

## OBJECTIONS TO SETTLEMENT

### Exception

Adam Joseph Shellhorse

December 20, 2024

Home Address:  
1042 Elderberry Way  
Cheltenham, PA 19012

R-2024-3047822 et al.

Pennsylvania Public Utility Commission et al.  
v. Aqua Pennsylvania, Inc Aqua Pennsylvania Wastewater, Inc.

### Written comments for objecting:

I, Adam Joseph Shellhorse, hereby oppose the proposed Settlement and Recommended Decision for the following reasons:

2) Because, most crucially, in Ms. Kennedy's OCA letter, dated November 7, 2024, it states, on pg. 2, that for a residential customer using 3,870 gallons in the Rate 1 Main Division service territories would increase by \$5.36, from \$81.18 to \$86.54 per month, a 6.6% increase, rather than the \$14.92 increase (18.4%) originally proposed by Aqua. However, in **the Notice of Proposed Wastewater Rate Changes, sent by AQUA on May 23, 2024 (See Exhibit A, below)**, we were informed, in Cheltenham Township, that "Residential customers using 3,870 gallons per month would increase from \$61.31 to \$92.85 per month. **This is a 51.4% increase and not a 18.4% increase. Therefore, we have no idea how the proposed Settlement will affect us in Cheltenham Township and must oppose it. Moreover, AQUA recently raised**

**wastewater rates astronomically in Cheltenham in 2022 by 65% (See Exhibit A below). In this context, raising the rate by 51.4% would be exorbitant. This is my primary opposition to the Settlement and I hope the PUC will address such egregious rate hikes before settling. Such exorbitant rate hikes will, without a doubt, negatively affect my family and our entire Cheltenham Township community.**

2) Because in Ms. Kennedy's OCA letter, dated November 7, 2024, it states, on pg. 2, that for a residential customer using 3,870 gallons in the Rate 1 Main Division service territories would increase by \$9.95...a 12.3% increase rather than a 19.8% increase. However, in the Notice of Proposed Water Rate Changes, sent by AQUA on May 23, 2024 (see Exhibit A below), we were informed, in Cheltenham Township, that "Residential customers with a 5/8-inch meter using 3,870 gallons per month would increase from \$78.21 to \$97.01 per month. **This was originally a 24% increase and not a 19.8% increase. Therefore, most importantly, we have no idea how the proposed Settlement will affect us in Cheltenham Township and must oppose it. Moreover, once again, AQUA recently raised wastewater rates astronomically in Cheltenham in 2022 by 65% (See Exhibit B below). Accordingly, we strongly oppose the raising of our water rates, especially the 51.4% wastewater rate, in Cheltenham in the wake of the recent rate hike.**

3) Because AQUA already raised rates in 2022 by 65% (see Exhibit A, attached letter by Cheltenham Township Manager, Alyson Elliott), which effectively doubled the rates in Cheltenham Township. For our family, in real dollars, the new proposed rate hike will be an additional \$80-100 per month in winter, and we average, with two people, about \$200 per month,

and \$300 in summer when we lightly water our grass. These are, by any standard, unreasonable rates when compared to our surrounding communities. For example, we currently pay in Cheltenham **TRIPLE** what folks in Philadelphia pay for water and sewage, with no better service. More important, this rate hike affects not only us but *all* of Cheltenham Township, including folks on fixed income, our seniors, and people who are just getting by.

4) I oppose, moreover, because such rate hikes will affect this community in the short and long term. People will abandon this community, people are getting squeezed from all sides, and it will affect people's home values.

5) I oppose because water is essential to life. The Pennsylvania Constitution states that "the people have a right to clean air, pure water." Access to clean water is a basic right and should not be controlled by a monopoly. We have no choice as consumers and citizens. To use an analogy, Aqua is like a corrupt landlord who can raise rates at will. We have no recourse as citizens. No marketplace. We can't simply shop around; we can't move to a different apartment or buy a new house to escape such rate hikes. All we can do is oppose and we greatly appreciate this opportunity to express the concrete reasons and rationale for our opposition.

6) I oppose because we are in a tax-stressed, inflationary environment. Cheltenham Township is the highest taxed township in Montgomery County. **The fact that our Board of Commissioners and elected officials have all written formal complaints against the proposed rate hike clearly and concretely indicates that AQUA remains woefully out of touch with its consumer base. Quoting Alyson Elliot's letter, dated July 16, 2024, written**

**on behalf of Cheltenham Township and our Board of Commissioners: “I’d like to submit a formal complaint on behalf of Cheltenham Township...with respect to the proposed rate increases.... This is on top of a 65% sewer rate increase our ratepayers already experienced in 2022, effectively doubling the rates they were paying five years ago prior to Aqua PA acquiring the sewer system. Cheltenham businesses and business owners, like many Americans, are burdened by the increase in the cost of living and the proposed increases are unsustainable for many of them.”**

7) I oppose because AQUA is raising rates to 1) off-set their numerous, expansionist acquisitions and maintenance of other sewer systems, such as those of Delaware County in record deals (Delaware County Regional Water Quality Control Authority system for \$276.5 million, Aqua’s largest acquisition ever, and the largest privatization of a public water or wastewater system in Pennsylvania); 2) to pad the pockets of their CEO and directors; and 3) to pay dividends to their stockholders.

