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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSIONP.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE** |

February 12, 2018

Docket Nos. A-2018-2642837 & A-2018-2642839

Utility Codes 210104 & 222750

Thomas t Niesen ESQUIRE

thomas niesen & thomas LLC

212 locust street suite 302

harrisburg pa 17110-0950

RE: Joint Application of Aqua Pennsylvania, Inc. and the Borough of Phoenixville at Docket Nos. A-2018-2642837 and A-2018-2642839

Dear Attorney Niesen:

On January 12, 2018, Aqua Pennsylvania, Inc. (Aqua), and the Borough of Phoenixville (Phoenixville) filed the above-referenced joint Application for Commission approval. For the Commission to complete analysis of the filing, the Water/Wastewater Division requires responses to the attached data requests. Please be advised that you are directed to forward the requested information to the Commission **within 10 working days** of the date of this letter.

Please send all responses to the Secretary of the Commission at the following address:

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| Secretary, Pennsylvania Public Utility Commission400 North Street, 2nd FloorHarrisburg, Pennsylvania 17120 |

All documents requiring notary stamps must have original signatures. Some responses may be e-filed at <http://www.puc.pa.gov/efiling/default.aspx>. A list of allowable e-filing document types is available at <http://www.puc.pa.gov/efiling/DocTypes.aspx>.

**Please note that your answers must be verified per 52 Pa Code § 1.36.** Accordingly, you must provide the following statement with your responses:

*I, \_* [print name of appropriate company representative], *hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.  I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).*

Signature \_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_

Please contact the below staff person if any problems should arise that prevent full response within ten working days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the application, please send a copy of the information to Clinton McKinley via e-mail at**cmckinley@pa.gov** or by fax at (717) 787-4750. Questions may be directed to Clinton McKinley in the Bureau of Technical Utility Services, Water/Wastewater Division at telephone number (717) 783-6161. Thank you in advance for your cooperation.

Sincerely,

Rosemary Chiavetta

Secretary

Enclosure

cc: Tanya McCloskey, Office of Consumer Advocate (w/enclosure)

John Evans, Office of Small Business Advocate (w/enclosure)

Richard Kanaskie, PUC Bureau of Investigation and Enforcement (w/enclosure)

Adeolu A. Bakare, McNees Wallace & Nurick, LLC (w/enclosure)

Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

1. Please provide a map depicting the location or route of the waterworks facilities to be acquired as part of this Application along with Phoenixville Borough’s (Phoenixville’s) current and proposed interconnect locations with Aqua Pennsylvania Inc. (Aqua) and Pennsylvania-American Water Company (PAWC).
2. Please provide a revised copy of the Application’s Exhibit A map that clarifies the meaning of the area with the blue boundary by noting it in the map’s legend.
3. As per Section 1327 of the Public Utility Code, 66 Pa. C.S. § 1327(a)(6), please provide evidence that the purchase price is reasonable (i.e., provide a comparison of the proposed purchase price and estimated original cost less depreciation).
4. Please provide the original cost, by year and major plant category, of used and useful plant in service and related accrued depreciation calculations for the assets to be transferred as part of this transaction.
5. Please provide a breakdown of the sources of funds used to finance the construction of Phoenixville’s assets to be acquired by Aqua as part of this proposed transaction.
6. Please state if any of Phoenixville’s water system assets to be acquired by Aqua were contributed.
7. The Application’s Section 34 indicates an estimated annual operating and maintenance expense of $181,000, exclusive of depreciation. Please provide an estimate of annual depreciation that is in addition to the $181,000 estimate.
8. The Application’s Section 20 indicates Phoenixville has 39 fire hydrants that Aqua will acquire. However, Schedule 4.h of the Application’s Asset Purchase Agreement (APA) appears to depict 51 fire hydrants while the Application’s Exhibit J indicates there are 54 public fire hydrants outside the borough’s limits. Please clarify the total number of hydrants to be acquired by Aqua in each municipality by type (i.e., public and private).
9. Please provide revised annual revenue calculation if the number fire hydrants that Aqua will acquire from Phoenixville does not equal 39.
10. Section 1.4(a) of the Application’s APA referenced a Cash Deposit Escrow Agreement dated November 17, 2016, between Aqua and Phoenixville. Please provide a copy of this agreement.
11. Please estimate the anticipated transfer tax cost Aqua will incur pursuant to Section 2.2 of the Application’s APA.
12. Please provide an estimate of the costs associated with the installation of the meter pits and meters identified in Section 3 of the Water Supply Agreement provided in the Application’s Exhibit G1.
13. Please clarify if Aqua will retain ownership of the meter pits to be installed as per Section 3 of the Water Supply Agreement provided in the Application’s Exhibit G1.
14. If Phoenixville does not renew the Water Supply Agreement provided in Exhibit G1 after the initial 10-year term, please explain how Aqua will continue to provide water service to the requested territory and estimate any associated costs Aqua would incur to continue water service to the requested territory without the benefit of Phoenixville’s water supply.
15. The Application’s Exhibit G contains a copy of a Water Supply Agreement between Phoenixville and Citizens Utilities Home Water Company dated March 10, 1986. This agreement was filed with the Commission at Docket No. U-00860266. However, this Agreement was later amended by a resolution of Phoenixville Borough dated March 13, 1990, through a filing at Docket No. U-00901279. Please confirm if Aqua intends to assume the amended agreement at Docket No. U-00901279 rather than the original agreement at Docket No. U-00860266. Please also provide a copy of the amended agreement from Docket No. U-00901279 if Aqua will assume it.
16. Please provide a recent Phoenixville water bill for the following customer classifications located outside of the borough:
	1. A residential customer.
	2. A commercial or industrial customer.
	3. An interconnect with PAWC.
17. Please explain how customers will be transitioned from Phoenixville to Aqua as their public water supplier and provide a copy of a draft customer notice.
18. Please explain how the Application’s proposed transaction is in the public interest.