

COMMONWEALTH OF PENNSYLVANIA



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November 7, 2024

Re: Your Complaint in Pennsylvania Public Utility
Commission v. Aqua Pennsylvania, Inc. and Aqua
Pennsylvania Wastewater, Inc.
Docket Nos. R-2024-3047822 (Water)
R-2024-3047824 (Wastewater)

Dear Concerned Aqua Customer:

You are receiving this letter because you filed a Formal Complaint with the Public Utility Commission (PUC) in the captioned rate case as a water and/or wastewater customer of Aqua Pennsylvania, Inc. and/or Aqua Pennsylvania Wastewater, Inc. (Aqua or the Company). This letter is being sent to you from the Pennsylvania Office of Consumer Advocate (OCA).

The PUC's Administrative Law Judges (ALJs) overseeing this case – ALJs Gail M. Chiodo and Alphonso Arnold, III – requested that the OCA send this letter to you. The purpose of this letter is to notify you that on November 7, 2024, Aqua, the OCA, the PUC's Bureau of Investigation and Enforcement (I&E), the Office of Small Business Advocate (OSBA) the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), and Sandy Township (Joint Petitioners) filed with the PUC a Joint Petition for Settlement that contains a partial, non-unanimous agreement (Settlement) to resolve the issues raised in this case.

Accompanying this letter is the OCA's response to frequently asked questions (FAQs) regarding the OCA's reasons for settling this case. You should have received, or will shortly receive, a copy of the proposed Settlement and supporting documents for your review from Aqua's counsel in this proceeding. A copy of the proposed Settlement and supporting documents is also available on the OCA's website (oca.pa.gov).

If you have any comments regarding the proposed Settlement, either in support or in opposition, you must submit them to either the PUC's Secretary's Bureau or the OCA no later than November 19, 2024. Please read the third and fourth pages of this letter for more detailed instructions about how to comment.

Please review the Settlement in full. The following brief summary of what the Settlement will do, if approved, is provided for your convenience:

- Aqua will increase rates designed to produce additional annual operating revenue of \$73 million total for its water and wastewater operations. The next two paragraphs provide a breakdown of this amount between water and wastewater.
- Aqua will increase rates to collect additional annual water revenues of \$58.4 million. The Company originally proposed to increase annual water revenues by approximately \$90.2 million. Under the settlement, the water bill for a residential customer using 3,870 gallons in the Rate 1 Main Division service territories would increase by \$9.95, from \$80.91 to \$90.86 per month, a 12.3% increase, rather than the \$16.01 increase (19.8%) originally proposed by Aqua.
- Aqua will increase rates to collect additional annual wastewater revenues of \$14.6 million. The Company originally proposed to increase annual water revenues by approximately \$36.5 million. Under the Settlement, the wastewater bill for a residential customer using 3,870 gallons per month in the Rate 1 Main Division service territories would increase by \$5.36, from \$81.18 to \$86.54 per month, a 6.6% increase, rather than the \$14.92 increase (18.4%) originally proposed by Aqua.
- Aqua will implement the new rates beginning on February 22, 2025.
- Aqua committed to increase consumer communication relating to explanation of acquisitions and hardship opportunities, including, but not limited to, improved call center scripts.
- For customers who are low income and enrolled in Aqua's debt management program, Aqua will increase the amount that it forgives of a customer balance \$40 for each in-full payment. This is an increase over the current amount which is \$25 per in-full payment. In its next rate case, Aqua will propose to expand its arrearage forgiveness program even further, granting full arrearage forgiveness after 36 in-full payments.
- Aqua has committed to \$300,000 for its Conservation and Leak/Line Repair Program annually, with \$175,000 of its budget dedicated to qualifying Inside Leak Repairs.
- Aqua will contribute \$200,000 each year until the Company's next base rate proceeding to the Company's Hardship Grant program.
- Aqua will increase its liability limitation from \$2,000 to \$4,000 for damages to its customers caused by a malfunction of Aqua's property or service.

- Aqua has committed to develop a section on its website to provide rate impact information to its customers, so that they understand exactly how the rates set in this case will affect them. The webpage will be available within 60 days after the entry of a final order, and Aqua will promote the webpage to its customers.
- Aqua will continue to post PFAS (commonly known as “forever chemicals”) testing results on waterfacts.com until the end of 2025 for wells in Montgomery County and will provide its customers updates on PFAS in their water through annual Consumer Confidence Reports.
- Aqua will work with the OCA to evaluate its current flat wastewater rate design for Lake Harmony and Tobyhanna customers, consistent with the Commission’s order in Aqua’s 2021 rate case, and investigate other reasonable options for determining those customers’ flat rates. Aqua will report on its investigation to the Commission and will have a meeting with Lake Harmony and Tobyhanna customers on the results of its report to explain how Aqua developed the flat wastewater rate.
- Aqua will propose, in its next rate case, to eliminate all payment processing fees charged to pay an Aqua bill.

