



HAMBURG, RUBIN, MULLIN,
MAXWELL & LUPIN, PC
ATTORNEYS AT LAW

www.HRMML.com
Lawyers@HRMML.com

20571-000

J. Edmund Mullin
Steven H. Lupin
Douglas I Zeiders
Carl N. Weiner
Merle R. Ochrach
Mark F. Himsworth
Steven A. Hann
Steven B. Barrett
Christen G. Pionzio
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Gabriella T. Lacitignola
Annie L. Neamand
Zachary R. Morano
Franqui-Ann Raffaele

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VIA E-FILING

Pennsylvania Public Utility Commission
Attn: Secretary
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**Re: Comments to the Proposed Rulemaking regarding the Application of
52 Pa. Code §3.501 to Certificated Water and Wastewater Utility
Acquisitions, Mergers and Transfers
Docket No. L-2020-3017232**

Dear Secretary:

The Pennsylvania Municipal Authorities Association (“PMAA”) appreciates the opportunity to submit comments to the Proposed Rulemaking regarding the Application of 52 Pa. Code §3.501 to Certificated Water and Wastewater Utility Acquisitions, Mergers and Transfers, Docket No. L-2020-3017232. The Proposed Rulemaking was published in the August 13, 2022 Pennsylvania Bulletin, and, consistent with the sixty (60) day comment period upon publication in the Pennsylvania Bulletin, PMAA respectfully submits the following comments for consideration.

1. PMAA disagrees generally with the Commission’s position throughout the proposed rulemaking that the application requirements for utilities be reduced from the existing Section 3.501 and Section 3.502 regulations, particularly if the application information proposed to be eliminated by the Commission is otherwise not readily available to the public and/or interested stakeholders. PMAA is not questioning the qualifications of those utilities benefitting from the elimination of certain information requirements; rather, eliminating such requirements reduces the information available to those stakeholders and/or members of the public whose water or wastewater system may be subject to an acquisition by a Commission regulated utility.

2. PMAA does not support a blanket rule in which a Section 3.501(a)(1)(ii)(A) original cost study is submitted after a transaction to acquire another water or wastewater system is finalized. The Commission notes that “[a]llowing applicants to submit this

OF COUNSEL:
Jonathan Samel, LL.M
Joseph J. McGrory, Jr.
John C. Rafferty, Jr

LANSDALE
ACTS Center – Blue Bell
375 Morris Road
Post Office Box 1479
Lansdale, PA 19446-0773
Phone 215-661-0400
Fax 215-661-0315

HARRISBURG
Phone 717-943-1790
Fax 717-943-1792

information later does not appear to harm the public interest...”. PMAA believes the public interest is paramount, and is concerned that the Commission’s aforementioned statement does not definitively state that the public interest will not be harmed. Moreover, the Commission further supports its position on cost studies by stating that the selling utility is oftentimes “not well-managed” which triggers “the need for the acquisition.” Does the Commission’s position remain the same if the system to be acquired is well-managed and financially sound?

3. PMAA does not believe that the 60 day protest period should be shortened. To do so could adversely impact the public by providing insufficient time to adequately review and evaluate the potential impacts of any application.

4. PMAA believes that reducing the public notice requirements with respect to Section 3.501 applications could result in those members of the public potentially affected by the application to miss such notice. Instead of increasing the possibility that members of the public will miss notice of an application, the Commission’s goal should be to ensure that as many members of the public potentially impacted by an application be given timely and sufficient notice in order to review the application.

5. As a general matter, PMAA understands the concern raised in the proposed rulemaking regarding nonviable systems, but disagrees with the Commission to the extent that the Commission’s position is that regionalization of water and wastewater utility services always benefits the public. To that end, the Commission fails to support its statement that the documentation required under Section 3.501 is unnecessarily burdensome, with an “unintended consequence of making water and wastewater system regionalization more difficult.” What information or studies support this statement? The Commission also states that “[a]ny regulatory benefit of the information disclosures currently required is outweighed by the benefit of transitioning the customers of nonviable systems into viable systems.” What is the Commission’s definition of a nonviable system, and what is the Commission’s position if the system to be acquired is viable and financially sound? Based on the Commission’s aforementioned statement, it would seem that where the system to be acquired is viable, there is no regulatory benefit to eliminate the information disclosures currently required.

Once again, PMAA appreciates the opportunity to submit the above-referenced comments. If you have any questions, please contact the undersigned.

Very truly yours,

HAMBURG, RUBIN, MULLIN,
MAXWELL & LUPIN

By: _____

STEVEN A. HANN