



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF  
INVESTIGATION  
&  
ENFORCEMENT

February 14, 2020

*Via Electronic Filing/First Class Mail/Electronic Mail*

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

Re: Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Section 1102,  
1329 and 507 of the Public Utility Code for Approval of its Acquisition of the  
Wastewater System Assets of East Norriton Township  
Docket No. A-2019-3009052  
**I&E Statement I Support of Joint Petition for Approval of Settlement**

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E) **Statement in Support of Joint Petition for Approval of Settlement** for the above-referenced proceeding.

Copies are being served on all parties of record as identified in the attached certificate of service. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Gina L. Miller

Prosecutor  
PA Attorney ID No. 313863  
(717) 787-8754  
[ginmiller@pa.gov](mailto:ginmiller@pa.gov)

Erika L. McLain  
Prosecutor  
PA Attorney ID No. 320526  
(717) 783-6170  
[ermclain@pa.gov](mailto:ermclain@pa.gov)

GLM/jfm  
Enclosure

cc: Honorable Angela T. Jones, (PUC OALJ, Philadelphia)  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania :  
Wastewater, Inc. :  
Pursuant to Sections 1102, 1329 and 507 of : Docket No. A-2019-3009052  
the Public Utility Code for Approval of its :  
Acquisition of the Wastewater System :  
Assets of East Norriton Township :

---

**BUREAU OF INVESTIGATION AND ENFORCEMENT  
STATEMENT IN SUPPORT OF  
JOINT PETITION FOR APPROVAL  
OF SETTLEMENT**

---

**TO ADMINISTRATIVE LAW JUDGE ANGELA T. JONES:**

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutors Gina L. Miller and Erika L. McLain, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Approval of Settlement (“Joint Petition” or “Settlement”) are in the public interest and represent a fair and just balance of the interests of Aqua Pennsylvania Wastewater, Inc. (“Aqua”), I&E, the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”) and the Township of East Norriton (“East Norriton”), parties to the above-captioned proceeding (collectively, the “Joint Petitioners”)<sup>1</sup>.

---

<sup>1</sup> Laborers District Council of the Metropolitan Area of Philadelphia and Vicinity (Laborers District Council) neither joins nor opposes this Joint Petition.

## I. BACKGROUND

1. On July 30, 2019, Aqua filed with the Commission its Application pursuant to Sections 1102, 1329, and 507 of the Public Utility Code (“Code”), for (1) approval of the acquisition by Aqua of the wastewater system assets of East Norriton Township, situated within, Montgomery County, Pennsylvania; (2) approval of the right of Aqua to begin to offer, render, furnish and supply wastewater service to the public in East Norriton, Montgomery County, Pennsylvania<sup>2</sup>; (3) an order approving the acquisition that includes the ratemaking rate base of the East Norriton wastewater system assets pursuant to Section 1329(c)(2) of the Code and (4) approval and assignment of Contracts, between Aqua and East Norriton, pursuant to Section 507 of the Code.

2. After granting multiple extension requests made by Aqua, and upon Aqua’s provision of requested supplemental materials, by Secretarial Letter dated October 23, 2019, the Commission acknowledged receipt of Aqua’s Application but indicated that the Application would be accepted for filing only on a conditional basis. The conditions attached to acceptance included, inter alia, satisfying the Commission’s requirements that Aqua (1) certify service of its Application to designated entities; (2) provide individualized notice of the proposed acquisition to all potentially affected water and wastewater customers in accordance with the Commission’s Final Supplemental Implementation Order entered February 28, 2019, at Docket No. M-2016-2543193; (3) publish notice of the Application once a week for two consecutive weeks in a newspaper of general circulation in the impacted area; and (4) notify the Commission after such publication occurred.

---

<sup>2</sup> Aqua’s Application indicates that it is not seeking approval to offer, render, furnish, and supply wastewater service to the Burnside Reserve subdivision.

3. On October 25, 2019, I&E filed its Notice of Appearance in this case. Additionally, the OSBA filed a Notice of Intervention and Public Statement on September 6, 2019. On September 11, 2019, the OCA filed a Protest and Public Statement in this case. East Norriton filed a Petition to Intervene on December 9, 2019.

4. On November 26, 2019, Aqua served the Commission's Secretary with notice certifying that it fulfilled the conditions outlined in the Secretarial Letter of October 23, 2019; therefore, Aqua requested that its Application be accepted for filing.

5. By way of a Secretarial Letter of November 26, 2019, the Commission informed Aqua that its Application was accepted for filing.

6. Customer Protests were filed by Allen R. Dalton on or about November 26, 2019, by Stanley Mansell on or about December 2, 2019, and by Christine and Michael Maddalo on or about December 2, 2019.

7. On December 21, 2019, the Commission published notice of Aqua's Application in the Pennsylvania Bulletin, and it established a protest deadline of January 6, 2020. Thereafter, Aqua's Application was assigned to the Office of Administrative Law Judge for establishment of an evidentiary record culminating in a Recommended Decision for the Commission's consideration.

