

March 8, 2024

Docket Number: M-2016-2543193

PUC:

My letter is regarding the above referenced Docket Number, which proposes regulations for Act 12 of 2016, section 1329. This Act has been in force since 2016 and, as it has become the subject of some controversy, the PUC is currently attempting to strengthen its approval and oversight role.

Act 12 of 2016 is flawed and the many acquisitions of public water and sewer since its enactment have proven that it should not have been written to allow private utilities to pay fair market value for municipal water and sewer systems. The result has been a burden on us, the ratepayers, as rates have skyrocketed after each purchase. And the for-profit acquiring utilities' profits have soared.

My husband and I are ratepayers for Chester Water Authority (CWA). We are seniors, aged 76 and 73, and are quite concerned about the prospect of "Big Water" acquiring CWA and increasing/doubling/tripling our rates.

We had hoped that these proposed regulations would seriously impact or deter the ability of the private utility to acquire CWA. However, my reading of these regulations does not give us comfort.

The proposed regulations do not fundamentally alter the ability of private utilities to pay fair market value (e.g., large \$\$ amounts) which incentivizes the municipality to sell and results in huge rate increases for ratepayers. These companies are making immense profits, e.g., 44%.

The changes propose no requirement for a vote by the ratepayers as to whether they approve the sale. There is no consequence in these requirements that would deny the acquiring utility the ability to pay a large amount and increase rates exponentially. There is no profit limitation proposed on these (for profit) acquiring utilities.

Per each proposed change:

- 1.) Requiring the acquiring utility to hold public hearings: Nice, but with what result? What consequence if every ratepayer at the meeting argues against it? No teeth.
- 2.) Rate impact notice: What is to prevent the acquiring utility from providing a notice of X% rate increase and they later change/increase it? No teeth.
- 3.) Default Weights for Appraisals: So, if the UVEs use three approaches to valuation, what does that change? It still allows the acquiring companies to offer large amounts of money to the municipalities. It only calculates it a bit differently.
- 4.) Reasonableness Review Ratio: English, please. This reads like it is written to intentionally confuse the layperson.

In your conclusion, you state that these proposed change will improve the public's awareness of applications, establish more consistent weighing in valuation, and assist the PUC in their ultimate review of Section 1329 dockets.

Page 2, 3/08/24

PUC Letter

That is all? To us, lowly ratepayers and PA taxpayers, it is nothing. It does not prevent these companies from continuing to gouge the ratepaying public. Money flows out of our pockets to private enterprise, when we are perfectly happy with our water utility and our rates.

Rescinding or Sunsetting Act 12 of 2016 is the only answer.

Respectfully submitted,



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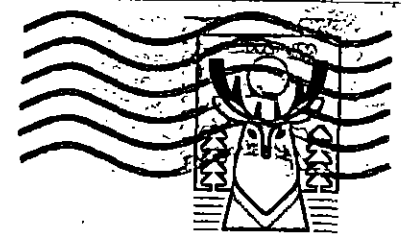
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