

Comment on Proposals Seeking to Improve Public Awareness, Establish Greater Consistency in Evaluating Section 1329 Applications

From: Resident of New Garden Township

Docket Number M-2016-2543193

Dear Commissioners,

We, the undersigned residents of New Garden Township, ask you to stop predatory water system pricing and improve transparency in water and sewer privatizations.

Act 12 has encouraged local municipalities to sell healthy, well-run utilities purely to get an influx of money. Offers far exceeding a municipalities annual budget become very tempting, and the sale is then too often justified by vague and misleading claims, leaving the ratepayers to pay the bill for no real benefits.

New Garden Township is a textbook example of how Act 12 is being abused. Aqua PA purchased our sewer system for \$29.5 million, 60% above the depreciated value, and six times New Garden's annual budget at the time. We were warned that without the sale a 78% rate increase was needed to pay for the \$12 million investment deemed necessary. Before sale closure NGT raised sewer rates 30%. After closure Aqua raised our rates an additional 85%, resulting in a total increase of over 149%. To date Aqua has invested less than \$4 million in the sewer system. Yet the 149% increase does not fund any system improvements. The Township's 30% increase covered no capital investment, and Aqua's 85% increase went solely to cover its costs in buying the system. The cost of system improvements will be included in future rate increases.

The sale of the NGT sewer system could not be justified solely on the condition of the system and the Township's ability to invest in it. The justification for the sale was based on vague and misleading information which was shaped to support the sale.

The sale of a municipal utility must be based on the true needs of the system and the community, not on the influx of money. The residents must be fully involved in the sale, with complete access to all information.

The changes proposed by the Commission are a good step in the right direction but need to be further strengthened.

- Public meetings should be required from the very start. Public involvement only after the APA has been finalized is too late for the public to have real input.
- All claimed benefits must be quantified with detailed supporting data.

- The sale must be justified independent of the sale price.
- No records can be deemed confidential, thus avoiding public scrutiny.
- The requirement for a quantifiable net public benefit must be met.
- Any deviation allowed by the PUC from the ALJ recommendations must be supported by quantifiable reasoning.

The Commission can go further to ensure that the sale is for the true benefit of the community and not just a sale of convenience to obtain a large sum of money by fixing the Reasonableness Review Ratio to one for all future sales.

Thank you for the opportunity to provide comment,

Mary Jean Moroz	Peggy Harbaugh	Michael Tennat
Rona Devane	Richard Frick	Howard Smith
Theresa Riper	David Dannaker	Sandra Farley
Gregory Larson	David Doyen	Stan Zona
Jean Polsen	Glenn Cox	Thomas Moglioni
Kelly Cox	Janice Meyer	Deborah Tennat
Robert Sharkey	John Baldino	Nancy Bartz
Nita Gryan	Lynn Sharkey	Rachel Sivapatham
James Neel	Margo Ewing Woodacre	David McCreary
Clair Aiello	Martin Lauterwald	Margery Conn
Trisha Tayan	Richard Fischer	Sharon Kittle
Eileen Tercha	Peter Mrozinski	Anthony Savini
Meadow Slachta	Catherine Washko	Gail Wynn
Susan Herr	Thomas E. Conard	Donna Samuels
Stephen Pitts	Scott Polsen	Louis Mannino
Janette Cas	Cathy Zona	Kathleen Baldino
Theresa Crossan	Mary Moglioni	Shannon Hawkins
Nita Trexler	Tracey Haun	Cynthia Larson

Jill Kolody

Dana Slachta

Doreen Conard

Gerald Neeson

Dr. John Hartman

Deborah Williams

William Ferguson

Anita Cammarata

Linda Leach

Eric Slachta

Mark Gryan

Catherine Mrozinski

John Riper

James Fossler

Ronnie Smith

David Ginkel

Richard Kittle

Michael Devane

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John Sulecki

Roberta Allen

Les Clarke

Thomas Holmes

Claudia Fischer

Yvette Jackson

David Trexler

Sharon Gunther

Deborah Roselle

MaryAnn Diclemente

Don Diclemente

Robert Miller

Robert Sperati

Phil Worrell

Avis Mannino

Susan Talarico