8. A telephonic Prehearing Conference was held on December 30, 2019 at 1:30 p.m., with Administrative Law Judge Angela T. Jones ("ALJ Jones") presiding. At the hearing, ALJ Jones approved the litigation schedule that was mutually agreed upon by the

parties prior to the Prehearing Conference, which, provided for the filing of testimony, hearings and briefs as follows:<sup>3</sup>

Non-Applicant Direct Testimony	January 3, 2020
Rebuttal Testimony	January 10, 2020
Surrebuttal Testimony	January 17, 2020
Evidentiary Hearing	January 23-24, 2020
Main Briefs	February 6, 2020
Reply Briefs	February 14, 2020

The litigation schedule was memorialized in Prehearing Order #2, which was issued by ALJ Jones on December 31, 2020, and which granted East Norriton’s Petition to Intervene.

9. On January 10, 2020, the Laborers District Council filed a Petition to Intervene. The Petition was granted by Interim Order dated January 16, 2020.

10. On January 13, 2020 a “smart hearing” public input hearing was conducted.

11. The Joint Petitioners conducted substantial formal and informal discovery in this proceeding. In accordance with the litigation schedule, various parties served direct, rebuttal, and surrebuttal testimony. Specifically, I&E served the following testimony:

I&E Statement No. 1: Direct Testimony of Christopher M. Henkel  
(in both proprietary and non-proprietary version)

I&E Exhibit No. 1: the Exhibit to accompany the Direct Testimony of Christopher M. Henkel (in both proprietary and non-proprietary version)

I&E Statement No. 2: Direct Testimony of Ethan H. Cline

I&E Exhibit No. 2: the Exhibit to accompany the Direct Testimony of Ethan H. Cline

I&E Statement No. 1-SR: Surrebuttal Testimony of Christopher M. Henkel

---

<sup>3</sup> I&E notes that in the interest of ensuring due process, the litigation schedule originally accounted for supplemental testimony dates for timely-filed protestors submitted after December 30, 2019, those protestors’ having a supplemental direct testimony date of January 7, 2020, and any responsive rebuttal testimony (supplemental rebuttal) being due on January 14, 2020. However, because there were no protests filed after December 30, 2020, the supplemental dates became inapplicable.

I&E Exhibit No. 1-SR: the Exhibit to accompany the Surrebuttal Testimony of Christopher M. Henkel

I&E Statement No. 2-SR: Surrebuttal Testimony of Ethan H. Cline

12. On January 22, 2020, to facilitate continued settlement discussions, and at the request of all other parties, Aqua's counsel contacted ALJ Jones to request that the hearings on January 23, 2020 be cancelled. Under the request, any necessary evidentiary hearings would commence on January 24, 2020 at 10:00 a.m. ALJ Jones granted the request.

13. After continued negotiations, the Joint Petitioners successfully reached a global settlement in this proceeding. On January 23, 2020, counsel for Aqua informed ALJ Jones that a unanimous settlement in-principle had been reached and requested the additional hearing scheduled for January 24, 2020 be conducted telephonically.

## **II. LEGAL STANDARDS**

### **a. Section 1102 Approval**

14. The Code requires that the Commission issue a Certificate of Public Convenience as a prerequisite to offering service, abandoning service and certain property transfers by public utilities or their affiliated interests.<sup>4</sup> The standards for the issuance of a Certificate of Public Convenience are set forth in Sections 1102 and 1103<sup>5</sup> of the Code. A Certificate of Public Convenience shall be granted "only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of the public."<sup>6</sup> These provisions have been

---

<sup>4</sup> 66 Pa. C.S. § 1102(a).

<sup>5</sup> 66 Pa. C.S. § 1103.

<sup>6</sup> 66 Pa. C.S. § 1103(a).

interpreted by the Pennsylvania Supreme Court in the *City of York v. Pennsylvania Public Utility Commission* for the proposition that to establish that a proposed transaction benefits the public, it must be shown to affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.<sup>7</sup> Additionally, pursuant to Section 1103, Aqua must show that it is technically, legally, and financially fit to own and operate the assets it will acquire from East Norriton.<sup>8</sup> In addition to assessing fitness, the Commission should consider the benefits and detriments of the transaction “with respect to the impact on all affected parties”<sup>9</sup> including existing customers. To ensure that a transaction is in the public interest, the Commission may impose conditions on granting a certificate of public convenience as it may deem to be just and reasonable.<sup>10</sup>

**b. Legal Standard for Section 1329 Approval**

15. Section 1329 of the Code prescribes the process used to determine the fair market value of a municipal utility that is the subject of an acquisition. Section 1329 provides a framework for valuing, for ratemaking purposes, water and wastewater systems that are owned by a municipal corporation or authority that are to be acquired by an investor-owned water or wastewater utility under the Commission’s jurisdiction. It allows the rate base of the municipal system being purchased to be incorporated into the rate base of the purchasing investor-owned utility at the lesser of either the purchase price or the fair market value as established by the two independent appraisals conducted by two utility valuation

---

<sup>7</sup> *City of York v. Pa. PUC*, 449 Pa. 136, 295 A.2d 825, 828 (1972).

<sup>8</sup> *Seaboard Tank Lines v. Pa. PUC*, 502 A. 2d 762, 764 (Pa. Cmmw. 1985); *Warminster Twp. Mun. Auth. v. Pa. PUC*, 138 A.2d 240, 243 (Pa. Super. 1958).

