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ROBERT M. TOMLINSON

6TH DISTRICT

SENATE BOX 203006
ROOM 281, MAIN CAPITOL BUILDING
HARRISBURG, PA 17120-3006
(717) 787-5072
FAX: (717) 772-2991

696 SECOND STREET PIKE, SUITE 5
RICHBORO, PA 18954
(215) 942-5157
FAX: (215) 942-5166

3207 STREET ROAD
BENSALEM, PA 19020
(215) 638-1784
FAX: (215) 638-1786

rtomlinson@pasen.gov
senatortomlinson.com



Senate of Pennsylvania

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APR - 4 2018

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

TO: SEC
18 APR - 4 AM 10:07
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CHAIRMAN'S OFFICE

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.

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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

Senate of Pennsylvania

6TH DISTRICT
ROBERT M. TOMLINSON
3207 STREET ROAD
BENSALEM, PA 19020

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Chairwoman Gladys Brown
Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

CHAIRMAN'S OFFICE

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