addressed and am thoroughly disappointed that the Consumer Advocate recommends this settlement.

My reasons are as follows:

On November 24, 2009, I was notified that AQUA PA was requesting to raise my water rates approximately 11%. Since August 2004, the Pennsylvania Public Utility Commission (PUC) has allowed Aqua PA to raise their water rates over 25%.

As of July 2009, the PUC allowed AQUA PA to raise the Distribution System Improvement Charge (DSIC) over 50%. The purpose of the DSIC is "to reduce the potential need for more frequent base rate proceedings, with their attendant increased rate case expense"(Docket #P-00062241). **Clearly the intended purpose of the DSIC has failed as Aqua PA is asking for a rate increase less than four months after the DSIC was increased.**

In the Notice of Proposed Rate Changes mailed to customers, AQUA PA failed to mention that they are also requesting a customer charge increase of 22%. The customer charge was last increased 14% in September 2008. **This information should have been clearly listed on the letter and not buried on the internet where many residents do not have access.**

With the CEO's annual compensation over two million dollars in salary and stock options, as reported by *Business Week*, AQUA PA does not appear to be in need of a rate increase especially when most customers have been hurt in the economic downturn. In addition, AQUA PA has grown income for the ninth straight year and raised dividends for the eighteenth time in seventeen years along with a dividend increase of eight percent in 2008.

I am extremely disappointed that I was not able to present my views in person at the hearings, but I cannot afford to miss my employment. I had confidence that the Consumer Advocate would have fought more aggressively on my behalf.

I guarantee that even with a 50% increase in the DSIC and, with the approval of this settlement, over 30% increase in water rates since 2004, and a 22% increase in the customer charge, AQUA PA will request another double digit rate increase immediately after the November 2011 deadline. When will enough be enough?

Sincerely,



Kevin J. Tracey

cc Office of the Consumer Advocate