



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 North Street, Harrisburg, Pennsylvania 17120

IN REPLY PLEASE
REFER TO OUR FILE

May 29, 2019

VIA FIRST CLASS MAIL

Honorable William Peduto
Mayor of Pittsburgh
512 City-County Building
414 Grant Street
Pittsburgh, Pennsylvania 15219

Dear Mayor Peduto:

Thank you for your letter dated May 28, 2019 to Chairman Gladys Brown Dutrieuille of the Pennsylvania Public Utility Commission regarding a rumor that Aqua Pennsylvania (Aqua) may seek to acquire the Pittsburgh Water and Sewer Authority (PWSA).

Please know that as a quasi-judicial agency, the Commission does not speculate upon rumors, but only makes decisions based on evidence admitted to the record in proceedings that have been officially filed and are pending before the Commission within its jurisdictional authority. There are currently several contested matters pending separately before the Pennsylvania Public Utility Commission regarding Aqua and PWSA.

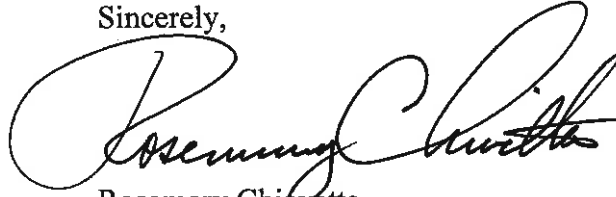
At this time, Aqua has filed a Joint Application to acquire the Peoples Natural Gas Company – Equitable Division. Please find under cover of this letter a Secretarial Letter issued by the Commission on November 19, 2018 acknowledging the filing and publishing of the Application in the Pennsylvania Bulletin. The Parties of Record that have filed as protestants or intervenors in the consolidated Application dockets are currently engaged in discovery before the presiding Administrative Law Judge. You may follow the progression of this proceeding on our website by searching under A-2018-3006061.

As for PWSA, they are currently before the Commission awaiting a decision on their Long-Term Infrastructure Improvement Plans (LTIIPs) in accordance with the requirements of the Commission's March 15, 2018 Final Implementation Order, which implemented the General Assembly's legislation mandating Commission authority over the PWSA system. The docket numbers of PWSA's LTIIPs are at P-2018-3005037 and P-2018-3005039. These proceedings may also be reviewed on our website.

Therefore, 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 letter dated May 28, 2019 to the Parties of Record in all of the dockets listed below, and placing your letter on the record at each of those docket numbers to cure any ex parte concerns.

Any further comments you wish to submit on any of these proceedings should be directed to me and officially filed with my office so they can be made a part of the record in any of these cases. I am also copying the public officials you copied on your May 28th letter, so they are aware of the proceedings that are currently pending before the Commission and the Commission's response to your comments.

Sincerely,

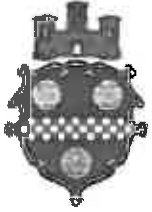
A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is fluid and cursive, with a large initial "R" and "C".

Rosemary Chiavetta
Secretary of the Commission

Enclosures

CC: All Parties of Record to Docket Numbers:
A-2018-3006061; A-2018-3006062; A-2018-3006063; P-2018-3005037; and P-2018-3005039

Honorable Tom Wolf, Governor of Pennsylvania
Honorable Josh Shapiro, Attorney General of Pennsylvania
Honorable Joseph Scarnati, President Pro-Tempore, Senate of Pennsylvania
Honorable Jake Corman, Majority Leader, Senate of Pennsylvania
Honorable Jay Costa, Minority Leader, Senate of Pennsylvania
Honorable Mike Turzai, Speaker, PA House of Representatives
Honorable Brian Cutler, Majority Leader, PA House of Representatives
Honorable Frank Dermody, Minority Leader, PA House of Representatives



CITY OF PITTSBURGH

"America's Most Livable City"

Office of Mayor William Peduto

May 28, 2019

Gladys Brown Dutrieuille
Chairman, Pennsylvania Public Utility Commission
400 North Street
Keystone Building
Harrisburg, PA 17120

Dear Chairman Brown Dutrieuille,

Rumors are circulating throughout Pittsburgh and Harrisburg about Aqua America trying to buy water utilities, and company officials notifying elected officials of their interest in purchasing the Pittsburgh Water & Sewer Authority.

I want to be very clear about this: Pittsburgh's water belongs to its people and the PWSA will never be up for sale.

PWSA, the municipal water authority serving more than 300,000 people in and around Pittsburgh, has for the first time in decades made great strides in addressing long-term legacy issues regarding water safety and infrastructure. To be certain, in the past few years we have reversed decades-long disinvestment of critical infrastructure.

