Lee Euard

137 N Valhalla Cir Cordele, GA 31015

February 23, 2019

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

The Honorable Judges Angela T. Jones & F. Joseph Brady,

Commonwealth of Pennsylvania Pennsylvania Public Utility Commission Office of Administrative Law Judge 400 North St, Harrisburg, PA 17120

Rosemary Chiavetta, Secretary

Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120

RE: Pennsylvania Public Utility Commission Vs.

Aqua Pennsylvania, Incorporated Water & Wastewater

Docket Nos. R-2018-3003558 (water), Docket No. R-2018-30033561 (wastewater),

Docket No. C-2018-3004097

Honorable Judges, Angela T. Jones & F. Joseph Brady, and Dear Secretary Chiavetta:

In concert with a proposed settlement letter request dated February 11, 2019, from the Pennsylvania Office of Consumer Advocate I have received, I provide here my response and position to/in this matter.

I provide, attached herein (the OBJECTION PAGE), and confirm my objection to the proposed settlement as proposed and written, and specifically the rate increase for the Treasure Lake Community. This position is based on my initial letter of Objection dated September 24, 2018, and disagreement, and further reinforced after reading the proposed settlement terms and conditions in the subject referenced 447-page OCA document as posted on the OCA website, and other documents received to date in this matter, and extended further in this letter.

Frankly, I am a very minor Stakeholder in Aqua, I am a customer and a shareholder, and certainly want Aqua to be successful for everyone's benefit from and at the Treasure Lake venue. However, it is my humble opinion and position that Aqua has not provided sufficient information to support or justify the magnitude of rate hike the settlement proposal reflects for the Treasure Lake Community.

My primary position in response to the (Proposed Settlement) request, is as a consumer & advocate for fair & honorable dealings from the Aqua company & the PA PUCO to all customers at the Treasure Lake, PA Community.

My greatest concern is for the Aqua product provided to the Treasure Lake customers related to the quality & safety of the water and appropriate quantity or volume provided. I know factually that the quality is suspect and appears to have not improved from Tesi's term, the prior supplier.

Since the Counsel for Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement has signed off on the proposed settlement agreement, it appears they have reviewed and may have approved financials of Aqua that provide the specific math of operations at the Treasure Lake, PA Community operations (all costs & expenses, and revenues) to support the radical rate increases proposed at Treasure Lake Community and illustrated by the proposed settlement agreement. These specific numbers or math, (Financials) do not seem to be in the 447 -page OCA document or others I have received? Are these financial documents available to review? Could they be provided and shared for review?

It is very difficult to understand and it would be appropriate, as well as, necessary to know, the specifics of how Aqua and the PA PUCO justifies the significant magnitude of rate increases proposed for the Treasure Lake Community specifically, and further how these significant rate increases proposed, would only hold until 2021, some three (3) years, before another potential rate increase would be considered and possibly instituted.

One would anticipate that during Aqua's due-diligence of purchase from TESI that they, as experts in the (Water & Wastewater) business, they would have complete charge and control of their business plan then, on a look ahead basis for some 15-20 years or more, and be able to advise and provide the Treasure Lake Community with reasonably accurate rate structured schedules, projected year over year, post acquisition from TESI. Realistically, Aqua's business model and analysis for purchase from TESI. would have to provide the road map forward for justification of purchase, profit, ROI. ROE, or whatever basis they use, or why would they, Aqua, make the purchase & acquisition.

It is apparent from review of some of the numbers in the proposed settlement agreement and related documents that crudely and approximately, the Treasure Lake customers amount to about 0.5% of Aqua's total customer base, further that the Treasure Lake customers now contributes annually about 0.5% of Aqua's total revenue, however, the rate increase proposed, provides that the Treasure Lake customers will pay in excess of 2.0% of the Total dollars Aqua is seeking in the proposed rate increase. The proposed rate increases to the Treasure Lake customers appears to be extremely disproportionate on the numbers referenced and are very radical as proposed.

It is further evident based upon approximate and crude numbers within the documents received, Aqua has had revenue growth over the past five (5) years on average, each year of 1.0%, customer base growth each year of 1.5%, and income growth each year of 1.5%, therein suggesting that they are maintaining a steady and positive result each year without a rate increase over the term referenced, or within any rate increases that may have occurred prior, in that term.

While Aqua may be in a position to be allowed a moderate rate adjustment to offset the effects of inflation year over year, and although inflation has been tempered for the past several years through and to this date, it would be understandable if this cost impact were considered in the proposed rate increase, given there was absolute and specific factual substantiation presented that illustrated how it impacted the Aqua company operations.

In closing, it is my opinion and position that the burden lies with Aqua to provide the very necessary and simplistic financials that support the radical rate increases for the Treasure Lake Community they are proposing, and they should be required to at least provide some very fundamental and critical financial documents for review that I have not received, nor do I believe there is specific illustration to, by any of the documents received to date in this matter. Coupled with this review of vital financial elements of the operations, and realistically a much more important issue, would be the opportunity to discuss and review with Aqua's Senior management their plan to progress the improvement of the quality of water and the water/wastewater services at the Treasure Lake Community.

Sincerely,

LEE EUARD

Attachments-LDE 9/24/2018 Statement, Signed Objection-2/23/2019 CC. Attorney C.J. Zwick, & Others.

