

OVERVIEW

Application of Meadows Sewer Company, Inc.

A-230257F5000

On May 23, 2007, Meadows Sewer Company, Inc. (Meadows Sewer or Applicant) filed an application seeking our approval of the transfer of control of Meadows Sewer from Charles J. Taylor to Frank Perano.

Meadows Sewer is a public utility corporation that provides wastewater service in Middlesex Township, Cumberland County, Pennsylvania. The Applicant provides service to 251 residential customers who reside in The Meadows development, and one commercial customer: the Country Manor West mobile home park. The Applicant reported utility operating revenue of \$211,645 for year ending December 31, 2006.

The current owner of Meadows Sewer is Mr. Charles J. Taylor. The Applicant avers that Mr. Taylor is interested in selling Meadows Sewer because he plans to retire.

The purchaser is Mr. Frank Perano, a businessman who owns a number of manufactured home communities including the Country Manor West mobile home park - the only commercial customer of Meadows Sewer. Mr. Perano proposes to purchase Meadows Sewer from Mr. Taylor for \$350,000 in cash. Mr. Perano asserts that acquisition financing will not be required and that the Applicant will not incur or assume any debt related to Mr. Perano's purchase of Meadows Sewer.

Mr. Perano reveals that he has owned and operated manufactured home communities for approximately 25 years. Because of his ownership in these communities, Mr. Perano operates several stand alone private water and wastewater

treatment systems for these communities. Although Mr. Perano has not operated a water or wastewater operation regulated by the Commission, Mr. Perano asserts that his experience operating private water and wastewater facilities qualifies him to operate Meadows Sewer. Additionally, Mr. Perano asserts that because he is the owner of Country Manor West he has a significant interest in maintaining the facility properly.

A background LexisNexis search revealed no outstanding criminal complaints against Mr. Perano. Mr. Perano is also current with all his Pennsylvania DEP permits and inspection requirements for operating private water and wastewater systems for the manufactured home communities he owns.

Given Mr. Perano's business background and considerable financial resources, staff is of the opinion that Mr. Perano possesses the requisite managerial and financial qualifications to operate the Meadows Sewer Company.

Recommendation

The Bureau of Fixed Utility Services recommends that the application be approved and has attached a draft order to that effect.