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House of Representatives
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December 6, 2023

The Honorable Robert Matzie, Chairman

House Democratic Consumer Protection, Technology & Utilities Committee

202 Irvis Office Building,

Harrisburg, PA 17120

Dear Chairman Matzie:

I write to submit this testimony in support of HB1862, HB1863, HB1864 and HB1865. Thank you for your leadership in calling a hearing on these important bills, which I am proud to co-sponsor.

In my district, in Delaware County, we have been fighting Aqua America's attempt to take over the Chester Water Authority. Over 200,000 residents and businesses in Delaware and Chester County receive their water from this award-winning public water authority and the board and customers oppose this sale.

This takeover attempt has made possible by changes to the law made in Act 12 of 2016. Over the past seven years, it has become clear to me that we need to reform Act 12 and this package of bills would make much-needed changes. The legislative intent of the bill that became Act 12 was to help distressed water systems and their communities, allowing companies to pay more for a system than it was actually worth in order to have the resources to fix the failing infrastructure of the distressed system. However, big publicly traded water companies have used Act 12 to take over small municipal authorities across Pennsylvania, whether they were distressed or not.

The Chester Water Authority is not a distressed system, yet it is under threat of a takeover because of Act 12. If a sale were to go through, not only would we lose local control, but customers could pay more for their water. According to the Consumer Advocate's testimony during a hearing of this Committee in May 2021, customer rates increased from 35% to 105% because acquisitions are being made at high premiums. When the goal is to maximize profits for corporate shareholders, customers often shoulder the burden through higher water and sewer bills.

I support this package of bills because it will place much needed guiderails on Act 12. These bills will still permit truly struggling systems to be acquired if that's in the best interest of and supported by local communities. But they will also greatly limit the amount of acquisitions of healthy systems, ease the immediate burden on ratepayers by spreading out any costs incurred, and place strict notification

requirements on both buyers and sellers from the formal inception of a sale so that ratepayers are truly part of the process.

Thank you for holding this hearing and I hope that you schedule the bills for a Committee vote as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Krueger". The signature is fluid and cursive, with a long horizontal stroke at the end.

The Honorable Leanne Krueger
State Representative
161st Legislative District