<sup>9</sup> *Middletown Twp. v. Pa. P.U.C.*, 482 A.2d 674, 682 (Pa. Commw. 1984).

<sup>10</sup> 66 Pa. C.S. § 1103(a).

experts. Notably, a Commission Order approving a transaction under Section 1329 is permitted to include “[a]dditional conditions of approval.”<sup>11</sup>

**c. Legal Standard for Section 507 Approval**

16. Aqua’s request to assume enumerated municipal contracts currently held by East Norriton is subject to review under Section 507 of the Code. Under Section 507, other than contracts to furnish service at tariffed rates, any contract between a public utility and a municipal corporation must be filed with the Commission at least 30 days prior to its effective date to be valid. Upon receipt of the filing, and prior to the effective date of the contracts, the Commission may institute proceedings to determine whether there are any issues with the reasonableness, legality, or any other matter affecting the validity of the contract. If this Commission decides to institute such proceedings, the contracts at issue will not become effective until the Commission grants its approval.

**III. TERMS AND CONDITIONS OF SETTLEMENT**

17. It is the policy of the Commission to encourage settlements.<sup>12</sup>

18. For the reasons discussed herein, I&E maintains that the Settlement meets all the standards necessary to warrant the requisite approvals under Sections 507, 1102, 1103, and 1329 of the Code.

19. The signatories to the Joint Petition actively participated in and vigorously represented their respective positions during the settlement process. As such, the issues raised by the Joint Petitioners have been satisfactorily resolved through discovery and

---

<sup>11</sup> 66 Pa. C.S. § 1329 (d)(3)(ii); Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, p. 69 (Order entered June 29, 2017).

<sup>12</sup> 52 Pa. Code § 5.231.



discussions with the parties and are incorporated in the Joint Petition. I&E represents that the Settlement satisfies all applicable legal standards and results in terms that are preferable to those that may have been achieved at the end of a fully litigated proceeding. Accordingly, for the reasons articulated below, I&E maintains that the proposed Settlement is in the public interest and requests that the following terms be approved by the ALJ and the Commission without modification:

**A. APPROVAL OF APPLICATION AND ACQUISITION  
(Joint Petition ¶ 23(A))**

Subject to all of terms and conditions of the Settlement, I&E opines that the Application should be approved and recommends that the Commission should issue Aqua a Certificate of Public Convenience pursuant to 66 Pa. C.S. §1102(a). Aqua's Application requests permission for it to acquire East Norriton's wastewater collection system assets and to obtain the Certificates of Public Convenience necessary for it to begin to offer wastewater service to the public in the Service Area.<sup>13</sup> The East Norriton assets consist primarily of approximately 59 miles of gravity sewer collection mains and interceptors and four miles of force mains as well as nine pump stations, and a surge tank located at the Einstein Pump Station.<sup>14</sup> In total, through this acquisition, Aqua is seeking to provide service to East Norriton's approximately 4,966 wastewater customers.<sup>15</sup> The record supports the findings that Aqua is technically, legally, and financially fit to acquire East Norriton's wastewater services,<sup>16</sup> and as reflected in the Joint Petition, all Joint Petitioners agree that Aqua

---

<sup>13</sup> Aqua Application, p. 2, ¶ 3.

<sup>14</sup> Aqua St. No. 2, p. 4.

<sup>15</sup> Aqua Application, p. 3, ¶ 8.

<sup>16</sup> Aqua St. No. 1, pp. 10-11; Aqua St. No. pp. 12-13.

possesses the requisite fitness to operate the East Norriton system.<sup>17</sup> I&E notes that Aqua has demonstrated past experience in improving acquired wastewater systems service and in making improvements to those systems.

At the outset of this case, I&E recommended that Aqua's Application be denied, or, in the alternative, approved only upon certain conditions.<sup>18</sup> As explained herein, the Settlement represents a global resolution of all of the issues that I&E addressed, and it represents a compromise of all Joint Petitioners' positions on the several and complex issues raised in this case. Accordingly, through this Settlement, I&E's identified concerns have been addressed and I&E opines that Aqua's Application, as modified by the Joint Petition, now meets the requisite standards for approval.

**B. TARIFF (Joint Petition ¶ 23(B))**

Pursuant to the Settlement, the Joint Petitioners have agreed that the *pro forma* tariff supplement, which is attached to Aqua's Application as Exhibit G, shall be permitted to become effective immediately upon closing of the transaction. The Joint Petitioners support the *pro forma* tariff supplement, under which East Norriton's current rates would be initially adopted. Accordingly, the *pro forma* tariff will accurately include all rates, rules, and regulations regarding the conditions of Aqua's wastewater service, and this full and accurate disclosure of rates is in the public interest.

---

<sup>17</sup> Joint Petition, p. 10, ¶ 24.

<sup>18</sup> I&E St. No. 2, pp. 27-28.