Because you filed a Formal Complaint in this case, you have the following options:

1. You may **join** in the proposed Settlement, which will have the effect of discontinuing your Formal Complaint. To join the Settlement, sign and return the enclosed page titled “Signature for Settlement” (page 4 of this letter) **no later than November 19, 2024**.
2. You may **object** to the Settlement. To do so, please sign and return the enclosed page titled “Objections to Settlement” (page 5 of this letter) **no later than November 19, 2024**. If you object to the Settlement, **you are encouraged to provide written comments** setting forth any facts and explanation for your objections.
3. You may choose to do nothing.

This represents your opportunity to express your opinions on the Settlement in this case, if you so choose, before Judges Arnold and Chiodo issue their Recommended Decision for the PUC’s consideration. Please know that you are not required to do any of the above – these actions are voluntary. **If you choose to respond to the Settlement in any manner, you must do so in writing and by November 19, 2024.**

You may eFile or mail your written response, as follows:

If you do not have an eFiling account with the PUC, register for an account at this link: <https://efiling.puc.pa.gov/Accounts/Create>.

If you have an eFiling account, use this link to log in to the PUC eFiling system: <https://efiling.puc.pa.gov/Login>. File your response under Docket No. R-2024-3047822 (Water) or R-2024-3047824 (Wastewater) as document type “Settlement.” In the notes section, specify that you are filing “signature page for proposed settlement” or “objections to proposed settlement.”

If you choose to use mail rather than eFiling, mail your documents to the following address:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

If you choose to provide the OCA with your comments instead of sending them directly to the PUC, the OCA will submit all comments it receives on behalf of the commenters. You may provide the OCA with your comments by email or mail. You may call the OCA at (800) 684-6560 with any questions regarding how to file your comments.

For email, please email your documents to Consumer@paoca.org. Please make sure to note “Aqua Settlement Comments” in the subject line of the email.

For mail, please mail your documents to:

PA Office of Consumer Advocate
555 Walnut St.
Fifth Floor, Forum Place
Harrisburg, PA 17101

Any mail postmarked later than **November 19, 2024**, will not be reviewed by the ALJs.

Once the ALJs issue their Recommended Decision, you may file exceptions to the Recommended Decision if you disagree with it. You may not file exceptions if you have signed the Signature Page indicating your agreement with the Settlement, and the ALJs subsequently approve the Settlement without any changes.

Please carefully review the proposed Settlement. If you have any questions, feel free to contact me at (717) 783-5048 or toll-free at (800) 684-6560. Thank you for your time and interest in this matter.

Very truly yours,

/s/ Katherine M. Kennedy
Katherine M. Kennedy, Esq.
Assistant Consumer Advocate

Cc: The Honorable Gail M. Chiodo
The Honorable Alphonso Arnold, III
Michael W. Hassell, Esq. (Aqua's Counsel)
Carrie B. Wright, Esq. (I&E's Counsel)
Steven Gray, Esq. (OSBA's Counsel)
Ria Pereira, Esq. (CAUSE-PA's Counsel)
Scott Wyland, Esq. (Sandy Township's Counsel)

SIGNATURE PAGE FOR SETTLEMENT

Please sign this sheet if you would like to **join** in the Joint Petition for Settlement signed by Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., the PUC’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate on November 7, 2024, in the case of Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2024-3047822 and R-2024-3047824.

By adding my signature below, I am indicating that I have read the terms of the proposed Settlement Agreement and wish to **join** in the Settlement. I am willing to allow the terms of the Settlement to resolve my Formal Complaint in this matter if the Public Utility Commission approves the Settlement without modification.

Please Print Your Full Name

Please Sign Your Full Name

Date: _____

Please Write Your Address Here:

Docket Numbers of Your Complaint(s) (begins with C-2024):

OBJECTIONS TO SETTLEMENT

Please sign this sheet if you would like to **oppose** the Joint Petition for Settlement signed by Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., the PUC's Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate in the case of Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2024-3047822 and R-2024-3047824. **You are encouraged to provide written comments below and/or attach additional pages**, setting forth any facts and explanation for your objections.

By adding my signature below, I am indicating that I have read the terms of the Settlement Agreement and wish to **oppose** the Settlement. I understand that I may file objections (below and/or by attachment to this Objections Page) to the Settlement and exceptions to a Recommended Decision and that my complaint will be resolved as part of the PUC order resolving this case.

Please Print Your Full Name

Please Sign Your Full Name

Date: _____

Please Write Your Address Here: _____

Docket Numbers of Your Complaint(s) (begins with C-2024):

Written Comments and reasons for objecting (may attach additional sheets):