

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120**

**Application of Aqua Pennsylvania, Inc.  
Pursuant to Sections 1102 and 1329 of the  
Public Utility Code, for Approval of the  
Acquisition of the Water System Assets of  
the Greenville Municipal Water Authority  
Situated within the Borough of Greenville,  
Hempfield Township, Sugar Grove  
Township, and West Salem Township,  
Mercer County, Pennsylvania**

**Public Meeting held January 15, 2026  
Docket No. A-2024-3049015  
3049015-ALJ**

**STATEMENT OF COMMISSIONER KATHRYN L. ZERFUSS**

The Commission is making a determination today on Aqua Pennsylvania, Inc.’s (Aqua’s) application requesting Commission approval to acquire the Greenville Municipal Water Authority’s (GWA) water system assets. Aqua’s application was amended by a Joint Petition for Approval of Unanimous Settlement (Settlement) filed by Aqua, GWA, the Commission’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate (OSBA), and the Borough of Greenville.

My decision to vote in favor of this acquisition is based on full consideration of the Supreme Court of Pennsylvania’s recent reversal of the Commonwealth Court’s decision in *Cicero v. Pa. PUC*, 300 A.3d 1106 (Pa. Cmwlth. 2023) (*Cicero*). The Supreme Court’s ruling in *Lawrence v. Pa. PUC*, 47 MAP 2024 (Pa. 2025), affirms that the balancing test under Sections 1102 and 1103 remains unaltered when evaluating Section 1329 applications, and, accordingly, the Commission must weigh the benefits of the transaction against any harms. The Supreme Court stated that to be approved, an acquisition must “affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.” *Id.* at 29.

The Supreme Court also clarified that the Commission is not barred from considering benefits related to a utility’s size and fitness as a part of the affirmative public benefits analysis and that the weight the Commission assigns to evidence of benefits is within the Commission’s discretion so long as it is supported by substantial evidence. *Id.* at 33. Notably, the Supreme Court overturned the Commonwealth Court’s reasoning that an acquiring utility’s ability to provide the same services already being provided by the selling utility does not constitute an affirmative public benefit. *Id.* at 32-33. Furthermore, while the Supreme Court clarified that the Commission is obligated to consider the rate impact of Section 1329 transactions, it disagreed with the Commonwealth Court characterizing the potential rate increase that would result from the transaction as a “known harm.” *Id.* at 36. The Court stated that “a transaction’s impact on

rates is just one of many factors the Commission is to consider in determining whether a transaction will result in affirmative public benefits.” *Id.*

In evaluating this acquisition, I note that the Parties to the Settlement have taken steps to minimize the impact of a rate increase on the acquired customers and Aqua’s current customers. Under the Settlement, the Parties agreed to a ratemaking rate base of \$17,500,000, which is approximately \$500,000 less than the \$18,000,000 purchase price. Settlement at 5. The acquisition is also consistent with the Commission’s published reasonable review ratio (RRR) for Section 1329 transactions, which is 1.63, as of December 31, 2024. The agreed-upon ratemaking rate base of \$17.5 million is 1.02 of the depreciated value of the system, which is less than the 1.63 RRR. *See* OCA St. 2 at 32. The Settlement also provides for a rate gradualism plan for the acquired residential and commercial customers, in which their rates will not increase until the first base rate case that includes the acquired assets. At that time, the rate increase will be limited to no more than a 28% increase over existing rates. Settlement at 5.

The Settlement also includes various public interest provisions that should be approved, including Aqua’s commitment to do the following: (1) contribute an additional \$50,000 to its Hardship Fund over a two-year period; (2) send a letter to GWA customers with information regarding the low-income programs Aqua offers and how to access and enroll in those programs, if eligible; (3) provide a bill insert to commercial customers regarding information about the services and contact information of the OSBA; and (4) track GWA customers potentially eligible to enroll, or who are enrolled, in the Company’s CAP and present a breakdown of CAP enrollment data pertaining to GWA customers in its next base rate case. Settlement at 6-7.

While I acknowledge these benefits of the instant acquisition, I remain concerned that the record is devoid of any evidence showing that GWA is not technically and financially fit to provide water service safely and reliably. There is no evidence that GWA has been unable to replace water utility infrastructure or make necessary facility upgrades, to obtain necessary financing, or to comply with state and federal regulatory requirements. OCA. St. 2 at 33-35. In fact, as Administrative Law Judge Katrina L. Dunderdale states in the Recommended Decision, the unrefuted record evidence demonstrates that GWA is a “water utility that provides safe water, does not struggle to make repairs, does not struggle to pay bills, does not struggle to access water resources and provides quality service to its customers.” R.D. at 67. It is clear that GWA is capable of operating the system safely and reliably. Under the circumstances, I would have preferred that Aqua and GWA had pursued a different avenue for accomplishing the acquisition, rather than a Section 1329 filing that establishes a ratemaking rate base. Nevertheless, in consideration of the new status of the law under the Supreme Court’s ruling, I will not vote against the acquisition on this basis and will be voting in favor of the acquisition, as amended by the settlement.



**DATE: January 15, 2026**

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**Kathryn L. Zerfuss, Commissioner**