### C. COST OF SERVICE STUDY (Joint Petition ¶ 23(C))

To protect ratepayers, I&E recommended that Aqua provide a separate cost of service study for the East Norriton system that identifies the plant in service costs at the time that the East Norriton system was purchased, the cost of any plant retirements, and the cost of any plant investment.<sup>19</sup> As I&E witness Cline explained, the recommended cost of service study was necessary because it would be beneficial in the following ways: (1) determining the cost to operate the East Norriton wastewater system separately; (2) calculating the costs of the Aqua's different services; (3) separating the costs between Aqua's different customer classes and service areas; (4) attributing costs to Aqua's different customer classes and service areas<sup>20</sup>; (5) determining how costs will be recovered from the Aqua's different customer classes and service areas; and (6) establishing the existence and extent of subsidization (inter and intra-class) and assist in determining the appropriate amount of revenue requirement to be shifted from wastewater customers to water customers, which Aqua has utilized in past base rate cases.<sup>21</sup>

In response to I&E's recommendation regarding the cost of service study, Aqua witness Packer testified that Aqua agreed to file cost of service study calculations separately for the East Norriton system "with typically filed rate making exhibits" including Rate Base (Measure of Value), Statement of Operating Income, and Rate of Return, which correspond to the applicable test year, future test year, and fully projected future test year measurement

---

<sup>19</sup> I&E St. No. 2, pp. 23-24.

<sup>20</sup> I&E witness Cline noted that this benefit would be particularly important since East Norriton does not have more than one customer class, so a cost of service study would be particularly beneficial in the creation of individual customer classes.

<sup>21</sup> I&E St. No. 2, pp. 24-25.

periods.<sup>22</sup> In recognition of Mr. Packer’s testimony, I&E witness Cline indicated that Aqua’s agreement to file the cost of service study calculations referenced by Mr. Packer satisfied his recommendation.<sup>23</sup> This resolution is now memorialized in the Joint Petition. I&E submits that the cost of service term is in the public interest because, as witness Cline explained, the cost of service study is necessary to protect ratepayers because without it, the cost to operate the East Norriton wastewater system will not be known, and therefore the appropriate ratemaking recommendations for those costs cannot be proposed or implemented when Aqua files its next base rate case.<sup>24</sup> Accordingly, this term of the Joint Petition is in the public interest and it should be approved without modification.

**D. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (“AFUDC”), DEFERRAL OF DEPRECIATION AND TRANSACTION COSTS (Joint Petition ¶ 23(D))**

Through the Settlement, the Joint Petitioners acknowledge that any claims that Aqua may make to accrue allowance for funds used during construction (“AFUDC”) and deferred depreciation for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes will be addressed in Aqua’s first base rate case which includes East Norriton wastewater system assets. Importantly, the Joint Petitioners agree that they reserve their rights to litigate their positions fully in future rate cases. I&E endorses this term because while it recognizes the potential for Aqua to invoke portions of Section 1329 related to post-acquisition projects,<sup>25</sup> it also empowers parties to review Aqua’s proposed treatment of those projects in a future base rate case. Preserving the ability to litigate any of Aqua’s

---

<sup>22</sup> Aqua St. No. 1-R, p. 21

<sup>23</sup> I&E St. No. 2-SR, pp. 21-22.

<sup>24</sup> I&E St. No. 2, p. 25.

<sup>25</sup> 66 Pa. C.S. §1329(f).

proposed AFUDC and deferred depreciation treatment protects the public interest by ensuring that interested parties are not hindered in developing a full and complete record for the Commission on this issue when additional information is available and ratemaking issues are ripe for determination.

**E. DSIC AND LONG-TERM INFRASTRUCTURE IMPROVEMENT (“LTIIIP”) PLAN (Joint Petition ¶ 23(E))**

The Joint Petitioners have agreed that consistent with Section 1329, and upon the Commission’s approval of a modification to its LTIIIP, Aqua shall be permitted to collect a distribution system improvement charge (“DSIC”) prior to the first base rate case in which the East Norriton service area plant-in-service is incorporated into rate base. Further, Aqua has agreed not to reprioritize other existing capital improvements that the Company already committed to undertake in other service areas. However, this agreement does not limit Aqua’s current practice and ability to allocate projects as needed by Aqua necessary for its capital program, but recognizes that any East Norriton system infrastructure will be in addition to capital improvements already planned.

I&E took no position regarding Aqua’s request for approval to collect a DSIC as permitted under Section 1329, as this request appeared to simply memorialize Aqua’s intention to employ certain provisions of Section 1329. Nonetheless, I&E reserves the right to address these issues in future proceedings, including base rate, LTIIIP, and distribution system improvement charge proceedings, when additional information and facts are available and when these issues are ripe for review. While I&E still reserves its rights, I&E nevertheless opines that this term serves the public interest because Aqua has agreed that existing commitments will not be re-prioritized as a result of this term. With

this in mind, acquired East Norriton customers will benefit from improved wastewater infrastructure, promoting safer and more reliable service. Therefore, I&E opines that this term is in the public interest.

