

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120**

**Application of Pennsylvania-American Water Company, pursuant to 66 Pa. C.S. §§ 1102 and 1329 for: (1) approval of the acquisition by Pennsylvania-American Water Company of substantially all of the assets, properties and rights related to the wastewater collection and treatment system owned by the Butler Area Sewer Authority (BASA or Authority); (2) approval of the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply wastewater service in the City of Butler, portions of the Borough of East Butler, and portions of the Townships of Butler, Center, Connoquenessing, Oakland, and Summit, in Butler County, Pennsylvania; and (3) an order approving the acquisition that includes the ratemaking rate base of the Authority wastewater system assets pursuant to Section 1329(c)(2) of the Public Utility Code.**

**Public Meeting held November 9, 2023  
3037047-OSA  
Docket No. A-2022-3037047**

**STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK**

On February 14, 2023, Pennsylvania-American Water Company (PAWC) filed an Application requesting Commission approval of its acquisition of the wastewater assets of the Butler Area Sewer Authority (Authority) pursuant to Sections 1102 and 1329 of the Public Utility Code. Through this Application, PAWC seeks, among other things, to acquire substantially all of the assets, properties and rights related to the wastewater collection and treatment system owned by the Authority and approval of the right to begin to offer, render, furnish and supply wastewater service in the City of Butler and surrounding areas.

On August 14, 2023, PAWC, the City of Butler, the Township of Butler, the Office of Consumer Advocate, the Office of Small Business Advocate and the Commission's Bureau of Investigation and Enforcement submitted a Joint Petition for Approval of Unanimous Settlement seeking to resolve this matter. On September 14, 2023, however, Administrative Law Judge Marta Guhl issued a Recommended Decision recommending that the Settlement and the Application be denied.

The Recommended Decision of the ALJ, however, must be reversed and the Settlement accepted thereby granting the Application.

In particular, I note that this matter is distinguishable from the matter involving the recent proceeding involving Aqua Pennsylvania's filing to acquire East Whiteland Township in Chester County.

First, the settlement submitted by the parties in this case includes affirmative benefits for the residents of the selling Authority. This includes, for example, enhancements to low-income program outreach efforts, an increase in Hardship Fund funding totaling \$3.5 million and inclusion of commercial customers for payment arrangements. These benefits, and others, were not present in the East Whiteland Township case.

Second, the record in this matter demonstrates that the system is currently under a Corrective Action Plan with the Pennsylvania Department of Environmental Protection. The system in the East Whiteland Township case was not.

Third, I note that the matter in the instant case comes to us as a result of a settlement, supported by numerous parties as identified above, whereas the matter in East Whiteland Township was fully litigated. While standing alone this fact would not be sufficient to warrant granting the Application, however, it is another factor that distinguishes this matter from East Whiteland Township and further supports reversing the Recommended Decision and granting the Application.

As a result, I am voting to approve the settlement submitted by the parties in this proceeding and granting PAWC's Application.

**November 9, 2023**  
**Date**

  
\_\_\_\_\_  
**Stephen M. DeFrank**  
**Chairman**