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September 27, 2021

The Honorable Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Keystone Building
400 North Street
Harrisburg, PA 1720

Pennsylvania Public Utility Commission v.
Aqua Pennsylvania, Inc. and Aqua
Pennsylvania Wastewater, Inc.
Docket Nos. R-2021-3027385 and
R-2021-3027386

Dear Secretary Chiavetta,

As Senator for the 44th Senatorial District, I offer the following public comment on PUC Docket Numbers R-2021-3027385 and R-2021-3027386 in opposition to proposed water and wastewater rate increases requested by Aqua's operating entities.

My office has received many communications from constituents expressing their opposition to this request. And I concur.

If the increase is granted, it would boost a typical residential water bill for a customer using 4,000 gallons a month from \$69.35 to \$81.32, an increase of \$11.97 a month, or 17%. Additionally, residential bills for Aqua's 45,000 wastewater customers would be increased from \$55.51 to \$73.95, a boost of \$18.44, or 33%.

Throughout Aqua's service territory, ratepayers are still firmly in the grip of the COVID-19 pandemic and the ravages of Tropical Storm Ida and the impacts to the health of the citizenry and to the local and regional economy are devastating.

The company admits in a statement that the primary reason it requires the increase is to recover \$1.1 billion that it has spent to upgrade its distribution and treatment systems, including a new \$8 million laboratory opened this summer at its Bryn Mawr headquarters. Since 2016, Aqua has agreed to buy eight systems in the Philadelphia suburbs for a total of \$295 million — New Garden Township, Limerick, East Bradford, Cheltenham, East Norriton, Lower Makefield, Willistown and East Whiteland. In addition, Aqua has offered to buy the DELCORA wastewater system in Delaware and Chester Counties for \$277 million and it has also proposed to acquire the Chester Water Authority for \$410 million.

Aqua is not in need of immediate rate relief. The company's current and near-term financial outlook is stable and the utility has sufficient revenues to continue to provide safe and reasonable service, to continue its construction activities, pay all of its expenses and earn a reasonable profit. In fact, in its most recent annual report filed with the PUC, Aqua reported making net income of \$188 million last year on \$509 million of operating revenue. The combined rate increase in the present would raise Aqua Pennsylvania's annual revenue by an additional \$98 million, or about 18%.

It is both unjust and unreasonable to raise rates on essential water and wastewater service as the economic impact of the COVID-19 pandemic continues to unfold in unpredictable and uncertain ways. The evidence in this proceeding is clear that the breadth and severity of hardship and poverty in Aqua's service territory is continuing unabated while assistance programs are coming to a halt (UC/PUA, eviction moratorium, rental assistance) growing at alarming rates. The pandemic has taken an especially heavy toll on both the economic and public health of low-income and minority households, which already faced disproportionately high energy costs compared to higher income households before the pandemic. Raising rates on utility rates would compound the already high rates of involuntary termination and exacerbate the disproportionate health impacts of the pandemic on low-income communities and communities of color and prolonging the longer-term economic recovery for these same households.

I trust that the Commission will duly consider the economic impact on consumers as well as the ill-advised timing of the relief sought by the utility in the midst of a pandemic and in the wake of the ravages of Tropical Storm Ida. The aggressive acquisition asset binge undertaken by Aqua should not be financed on the backs of the hard-working constituents of the 44th District who are struggling to make ends meet - now or ever.

Thank you in advance for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie Muth", written in a cursive style.

Senator Katie Muth, SD44