OBJECTIONS PAGE

Please sign this sheet if you would like to **oppose** the Joint Petition for Settlement signed by Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., the PUC's Bureau of Investigation and Enforcement, the Office of Small Business Advocate, the Office of Consumer Advocate, and other active parties in the case of <u>Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2018-3003558 and R-2018-3003561. You are encouraged to provide written comments below and/or attach additional pages, setting forth any facts and explanation for your objections.</u>

By adding my signature below, I am indicating that I have read the terms of the Settlement Agreement and wish to **OPPOSE** the Settlement. I understand that I may file objections (below and/or by attachment to this Objections Page) to the Settlement and exceptions to a Recommended Decision and that my complaint will be resolved as part of the PUC order resolving this case.

| LEE ELLARD | Getynn |
|---|----------------------------|
| Please Print Your Full Name | Please Sign Your Full Name |
| Date: 2/23/2019 | ÷ , |
| Please Write Your Address Here: (Per: SER 15 LOT 743 38 VIUA CT 1644 TROBUMUME) DUBOIS, PA 15801 | DOUDBLE, GA 360,5 |
| Docket Number of Your Complaint(s) | C-2018-3004097 |
| | |

Written Comments (may attach additional sheets):

* SEE ATTACHED LETTON ON DATE OF 2/23/2019, PAGES
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TO WHOM IT MAY CONCERN-9-24-2018

I have received copies of a proposed rate increase document, for water rate increases, as submitted to the PA – PUCO on or about 9-18-2018, by Aqua Pennsylvania, Inc.

Upon review of the Document presented by Aqua Pennsylvania, Inc of 9/18/2018, and their Security & Exchange filings of their 10K reports, the most recent of February 2018, I would vehemently object to any rate increase that would affectively increase our water and/or sewer rates for the Treasure Lake Property owners in Dubois, PA 15801, and further suggest that based upon the company's (Aqua Pennsylvania; Inc.) financials formerly filed with the SEC, absolutely no rate increase of the scale noted & requested in their document is justified, related to the property owners of Treasure Lake Dubois, PA.

Our property at Treasure Lake Dubois, PA has been occupied full time by my son, one (1) person, since 2010 as a new structure then to and through this date of 2018, and I have attached Exhibits-A-1, A-2, & A-3 to illustrate our monthly payments for & apparent metered or estimated usage of water by Aqua & TESI; since 2010 to current for reference here. For the first three (3) years, 2010 through 2012, we have listed and graphed the Payments and usage related to TESI, after purchase of TESI's assets by AQUA, and for the next five (5) years from 2013 to 2018 payments and usage related to AQUA.

We experienced some significant anomalies in AQUA invoices for the years of 2013 &: 2014, immediately after their purchase of TESI assets, and asked them at that time to review the anomalies, however we have never received a practical explanation of why or what caused the anomalies. Certainly we know all equipment we controlled was functioning properly and was new, although after bringing attention to the situation to AQUA, it seemed to miraculously correct itself in future years as illustrated by the respective exhibits.

It appears from our personal experience with AQUA that they have obtained increases from 2013 on average of between 4-5 %/ annum to 2018, over that of TESI charges previously encountered, of some approximate 21%, in 4-1/2 years in total. Based upon review of this Company's SEC 10K fillings, and their "NOTICE OF PROPOSED WATER RATE CHANGES" received on September 18, 2018, there is no way on God's green earth, they could expect to receive a 59% increase on the monthly rate, from Residential customers at Treasure Lake. This request is totally out of line and absurd and should be denied in total.

Our personal water & sewer experiences with AQUA has shown no change from that of TESI, other than the cost increases noted previously here, and as obviously noted, the quality and quantity of water remains very similar in nature to us. We have encountered numerous disruptions (shut offs) and discolored water under the guise that the system is being improved by AQUA, other than replacing hundreds of dollars of refrigerator filters, due to the disturbed and discolored water, we have experienced no real improvement in our water or supply of. We certainly would like to know of any specific actions that have improved the actual results of our water, and/or the supply of same to our property.

In closing, I would also note that in review of the Aqua America 10K-SEC financial filings, and related notes there to, it appears that the Aqua Pennsylvania, Inc company, creates over 53% of the total revenue, and contributes over approximately 74% of total income to the overall holding company. Considering that the Residential component of both revenue and income in the Aqua Pennsylvania Company may be greater than 50% of its revenue, then it is also plausible that the majority of income over 70%, is developed from residential customers and is disproportionate to the residential customer base, and likely more importantly, the residential customers are supporting unfairly, by regulations the rate increases of other components that should be the responsibility of other components or customers, of the company's business. In essence, are the Residential customers at Aqua Pennsylvania being unfairly and/or disproportionately charged for services compared to other customers and with the approval of the PA-PUCO?

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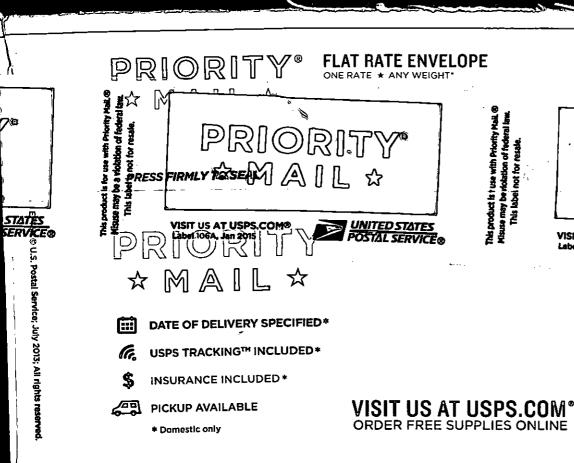
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