



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE
A-2017-2605434

April 4, 2018

VIA FIRST CLASS MAIL

Honorable Robert M. Tomlinson
Senate of Pennsylvania
Room 362
Main Capitol Building
Harrisburg, Pennsylvania 17120

RE: Application of Aqua Pennsylvania Wastewater, Inc.
pursuant to Sections 1102 and 1329 of the Public
Utility Code for Approval of its Acquisition of the
Wastewater System Assets of Limerick Township;
Petition for Reconsideration at
Docket Number A-2017-2605434

Dear Senator Tomlinson:

Thank you for your letter dated March 30, 2018, regarding the above captioned Application and subsequent Petition for Reconsideration filed by Aqua Pennsylvania Wastewater (Aqua) on December 15, 2017. The Commission's Final Opinion and Order regarding Aqua's Application was entered and issued on November 29, 2017. Subsequently, Aqua Pennsylvania filed a Petition for Reconsideration in accordance with 52 Pa. Code Section 5.572(c), specifically regarding its acquisition of the Wastewater System Assets of Limerick Township.

Since Aqua's Petition for Reconsideration is still pending before the Commission, and due to the statutory prohibition on ex-parte communications at 66 Pa. C.S. Section 334(c), please be advised that I am serving a copy of your comments to all of the parties of record to this case, and placing your letter on the record at the above docket number.

Sincerely,

Rosemary Chiavetta
Secretary of the Commission

cc: All Parties of Record
June Perry, PUC Legislative Director

Docket A-2017-2605434

ROBERT M. TOMLINSON

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Senate of Pennsylvania

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replied to SEN

CHAIRMAN'S OFFICE

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March 30th, 2018

Dear Chairwoman Brown,

The Limerick Township Wastewater acquisition approved by the Commission on November 8, 2017, is currently before you on reconsideration.

In 2016, the General Assembly passed legislation that would encourage consolidation in the water and wastewater industry across the Commonwealth. As a result of this legislation, municipalities are now able to voluntarily sell their water and wastewater systems using a statutorily defined process. As regulation of drinking water and wastewater increases, many municipalities are seeing greater costs and complexity in the operation of their utility systems. In order to meet those costs and complex regulatory requirements, municipalities generally had to raise taxes on their constituents. The 2016 law provides an option other than raising taxes for municipalities facing large costs associated with their systems – they can entrust their system to highly skilled operators allowing them to protect their taxpayers and focus their efforts on other municipal priorities and goals.

For a variety of reasons, Limerick Township chose to divest its wastewater assets and sell to an entity that has a particular expertise in this area. The system was sent out to bid, Aqua Pennsylvania Wastewater was the winning bidder, and the Township and Aqua utilized this new law to process the application at the Pennsylvania Public Utility Commission.

As you are aware, the Commission issued an order which changed the ratemaking rate base for the acquiring utility. I would encourage the Commission to review this case thoroughly and in particular, consider the significant amount of the reduction to the appraisals that was made by the ALJ and then approved by the Commission. The reduction could harm future use of the law with a negative result for municipalities and taxpayers.

I respectfully request that the Commission address the Limerick issue as soon as responsibly possible and bring certainty to the situation. Further, I ask that the Commission consider the process envisioned by the legislature and the benefits this and future transactions will bring to the Commonwealth.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Tomlinson". The signature is written in a cursive, somewhat stylized font.

Robert "Tommy" Tomlinson

Senator, 6th District

Chairman, Consumer Protection and Professional Licensure Committee