**F. FAIR MARKET VALUE FOR RATEMAKING RATE BASE ((Joint Petition ¶ 23(F))**

At the outset of this case, Aqua<sup>26</sup> requested that the ratemaking rate base value of East Norriton's assets be established at \$21 million.<sup>27</sup> The \$21 million figure represents the purchase price between Aqua and East Norriton.<sup>28</sup> In compliance with Section 1329, Aqua's Application was accompanied by two UVE appraisals presented as follows: (1) an appraisal performed on behalf of Aqua by Harold Walker, III, Manager, Financial Studies for Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming appraisal") valued the East Norriton assets at \$24,284,000 as of February 28, 2019<sup>29</sup> and (2) an appraisal performed on behalf of East Norriton by Jerome C. Weinert, P.E., Principal and Director for AUS Consultants, Inc. ("AUS appraisal") valuing the East Norriton assets at \$25,064,594 as of October 29, 2018.<sup>30</sup>

In his review of the UVEs' fair market value appraisals, I&E witness Henkel identified errors and issues that warranted downward adjustments to both appraisals.<sup>31</sup> However, witness Henkel was not able to arrive at a final recommended rate base value for the East Norriton assets because it was not possible to quantify all of the necessary appraisal

---

<sup>26</sup> Id. at p. 28.

<sup>27</sup> Aqua St. No. 1, p. 21, lines 3-6.

<sup>28</sup> Aqua St. No. 1, p. 21.

<sup>29</sup> Aqua Application, Exhibit Q, p. 1.

<sup>30</sup> Aqua Application, Exhibit QR p. 1.

<sup>31</sup> I&E St. No. 1, pp. 43-44 (non-proprietary); I&E Exhibit No. 1, Sch. 18 (non-proprietary).

adjustments he identified until the UVEs updated their fair market appraisals consistent with his recommendations.<sup>32</sup> Nonetheless, the Settlement, which represents a compromise of all Joint Petitioners' positions on the issue of ratemaking rate base, does recognize a downward adjustment from Aqua's as-filed proposal to establish the ratemaking rate base of the East Norriton assets at \$21 million to \$20.75 million. Importantly, I&E also notes that the Settlement does not prejudice its ability to recommend any adjustments to UVE appraisals in the future, including but not limited to the adjustments identified in this case.<sup>33</sup>

**G. APPRAISAL ADJUSTMENTS ((Joint Petition ¶ 23(G))**

While the Settlement acknowledges that the Joint Petitioners reserve their right to present adjustments, oppose other methodologies, inputs and assumptions in appraisals in future cases and proceedings future cases, the Settlement also reflects Aqua's agreement that in future Section 1329 filings, it will support the following position:

Cost Approach: Consistent with the Commission's Order in the Cheltenham Acquisition case (Docket No. A-2019-3008491), the service lives applicable to East Norriton wastewater's gravity mains and manholes is established at a maximum of 75 years.

Aqua's above recognition of the maximum service life of 75 years for East Norriton's gravity mains and manholes is an adoption of I&E's position in this case. Specifically, I&E witness Cline testified that in its fair market value appraisal, AUS incorrectly determined 80 -90 year service lives for gravity mains and manholes because the determination was unsupported and inconsistent with recent Commission precedent.<sup>34</sup> After noting that AUS' adoption of the

---

<sup>32</sup> I&E St. No. 1, pp. 43-44 (non-proprietary).

<sup>33</sup> Joint Petition, p. 10, ¶25.

<sup>34</sup> I&E St. No. 2, p. 15.

80-90 year service lives for gravity mains and manholes were excessively long when compared to the 65-70 year service lives determined by the other UVE in this case,<sup>35</sup> Gannet Fleming, Mr. Cline also explained that AUS had failed to provide any support for the service lives it adopted.<sup>36</sup> Additionally, Mr. Cline noted that AUS' assertion of the service life period for the East Norriton system's gravity mains and manholes was at odds with its own prior determination, made less than two years earlier, that those same assets had average service lives of 70-75 years.<sup>37</sup>

Finally, Mr. Cline pointed to the outcome of this issue in Aqua's recent acquisition of the Cheltenham wastewater system as establishing a guideline for a similarly-situated system:

On pages 44-45 of the Order approving Aqua's acquisition of the wastewater system assets of the Township of Cheltenham ("Cheltenham Acquisition"), at Docket No. A-2018-3008491 (Order entered November 5, 2019), the Commission concluded "with Aqua's budgeted \$54.8 million for implementing corrective actions needed under the DEP Corrective Action Plan on lines, manholes and laterals that may be sources of I&I, the service life of 90 years used by AUS is not reasonable." Additionally, the Commission noted that in the Cheltenham case, AUS's use of 80- and 90-year service life for mains, laterals, and manholes was not claimed to be based upon the Engineer's Assessment of the Cheltenham system (Cheltenham Acquisition, Docket No. A-2018-3008491, p. 44 (Order entered November 5, 2019)).<sup>38</sup>

---

<sup>35</sup> I&E St. No. 2, p. 15.

<sup>36</sup> I&E St. No. 2, p. 17.

<sup>37</sup> I&E St. No. 2, p. 16.

<sup>38</sup> I&E St. No. 2, p. 17.



