October 25, 2023

VIA ELECTRONIC FILING

<u>Reply To New Matter Raised By Aqua Pennsylvania Wastewater Inc.</u>

Re: William Ferguson Vs. Aqua Pennsylvania Wastewater, Inc.
Docket No. C-2023-3043109

To: The Pennsylvania Public Utility Commission

From: William Ferguson, Complainant

Please find attached my reply to Aqua Pennsylvania Wastewater, Inc's new matter raised in their October 10, 2023 filing.

Respectfully submitted,

William Ferguson

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated.

VIA E-MAIL

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Aqua PA WW has responded to my complaint in two parts:

1. Unsubstantiated denial of essentially the entire complaint. “Unsubstantiated” is important here because Aqua PA WW is in a unique position of being able to show with business records the ongoing costs for its line item cost “Purchased Wastewater”.

2. The raising of a “New Matter”, which is essentially five pages of legal technicalities concluding that the complaint should be thrown out.

In deciding the “New Matter”, I request that the PUC consider the following:

1. In this complaint, it was almost by accident that I was able to deduce what the “Purchased Wastewater” represented and that it is a cost not being incurred by Aqua PA WW. This was not knowable to myself or the PUC until after the fact. However, it was or should have been knowable to Aqua PA WW that this cost would go away well before the rate increase went into effect. And, since it was a forecast for “*fully projected future test year*” (2023), it should have not been included.

2. Therefore, Aqua PA WW has not fulfilled its obligations to the PUC on accuracy and correctness of its filings.

3. This complaint involves a significant amount of money that Aqua PA WW is collecting from ratepayers for a cost it is not incurring.

4. Utility companies are natural monopolies. History has shown that when a monopoly exists, there is a high probability it will be abused to the detriment of the customer. Hence, the need for a neutral regulator.

5. Therefore, the PUC first and foremost exists to protect ratepayers from predatory practices of utility companies.

6. To fulfill this regulatory role, the PUC has developed formal, complex, intricate and elaborate procedures to follow. This has evolved to the point that the public is effectively excluded from the process. The formality of public comment hearings in the process does not negate this point.

7. The complexity of a rate setting process makes it easy to conceal items that should not be included. Hence, there should be a remedy when something is discovered to be incorrect.

8. The standard implied by the “New Matter” raised by Aqua PA WW is that once a certain milestone is passed, nothing can be changed. At that point any mistake or malfeasance gets the stamp of approval. If this is truly the standard, it is an open door to malfeasance in the regulatory process. And, the complexity can actually encourage such behavior.

9. The PUC should be pleased when an issue like this is identified and can be acted upon. The regulated utilities need to know that mistakes or improper activity will be corrected when identified. A very public display of corrections is a powerful enforcement tool.

10. This complaint has several features that should make it appealing for regulatory correction:

    a. It does not challenge the rate setting process in any way. Nothing has to be redone.

    b. It is narrowly focused on one specific cost element.

    c. It only impacts a specific set of ratepayers – New Garden sewer customers.

    d. Tariffs would not even have to the changed. Correction could be effected by requiring Aqua PA WW to issue billing credits for past overcharges and a credit on each new bill for that period’s overcharge. The burden should be on Aqua PA WW, not the PUC.

In conclusion, I respectfully request that the PUC give full consideration to this complaint based on its merits.

Even if the PUC has to deny this complaint on technical grounds, it has become aware of the issue and should independently take investigation and enforcement action. That should be a fundamental responsibility of the PUC as a basic reason for its existence.