

**Application of Pennsylvania-American Water Company for Acquisition of
the Water Assets of the Steelton Borough Authority**

66 Pa. C.S. § 1329

Application Filing Checklist - Water/Wastewater

Docket No. A-2019- _____

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

RESPONSE: See enclosed transmittal letter from Susan Simms Marsh, Esq. with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.



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January 2, 2019

VIA HAND DELIVERY

CONTAINS CONFIDENTIAL APPENDICES

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

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 water system assets of the Steelton Borough Authority, related water service rights, fair market valuation ratemaking treatment, deferral of the post-acquisition improvement costs, and certain contracts with municipal corporations; Docket No. A-2019-_____ *et al.*

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the above-referenced application and related filings of Pennsylvania-American Water Company ("PAWC") for its acquisition of the Steelton Borough Authority's water treatment, transportation, and distribution facilities. This filing is made pursuant to Sections 507 (related to filing of contracts with municipal corporations), 1102 (related to certificates of public convenience), and 1329 (determination of fair market for ratemaking purposes) of the Pennsylvania Public Utility Code ("Code"), Pa. C.S. §§ 507, 1102, 1329.

Copies of the 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. Due to the size of the filing, I have also enclosed the following four CD-Roms for your convenience: (1) the PUC Application filing (without Confidential Documents); (2) Live Excel Spreadsheets of the Seller Utility Valuation Expert's workpapers in appraising the System; (3) Live Excel Spreadsheets of the Buyer Utility Valuation Expert's workpapers in appraising the system; and, (4) Confidential Documents. I have also enclosed the required \$350 application filing fee (Check No. 2400090515).

Enclosed on behalf of PAWC as part of the Section 1329 filing requirements are the direct testimonies and accompanying exhibits of the following:

1. Direct Testimony of Scott D. Fogelsanger, Senior Manager of Business Development, Pennsylvania-American Water Company (**PAWC Statement No. 1**);
2. Direct Testimony of David R. Kaufman, Vice President - Engineering, Pennsylvania-American Water Company (**PAWC Statement No. 2**);
3. Direct Testimony of John R. Cox, Director of Rates and Regulations for the Mid Atlantic Division, American Water Works Service Company, on behalf of Pennsylvania-American Water Company (**PAWC Statement No. 3**);
4. Direct Testimony of Joseph F. Woodward, Jr., Senior Manager of Operations, Central Pennsylvania, Pennsylvania-American Water Company (**PAWC Statement No. 4**) and,
5. Direct Testimony of Jerome C. Weinert, Principal and Director, AUS Consultants, Pennsylvania-American Water Company Utility Valuation Expert (**PAWC Statement No. 5**).

In addition, as a courtesy to the parties, PAWC is submitting the following direct testimony and accompanying exhibits on behalf of the Steelton Borough Authority. PAWC's submission of this testimony should not be considered support for or sponsoring of such testimony. PAWC anticipates that the Steelton Borough Authority will intervene in this matter and will submit its direct testimony and exhibits.

1. Direct Testimony of Douglas Brown, Manager, Borough of Steelton (**Steelton Statement No. 1**); and,
2. Dylan W. D'Ascendis, Director for ScottMadden, Inc. (**Steelton Statement No. 2**).

Copies of the prepared direct testimony and accompanying exhibits can be found at **Appendix A-14** of the Application.

In compliance with Code Section 507, 66 Pa. C.S. § 507, PAWC has also included a copy of the Asset Purchase Agreement for this transaction that will be assumed by PAWC. This agreement can be found at Appendix A-24-a (**CONFIDENTIAL**) of the Application. Disclosure of such information could cause competitive harm to PAWC.

Rosemary Chiavetta, Secretary
January 2, 2019
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Thank you for your attention to this matter. Please date-stamp the extra copy of the filing and return it with PAWC personnel. Please do not hesitate to contact me if you have any questions.

Sincerely,


Susan Simms Marsh

Enclosure

cc: Per Certificate of Service
Sean Donnelly, Bureau of Technical Utility Services