8) In sum, faced with such a situation, with uncertainty, and with the lack of transparent communication on the part of AQUA and the PUC regarding specifically the case of Cheltenham Township, and based on the OCA notice, dated November 7, 2024, and the Recommended Decision of the Office of Administrative Law Judge, dated December 9, 2024, I oppose the proposed Settlement reduction because it is, in effect, too little given that AQUA recently increased rates astronomically by 65% in Cheltenham in 2022 (see attached Alyson Elliott’s letter in Exhibit A). Moreover, the proposed Settlement remains entirely unclear and ambiguous as regards how it will affect the water and wastewater rates specifically in Cheltenham Township

moving forward. Accordingly, AQUA's original proposal, dated May 23, 2024, for both water usage (24%) and wastewater (51.4%) remains unaffordable and unviable for us, for Cheltenham Township, and for its concerned citizens. We cannot support the proposed Settlement without knowing specifically how it will affect us in Cheltenham Township. I stand unequivocally in opposition and sincerely hope you will consider and take measures to address my family and our community's concerns.

Please find, as Exhibit A, attached copies of the two notices AQUA sent to us in Cheltenham Township on May 23, 2024, indicating the exorbitant proposed water rate increases of (24%) and wastewater (51.4%), as well as a copy of Alyson Elliott's letter, dated July 16, 2024, written on behalf of Cheltenham Township's Board of Commissioners.

Thank you so much for your attention and concern and for this opportunity to voice our opposition. I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam J. Shellhorse". The signature is fluid and cursive, with a large loop at the end.

Adam Joseph Shellhorse, Ph.D.

**Exhibit A Below:**

# Township of Cheltenham

Montgomery County, Pennsylvania

## Board of Commissioners

Matthew D. Areman, *President*  
Irv Brockington, *Vice President*  
Jeff Chirico  
Dwight Pedro Lewis  
Daniel B. Norris  
Ann L. Rappoport  
Mitchell Zygmund-Felt

## Township Manager

Alyson Elliott



## Administration Building

8230 Old York Road  
Elkins Park, PA 19027-1589

Phone: 215-887-1000  
Fax: 215-887-1561  
[www.cheltenhampa.gov](http://www.cheltenhampa.gov)

July 16, 2024

Ms. Rosemary Chiavetta  
Secretary of the Commission  
Pennsylvania Public Utility Commission (PUC)  
400 North Street  
Harrisburg, PA 17120

### **RE: Complaint Against Proposed Aqua, PA Rate Increases**

Dear Ms. Chiavetta:

On behalf of the Cheltenham Township Board of Commissioners and its ratepayers, I would like to thank the PUC for organizing two public input hearings on August 5, 2024, at Curtis Hall to allow our community an opportunity to personally express its concerns about the water and sewer rate increases proposed by Aqua Pennsylvania.

While it is appreciated that the PUC is hosting hearings on Aqua Pennsylvania's proposed rate increases, I would like to submit a formal complaint on behalf of Cheltenham Township Board of Commissioners and ratepayers with respect to the proposed increases of 50% for sewer rates and 20% for water rates. This is on top of a 65% sewer rate increase our ratepayers already experienced in 2022, effectively doubling the rates they were paying five years ago prior to Aqua Pennsylvania acquiring the sewer system. Cheltenham residents and business owners, like many Americans, are burdened by increased costs of living and the proposed increases are unsustainable for many of our them.

I am including a copy of a letter and petition from Cheltenham Township ratepayers expressing their opposition to Aqua Pennsylvania's proposed rate increases for your review and records.

If you have questions or concerns, please do not hesitate to contact me at either (215) 887-1000 or [manager@cheltenhampa.gov](mailto:manager@cheltenhampa.gov). Thank you for your attention to this matter.

Sincerely,

Alyson Elliott  
Township Manager

AEE/aml

cc: Board of Commissioners  
Edward Diasio, Township Solicitor

## NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on May 23, 2024 to increase your water rates as of July 22, 2024. A full investigation of this request by the PUC could delay the change until February 2025. This notice describes our request, the PUC's role, and what actions you can take.

### AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$126.7 million per year for our water and wastewater operations. This covers capital investments in system repairs and improvements that Aqua made since April 2023 and are projected through December 2025. It also covers the cost of operation and maintenance, like chemicals and power, essential to providing reliable utility service. Since the last rate case, Aqua plans to invest approximately \$950 million in infrastructure and other service improvements.

### THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and repair, treatment plant rehabilitation, electrical and power system improvements, installation of remote monitoring systems, and installation of emergency generators.

Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,870 gallons a month would increase from \$61.31 to \$92.85 per month.
- Non-Residential customers using 3,300 gallons a month would increase from \$56.08 to \$85.50 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To learn more about our request, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 4 and Original Tariff Sewer – PA P.U.C. No. 4, filed with the PUC or on our website at [Aquawater.com](http://Aquawater.com). You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

### PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates. **As a result, the final effect on your bill may be different than Aqua's request.**

51.4%

## NOTICE OF PROPOSED WATER RATE CHANGES

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### THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems have increased system reliability and capacity and helped prevent service interruptions. The rates you pay for are used for repairs and improvements including, but not limited to, the following:

- Replacement and rehabilitation of approximately 200 miles of aging water mains
- Replacement and repair of valves, fire hydrants, customer service lines and other parts of our approximately 5,900-mile distribution system
- Replacement and repair of treatment plants and wells, the installation of critical equipment, including laboratory equipment, that ensures compliance with all water quality regulations, disinfection, treatment for PFAS and other contaminants
- Replacement and repair of pumping stations, water storage tanks, emergency generators to ensure the continued ability to meet system demands and all regulatory requirements
- Focus on protecting system operations and customer information from cyberattack

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 3,870 gallons a month would increase from \$78.21 to \$97.01 per month.
- Commercial customers with a 5/8-inch meter using 37,900 gallons a month would increase from \$512.33 to \$634.36 per month.
- Industrial customer with a 5/8-inch meter using 227,600 gallons a month would increase from \$2,519.88 to \$3,129.86 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To learn more about our request, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 4 and Original Tariff Sewer – PA P.U.C. No. 4, filed with the PUC or on our website at [AquaWater.com](http://AquaWater.com). You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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