



# ELIZABETH BOROUGH MUNICIPAL AUTHORITY

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Charles Smith JR

1 Locust Street  
Elizabeth, PA 15037  
Office: (412)-384-3686  
Fax: (412)384-3144  
Email: [adminassist@ebmastp.com](mailto:adminassist@ebmastp.com)

March 18, 2024

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

**Re: Response to Public Utility Commission  
Valuation of Acquired Municipal Water and Wastewater Systems  
Act 12 of 2016 Implementations  
54 Pa. B.906-Saturday, February 17, 2024  
M-2016-2543193**

Dear Commissioners,

Please accept this correspondence as formal comments on behalf of the Elizabeth Borough Municipal Authority (“Authority”) concerning the above-referenced Notice and Solicitation for feedback on the Tentative Supplemental Implementation Order. For your reference, I serve as the Chairman for the Authority and President of the Borough of Elizabeth Council.

The Authority has entered into an Asset Purchase Agreement (“APA”) with the Pennsylvania American Water Company (“PAWC”) that is dated January 24, 2023. The Authority has expended a great deal of effort and associated costs in reaching this point of the transaction. The APA was entered into based upon the understanding of the current Section 1329 fair market valuation process.

Due to the timing of the proposed rule change, I ask that the Commission take into consideration how the proposed changes will impact transactions that have an APA in place. As stated above, the Authority has already expended funds to assist PAWC in preparation of its Section 1329 Application. An engineering assessment has already been completed and the Authority’s Utility Valuation Expert is beginning their analysis.



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Therefore, changing the Section 1329 analysis will be a great detriment to the Authority and Elizabeth Borough. Under the proposed rules, we would have to restart the process, which would require an additional amount of cost and time. We ask that if the Commission implements new rules surrounding Section 1329 Applications, an exception is created for potential sales that are already subject to an APA.

Thank you for accepting our comments concerning the proposed regulations. Please feel free to contact us with any questions.

Sincerely,

ELIZABETH BOROUGH  
MUNICIPAL AUTHORITY

A handwritten signature in black ink, which appears to read "Timothy P. Guffey". The signature is written in a cursive style with a large, prominent initial 'T'.

Tim Guffey, Chairman