Noting the guidance provided from *Cheltenham*, Mr. Cline explained why the Cheltenham outcome should translate to the outcome here:

[M]uch like the Cheltenham system, the East Norriton system also suffers from the issue of excessive I&I. East Norriton's I&I issue is severe enough to result in DEP's determination that a portion of the system is hydraulically overloaded to the extent that it prohibits new connections and to require East Norriton to submit a CAP and a Connection Management Plan (I&E Ex. No. 2, Sch. 1, pp. 2-4). Additionally, as stated on page 8 of Aqua Statement No. 2, Aqua has estimated that it will spend approximately \$16 million over the next ten years, with additional funds required beyond 10 years, to upgrade pump stations, force mains, and gravity collection systems. Finally, just as with respect to his appraisal in the Cheltenham case, Mr. Weinert does not claim that the 80- and 90-year service lives for mains and manholes are based upon the Engineering Assessment of the East Norriton system. Therefore, the same rationale that the Commission used to reject Mr. Weinert's 80- and 90-year service lives for mains and manholes in the Cheltenham case also applies here and should again result in a rejection of the service lives that Mr. Weinert employed for mains and manholes in his valuation of the East Norriton system.<sup>39</sup>

Through the Joint Petition, Aqua agrees that in future Section 1329 proceedings, the East Norriton wastewater gravity mains and manholes will be established at 75 years. As I&E witness Henkel explained, the correct determination of service lives is important for purposes of accuracy and consistency.<sup>40</sup> Mr. Henkel noted that the service life of system assets is a critical input in the cost approach of valuations, and if it is overstated, depreciation will reflect an understated value while remaining value will be overstated. Additionally, Mr. Henkel pointed out that if an overstated value of the system's assets becomes part of the

---

<sup>39</sup> I&E St. No. 2, pp. 17-18.

<sup>40</sup> I&E St. No. 1, p. 20 (non-proprietary).

buyer's rate base, it "place[s] upward pressure on the rates paid by ratepayers; therefore, if rate base is inflated, ratepayers will pay too much, which is not in the public interest."<sup>41</sup>

Although Aqua's recognition of the 75 year service lives will not directly result in any corresponding adjustment to AUS' valuation, as I&E recommended,<sup>42</sup> the global resolution attained through this Joint Petition nonetheless results in a reduction to Aqua's proposed ratemaking rate base. Importantly, Aqua's commitment to recognizing a maximum service life for East Norriton's gravity mains and manholes in future proceedings is consistent with promoting the accuracy and consistency of UVE-determined asset service lives. The public interest is protected when public utilities, and, as a result, their ratepayers, are not subjected to overpaying for assets due to inflated service lives. Accordingly, Aqua's recognition of the 75 year maximum service life for East Norriton's gravity mains and manholes, in lieu of the unsupported and contradictory 80-90 year service lives determined by AUS, is in the public interest.

#### **H. EAST NORRITON RATES((Joint Petition ¶ 23(H))**

Joint Petitioners acknowledge the current average of East Norriton residential rate is \$38.52 per month based on 4,000 gallons of monthly usage and that Aqua provided a non-binding, estimated incremental rate effect of the proposed rate base addition on East Norriton's wastewater customers of 34.84% as presented in Aqua's Application Exhibit I2. Joint Petitioners further acknowledge that the Commission retains ultimate authority to set rates including, but not limited to, the authority to allocate revenues to the East Norriton

---

<sup>41</sup> I&E St. No. 1, p. 16 (non-proprietary).

<sup>42</sup> I&E St. No. 1, p. 20 (non-proprietary).

customers that are in excess of the restrictions contained in Section 7.03(a) of the Asset Purchase Agreement (“APA”).

I&E took no position regarding the rates of East Norriton customers as this request appeared to simply memorialize Aqua’s intention to adhere to its commitments listed in the APA. However, I&E reserves the right to address East Norriton rates in future rate proceedings. This term is within the public interest because it preserves I&E’s ability to address rates in the future while correctly recognizing the Commission’s ultimate authority to set rates.

**I. WELCOME LETTER ((Joint Petition ¶ 23(I))**

As part of the Joint Petition for Settlement, Aqua agreed to send a welcome letter to East Norriton Wastewater customers within 20 days following closing which will include information regarding the conversion to monthly billing for their sewer service. It is important that East Norriton customers be notified of any changes they will be subjected to in terms of billing post-closing, as such, I&E finds this term to be in the public interest.

**J. LOW INCOME PROGRAM OUTREACH ((Joint Petition ¶ 23(J))**

Pursuant to the Settlement, Aqua has agreed that as part of its Welcome Letter to newly-acquired East Norriton customers, it will include information regarding its low income programming. At a minimum, this information will include a description of programming, eligibility guidelines, and Aqua’s contact information. Although I&E did not take a position on this issue during this proceeding, I&E nonetheless supports this term. Ensuring that low-income customers are aware of available opportunities for financial assistance is in the public interest because it will better facilitate these customers’ access to wastewater service.

Increasing access to wastewater service is consistent with the Code's policy of ensure that service remains available to all customers on reasonable terms and conditions.<sup>43</sup>

#### **K. EASEMENTS ((Joint Petition ¶ 23(K))**

During the course of I&E's investigation into Aqua's Application, I&E identified a potential issue regarding missing easements and outstanding property rights necessary for Aqua's operation of the East Norriton system. Specifically, Aqua's filing indicated that while it was unaware of any needed leases, easements or access to public rights-of-way that would not be transferred at closing, uncertainty existed because "[t]he mapping of easements and right of ways from the Township's Abstractor's report is not yet complete."<sup>44</sup> As I&E witness Cline explained, despite the fact that Aqua and East Norriton entered the APA on October 29, 2018, East Norriton did not begin to pursue an Abstractor's Report until April of 2019.<sup>45</sup> Witness Cline also noted that his concern about the potential missing land rights was further compounded because Aqua admitted that it could not provide an anticipated completion date for the Abstractor's report, thereby making it unclear whether it would become available during the course of this case.<sup>46</sup> Although witness Cline acknowledged that in the proposed APA, Aqua appeared to require East Norriton to transfer all necessary land rights for operation of its system prior to closing, and bear all costs and expenses incurred for the transfer of those rights,<sup>47</sup> he opined that additional protection would be necessary.

