



PENNSYLVANIA STATE ASSOCIATION OF TOWNSHIP SUPERVISORS

March 18, 2024

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

RE: Docket No.: M-2016-2543193

Thank you for the opportunity to submit comments on the Commission's proposed changes to its Act 12 process in the Tentative Supplemental Implementation Order. The Pennsylvania State Association of Township Supervisors represents Pennsylvania's 1,454 townships of the second class and is committed to preserving and strengthening township government and securing greater visibility and involvement for townships in the state and federal political arenas. Townships of the second class cover 95% of Pennsylvania's land mass and represent more residents — 5.7 million Pennsylvanians — than any other type of municipality in the commonwealth.

We appreciate the Commission's efforts to provide additional transparency with in-person public hearings pursuant to public notice. We support the flexible options for notifying the public about the hearing, including social media posts, community newsletters, and direct outreach through text or email.

We suggest that a minimum timeframe be required between the date of the notifications and the in-person hearing to ensure sufficient time for the affected ratepayers to participate in the hearing. A minimum of several weeks notice should be required prior to the hearings.

In addition, we recommend that notice of a proposed sale or offer be made at least 180 days prior to the sale to promote transparency and provide greater opportunity for public input. The notice should be made through the flexible options provided for the hearing notice, which will have the best opportunity for ratepayers to be made aware of the proposed sale.

We support provisions that would require sales to include notice that the seller is aware of potential impacts to the utility's rates and has communicated this to existing customers. Would this communication be through mailed notices included with standard bills or would other methodologies be required?

Our membership has taken a position to oppose public utility acquisition of municipal or authority owned water or wastewater systems at fair market value as defined in Act 12 instead of book value. We believe the proposed changes to default weights for appraisals would be a step in this direction by requiring equal weights for cost, market, and income approaches for valuation.

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We understand that legislation is needed to eliminate the fair market value appraisal in current law.

We do not fully understand the reasonableness review ratio. Would the proposed reasonableness review ratio limit unreasonably high fair market value appraisals or sales? If so, that is a concept that our membership would support.

Thank you for the opportunity to submit comments on this important issue.

Sincerely,

A handwritten signature in cursive script that reads "David M. Sanko".

David M. Sanko
Executive Director