As part of a \$1.1 billion improvement plan it is removing lead from all service lines, making major water system upgrades and improving authority management. PWSA has replaced more than 3,000 lead service lines, and with last year's announcement by the Pennsylvania Infrastructure Investment Authority (PENNVEST), another \$49 million in funding will allow the authority to replace 4,000 more lead service lines throughout its system, exceeding required mandates.

Positive momentum is clearly on the side of the publicly-owned utility. I write you today to raise my concerns, which are shared by many others, that a private utility may try to take advantage of PWSA's recent successes to benefit their bottom line, and not the ratepayers and residents of Pittsburgh. These concerns have grown since Aqua America announced its \$4.2 billion acquisition of Peoples Gas, creating a new Pennsylvania-based water and gas utility. With the strides PWSA has made in improving its infrastructure, it is possible this new utility could be eyeing the authority and its ratepayer base for another acquisition.


I completely oppose this and it is my hope the Public Utility Commission, and all those copied on this letter, will publicly join me.

512 CITY-COUNTY BUILDING 414 GRANT STREET PITTSBURGH, PENNSYLVANIA 15219

Phone: 412-255-2626 ■ Fax: 412-255-8602



Nothing is more important to life than safe and reliable drinking water. Pittsburgh – a city that was born and then thrived because of its access to three mighty rivers – is lucky to have such a publicly-owned resource, and it should remain that way for generations to come.

Sincerely,


William Peduto
Mayor of Pittsburgh

CC:

Governor Tom Wolf

Attorney General Josh Shapiro

Senate President Pro Tempore Joe Scarnati

Senate Majority Leader Jake Corman

Senate Democratic Leader Jay Costa

Speaker of the House Mike Turzai

House Majority Leader Brian Cutler

House Democratic Leader Frank Dermody



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

November 19, 2018

A-2018-3006061;
A-2018-3006062;
A-2018-3006063

Michael W. Gang, Esquire
Michael W. Hassell, Esquire
Garrett P. Lent, Esquire
Post & Schell, PC
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601

Dear Attorney Hassell:

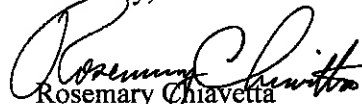
Receipt is acknowledged of the Joint Application of Aqua America, Inc. for approval to acquire ownership of Peoples Natural Gas Company LLC, Peoples Natural Gas Company LLC-Equitable Division, and Peoples Gas Company LLC, through the purchase of LDC Funding LLC. LDC Funding LLC is the indirect parent of Peoples Natural Gas Company LLC, Peoples Natural Gas Company LLC-Equitable Division and Peoples Gas Company LLC. Under the proposed transaction, LDC Funding LLC will become a direct subsidiary of Aqua America, Inc., which has been docketed to the above referenced numbers.

You are directed upon receipt of this letter to publish the enclosed notice once in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before December 31, 2018.

Pursuant to 52 Pa. Code §5.14, the Commission will proceed with publishing the attached notice in the *Pennsylvania Bulletin*. This notice will appear in the Saturday, December 1, 2018 issue.

This matter will receive the attention of the Commission and you will be advised of any further necessary procedure.

Sincerely,


Rosemary Chiavetta
Secretary

Enclosure

Cc: Kimberly A. Joyce, Esquire
Alexander R. Stahl, Esquire
David Pl Zambito, Esquire
Jonathan P. Nase, Esquire
William H. Roberts, II, Senior Counsel

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE TO BE PUBLISHED**

Joint Application of Aqua America, Inc. for approval to acquire ownership of Peoples Natural Gas Company LLC, Peoples Natural Gas Company LLC-Equitable Division, and Peoples Gas Company LLC, through the purchase of LDC Funding LLC. LDC Funding LLC is the indirect parent of Peoples Natural Gas Company LLC, Peoples Natural Gas Company LLC-Equitable Division and Peoples Gas Company LLC. Under the proposed transaction, LDC Funding LLC will become a direct subsidiary of Aqua America, Inc. Docket Numbers: A-2018-3006061, A-2018-3006062, and A-2018-3006063.

Formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code, on or before December 31, 2018. All filings must be made with the Secretary of the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the Applicant. The documents filed in support of the Application are available for inspection and copying at the Office of the Secretary between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, on the Commission's website at www.puc.pa.gov, and at the Applicant's business address.

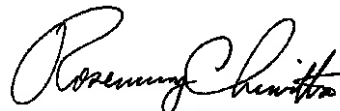
Applicants:

Aqua America, Inc.
Peoples Natural Gas Company, LLC
Peoples Natural Gas Company, LLC-Equitable Division
Peoples Gas Company LLC

Through and By Counsel for:

Michael W. Gang, Esquire
Michael W. Hassell, Esquire
Garrett P. Lent, Esquire
Post & Schell, PC
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601

BY THE COMMISSION



Rosemary Chiavetta
Secretary