---

<sup>43</sup> 66 Pa. C.S. § 1402(3).

<sup>44</sup> Aqua's Application, Exhibit Z, No. 9, I&E St. No. 2, p. 19.

<sup>45</sup> I&E St. No. 2-SR, p. 17.

<sup>46</sup> I&E St. No. 2, pp. 19-20.

<sup>47</sup> I&E St. No. 2, p. 20.

Because of the uncertain timing of the Abstractor's report and the missing property rights it may identify, witness Cline recommended that the Commission condition any approval of Aqua's Application on the closing of the transaction not being permitted to occur unless and until East Norriton has (1) identified all missing easements, including rights of way; (2) taken any and all actions necessary to obtain the missing easements and rights of way so that that can be conveyed to Aqua at closing; and (3) borne all costs and expenses for obtaining the missing easements and rights of way as indicated in the APA so that Aqua's ratepayers are not burdened with those costs and expenses.<sup>48</sup>

In response to witness Cline's recommendation, Aqua witness Hart, East Norriton's Township Manager, argued that it was unnecessary because Mr. Cline's recommendation was based upon speculation that property rights would not be conveyed at closing. Mr. Hart also claimed that the issue of any missing property rights was already addressed through the APA.<sup>49</sup> Similarly, Aqua witness Packer claimed that Mr. Cline's recommendation was unnecessary in light of East Norriton's obligations under the APA, but he also alleged that all transactions in the Commonwealth will involve the "issue of easements" because of their age.<sup>50</sup> Despite Aqua's claims, Mr. Cline was not dissuaded from his recommendation, as he explained that ratepayers should not have to assume the risk of East Norriton's untimely action, and that Aqua may be unaware of missing property rights that are necessary for accessing and addressing service issues.<sup>51</sup>

---

<sup>48</sup> I&E St. No. 2, p. 21.

<sup>49</sup> Aqua St. No. 3-R, pp. 3-5.

<sup>50</sup> Aqua St. No. 1-R, pp. 18-19.

<sup>51</sup> I&E St. No. 2-SR, p. 18.

Ultimately, after continued settlement negotiations, through the Joint Petition, the following term was adopted to resolve the issue of any missing easements and outstanding property rights that may be identified in the future:

Aqua and East Norriton Township will work to ensure the transfer of all real property rights including easements and missing easements as defined in the Asset Purchase Agreement (“APA”) by Closing. Aqua will provide an update to I&E, OCA, and OSBA on March 31, 2020 and a final update before Closing regarding the status of the transfer of real property rights including easements related to the system. This provision does not limit Aqua and East Norriton Township’s ability to go to Closing if any missing easements are not transferred at the time of Closing.

I&E supports the above term as necessary to protect the public interest in several ways. First, it is important to note that the public interest would be harmed if Aqua paid a purchase price that assumed that all rights necessary to operate the East Norriton system would be transferred, and at East Norriton’s cost, and such action did not occur. To protect against this possibility, and to account for this uncertain timing and contents of the pending Abstractor’s report, the term memorializes East Norriton’s obligation to identify, transfer, and pay the costs of all missing property rights necessary for Aqua’s operation of the East Norriton system beyond the APA. In this way, the public interest is protected because this term provides an additional layer of accountability that would not exist if Aqua and East Norriton may ever mutually decide to waive the applicable sections of the APA.

Additionally, because Aqua has committed to providing I&E and other parties with an update on the status of the transfer of real property rights, including easements related to the system, by March 31, 2020, I&E will have a mechanism in place to gauge East Norriton’s progress in meeting its property transfer obligations. Furthermore, Aqua has committed to

updating this information at the time of closing, thereby providing an updated snapshot of East Norriton's progress as the transaction closes. Through these reporting mechanisms, the public interest is further protected because by being informed of the status of any missing property rights, I&E will be empowered to take any action that may be warranted and available to ensure that Aqua's ratepayers are not paying for land rights that are not obtained or paying any costs associated with obtaining those land rights. At the same time, Aqua will be able to monitor any missing easements to either ensure that it does not encounter access issues, or, if such issues are identified, that it can develop a plan to address access. Accordingly, this term of the Joint Petition is in the public interest and it should be approved without modification.

**L. WARRANTY (Joint Petition ¶ 23(L))**

Upon review of the APA agreement proposed in this case, I&E identified a public interest concern regarding East Norriton's express disclaimer of certain warranties. Specifically, the warranty disclaimer at issue appears in the last paragraph of Section 2.01-Purchase and Sale of Acquired Assets as follows:

Except as expressly set forth in this agreement, seller makes no express or implied representations or warranties of any kind whatsoever, including any representation as to the physical condition or value of any of the acquired assets or the system or any future ratemaking that may be allowed by the PA PUC for any of the acquired assets. All implied warranties of merchantability and fitness for a particular purpose are expressly excluded. Notwithstanding the foregoing, seller is not aware of any material defect in the performance or operation of the physical assets constituting the system.<sup>52</sup>

---

<sup>52</sup> Aqua filing, Exhibit B – APA, p. 13.

