

**Application of Pennsylvania-American Water Company for Acquisition of  
the Wastewater Assets of the Township of Exeter  
66 Pa. C.S. §1329  
Application Filing Checklist – Water/Wastewater  
Docket No. A-2018-3004933**

1. Transmittal letter with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.

**RESPONSE:** See enclosed transmittal letter dated December 5, 2018 from David P. Zambito, Esq. with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.

December 5, 2018

**VIA HAND DELIVERY**

**David P. Zambito**

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**CONTAINS CONFIDENTIAL APPENDICES**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
Harrisburg, PA 17120

**Re: In re: Application and related filings of Pennsylvania-American Water Company under Sections 507, 1102(a), and 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 507, 1102(a), 1329, for approval of its acquisition of wastewater system assets of Exeter Township, related wastewater service rights, fair market valuation ratemaking treatment, deferral of the post-acquisition improvement costs, and certain contracts with municipal corporations; Docket No. A-2018-3004933 et al.**

**PENNSYLVANIA-AMERICAN WATER COMPANY AMENDED APPLICATION AND RELATED FILINGS**

Dear Secretary Chiavetta:

On September 25, 2018, Pennsylvania-American Water Company ("PAWC") filed the above-referenced application with the Pennsylvania Public Utility Commission ("Commission"). By Secretarial Letter dated October 1, 2018, the Commission notified PAWC that the Application was not accepted for filing purposes because it was incomplete, in the opinion of Commission staff.

Enclosed for filing with the Commission are an Amended Application and related filings to address the concerns raised by Commission staff. Specifically, enclosed please find:

- The Amended Application to replace the original Application;
- An updated verification executed by Bernard J. Grundusky, Jr. (**Appendix A-2 REV**);
- An updated Certificate of Service (**Appendix A-3 REV**);
- An updated *pro forma* tariff supplement to replace the original *pro forma* tariff supplement (**Appendix A-13 REV**);
- Updated prepared direct testimony (**Appendix A-14 REV**):
  - Direct Testimony of Bernard J. Grundusky, Jr., Senior Director of Business Development, Pennsylvania-American Water Company PAWC Statement No. 1 REV (to replace Mr. Grundusky's original direct testimony);

- Direct Testimony of Rod P. Nevirauskas, Senior Director of Rates and Regulations, for the Mid Atlantic Division of the American Water Works Company, on behalf of Pennsylvania-American Water Company, PAWC Statement No. 4 REV (to replace Mr. Nevirauskas' original direct testimony);
- An updated **Appendix A-16-a through A-16-h REV** to replace the original **Appendix A-16-a through A-16-h** (the answer to the checklist question has been updated, as has the map, but the legal description remains the same);
- A copy of the notification to be sent by PAWC to affected customers describing the filing, to replace the original notification, together with alternative versions of the notice to be sent by Exeter Township ("Exeter") to affected customers describing the filing (one version will be used if Exeter increases its wastewater rates on January 1, 2019 and the other version will be used if Exeter increases its wastewater rates after January 1, 2019) (**Appendix A-18-d REV**);
- Additional documents demonstrating compliance with Act 537 (a proposed Official Plan revision and approval pertaining to the Window Willow Subdivision) (**Appendix A-22-b REV**);
- A new appendix, the First Amendment to the Asset Purchase Agreement, **Appendix A-24-a-1 (CONFIDENTIAL)**;
- An updated **Appendix A-24-f REV** to replace the original **Appendix A-24-f** (some attachments have been added and some have been removed because Schedule 2.1(b) of the APA was modified pursuant to the First Amendment to the Asset Purchase Agreement);
- An updated **Appendix B-2 REV** to replace the original **Appendix B-2**;
- An updated **Appendix B-3 REV (CONFIDENTIAL)** to replace the original **Appendix B-3**;
- A new **Appendix B-3-a REV** (a letter from the solicitor of the Borough of St. Lawrence); and
- A new **Appendix B-3-b REV** (an agreement between Exeter Township, St. Lawrence Borough Authority and the Borough of St. Lawrence).<sup>1</sup>

As discussed above, PAWC has included copies of the proposed customer notices describing the filing. **Appendix A-18-d REV**. These notices include a blank for the date by which protests or petitions to intervene must be filed. PAWC asks that the Commission establish the deadline for filing a protest or a petition to intervene in the Secretarial Letter conditionally accepting the Amended Application for filing.

PAWC notes that the Township of Exeter will shortly be filing an application, *nunc pro tunc*, for a certificate of public convenience to serve 29 customers in an area outside its corporate boundaries in Lower Alsace Township. PAWC intends to request that the two proceedings be consolidated.

Please note that, in compliance with Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, PAWC has included copies of the First Amendment to the Asset Purchase Agreement for this transaction and the three agreements with municipal corporations that will be assumed or entered into by PAWC in connection with the Transaction. These agreements with municipal corporations can be found at **Appendices A-24-a and A-24-a-1 REV** (both

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<sup>1</sup> Please remove and discard the original **Appendix B-4** and **Appendix B-5**.

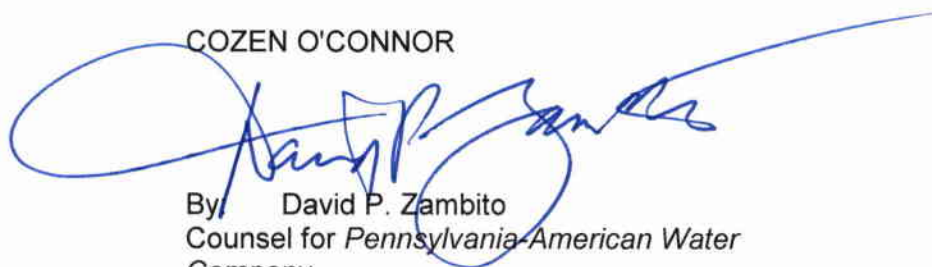
**CONFIDENTIAL**) and **B-1** through **B-3 REV** (**CONFIDENTIAL**) of the Amended Application. Please note that the *pro forma* agreement found at **Appendix B-3 REV** should also be afforded **CONFIDENTIAL** treatment. Confidential treatment is appropriate for **Appendices A-24-a, A-24-a-1** and **B-3 REV** because they reflect proprietary information regarding PAWC's business activities and how PAWC structures certain transactions. Disclosure of such information could cause competitive harm to PAWC.

Copies of the Amended Application have been served upon the public advocates in accordance with the attached Certificate of Service and in accordance with the Commission's *Final Implementation Order* entered October 27, 2016, at Docket No. M-2016-2543193. I have also enclosed the following two CD-Roms for your convenience: (1) the Amended Application and accompanying appendices (without Confidential Documents); and (2) Confidential Documents.

Thank you for your attention to this matter. Please date-stamp the extra copy of the filing and return it with our courier. Please do not hesitate to contact me if you have any questions.

Sincerely,

COZEN O'CONNOR



By David P. Zambito  
Counsel for *Pennsylvania-American Water Company*

DPZ:kmg  
Enclosure

cc: Per Certificate of Service  
Sean Donnelly, Bureau of Technical Utility Services  
Susan Simms Marsh, Esquire  
Chief Administrative Law Judge Charles E. Rainey, Jr.