

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Pennsylvania Public Utility
Commission, et al v. Pennsylvania-
American Water Company**

**PUBLIC MEETING
November 6, 2009
2097323-ALJ
Docket No. R-2009-2097323**

STATEMENT OF COMMISSIONER KIM PIZZINGRILLI

Before us for consideration is a Recommended Decision of an Administrative Law Judge approving a Joint Petition for Settlement submitted by the Pennsylvania-American Water Company (PAWC), the Office of Trial Staff, the Office of Consumer Advocate, the Office of Small Business Advocate, the Pennsylvania American Water Large Users Group, and AK Steel Corporation (Joint Petitioners).

The Joint Petitioners filed Statements in Support of the Settlement representing that it is in the public interest and that the rates are fair, just, reasonable, non-discriminatory, lawful and in the public interest. The settlement rates provide for an increase in annual operating revenues of \$30.75 million in lieu of the \$58.06 million originally requested. Additionally, the Settlement provides that PAWC will not file for another general rate increase prior to April 2011.

Nine public input hearings were held across the PAWC service territories. Several issues and concerns were raised at those hearings. In its Statement in Support of the Joint Petition, the Office of Consumer Advocate noted that the Settlement resolves a number of service issues raised during the hearings by customers and local representatives and incorporates several commitments to respond to concerns of Camp Hill customers.

PAWC offers the H₂O Help to Others Program that provides grants, discounts and water saving devices and education to its customers. Grants are funded by a corporate match of customer and employee donations. Pursuant to the terms of the Settlement, PAWC has agreed to increase its annual contribution from the current level of \$150,000 to \$250,000. This contribution will be recorded as a "below the line" expense and will not be claimed by PAWC for recovery in rates. Such an increase to its corporate contribution, particularly in these current economic times, will enable PAWC to assist more low income customers throughout its service territories.

I commend PAWC and the parties for working together to reach a settlement that is in the public interest. PAWC should also be recognized for its continued efforts to acquire water systems throughout the Commonwealth that are faced with aging infrastructure, reliability concerns and high replacement costs. Bringing its technical expertise and economies of scale to these areas of the Commonwealth ensure long term service reliability and fire protection for customers and supports the Commission's goal of promoting water system viability and regionalization.

November 6, 2009
Date

KIM PIZZINGRILLI, COMMISSIONER