In an attempt to better understand the meaning of the above disclaimer, I&E asked Aqua to provide the definition of “implied warranties of fitness for a particular purpose” that it relied upon when it agreed to disclaim the warranty.<sup>53</sup> However, instead of providing that definition, Aqua replied only that the definition “would be a matter of judicial interpretation” and that all APA provisions were the result of “an arm’s length negotiation between Buyer and Seller.”<sup>54</sup> I&E was concerned by Aqua’s failure to explain its understanding of the disclaimer, especially in light of the fact that since the disclaimer was included in the APA, Aqua was essentially asking the Commission to approve the warranty disclaimer without ever knowing what it means or how it may impact ratepayers.<sup>55</sup>

In an absence of any definition from Aqua, and for purposes of guidance, I&E looked to the Pennsylvania Commercial Code’s definition of “implied warranty of fitness for a particular purpose” which is as follows:

Where the seller at the time of contracting has reason to know:

- (1) any particular purpose for which the goods are required; and
- (2) that the buyer is relying on the skill or judgment of the seller to or furnish suitable goods;

there is unless excluded or modified under section 2316 (relating to exclusion or modification of warranties) an implied warranty that the goods shall be fit for such purpose.<sup>56</sup>

---

<sup>53</sup> I&E St. No. 1, p. 37 (non-proprietary).

<sup>54</sup> I&E St. No. 1, p. 37 (non-proprietary); I&E Ex. No. 1, Sch. 2, pp. 1-2.

<sup>55</sup> I&E St. No. 1, pp. 38-39 (non-proprietary).

<sup>56</sup> I&E St. No. 1, p. 38 (non-proprietary).



Although the above definition is particular to the sale of goods, I&E noted that it provided guidance on a regularly accepted definition of “implied warranty of fitness for a particular purpose.”<sup>57</sup>

I&E also noted that despite the lack of warranty, Aqua nonetheless proposes to pay \$21 million to East Norriton for its assets, a premium price that Aqua’s ratepayers must finance without any recourse if the East Norriton system is not fit for operation.<sup>58</sup> As I&E witness Henkel explained, the lack of warranty was especially concerning here where evidence supported ongoing I&I and SSO issues, some of which are acute, as well as failed pressure testing of 65% of pipes tested over 25 years ago, without any evidence of the failure being addressed since then.<sup>59</sup> Finally, I&E contended that the warranty disclaimer appeared to be irreconcilable with the UVEs’ fair market value appraisals, which, as both UVEs directly admitted, value the property under the assumption that it is fit to continually operate as a wastewater system.<sup>60</sup>

Taking into account the lack of consistency between the warranty disclaimer and the UVEs’ express reliance upon East Norriton’s fitness for continued operation, I&E recommended that as a condition of approving Aqua’s Application, the Commission should require Aqua and East Norriton to either (1) amend the APA to reflect that East Norriton warrants the fitness of its assets to operate as a wastewater system and that East Norriton warrants the accuracy and completeness of the information provided to Aqua; or (2) if East Norriton will not agree to make such warranties, the UVEs should be required to submit

---

<sup>57</sup> I&E St. No. 1, pp. 38-39 (non-proprietary).

<sup>58</sup> I&E St. No. 1, p. 39 (non-proprietary).

<sup>59</sup> I&E St. No. 1, pp. 39-40 (non-proprietary).

<sup>60</sup> I&E St. No. 1, pp. 40-41 (non-proprietary); I&E Ex. No. 1, Sch. 19 (non-proprietary).

revised fair market value appraisals consistent with determination that the acquired assets are not fit for operation as a wastewater system.<sup>61</sup>

After continued negotiation, I&E, Aqua, and East Norriton reached a resolution of this issue, which was an essential component of I&E's agreement to globally resolve this case. Specifically, Aqua and East Norriton agree to amend page 13 of the APA, to warrant that the East Norriton assets are fit for a particular purpose at the time of closing and sale as follows:

Except as expressly set forth in this agreement, seller makes no express or implied representations or warranties of any kind whatsoever, including any representation as to the physical condition or value of any of the acquired assets or the system, or the future profitability or future earnings performance of the acquired assets or the system or any future ratemaking that may be allowed by the PAPUC for any of the acquired assets. All implied warranties of merchantability and fitness for a particular purpose ~~are expressly excluded~~ are valid only until the time of closing. Notwithstanding the foregoing, seller is not aware of any material defect in the performance or operation of the physical assets constituting the system.

I&E avers that, while Aqua and I&E had different legal opinions about the warranty disclaimer, the term above protects both Aqua and its ratepayers in several ways. First, Aqua is protected because at the time it acquires the East Norriton system, it now has a guarantee that it will be acquiring a system that is fit to operate as a wastewater system. I&E submits that the guarantee of fitness protects Aqua from the risk of paying a fair market value that is predicated upon the system's fitness and continued operation without acquiring a system that meets those standards. Importantly, as part of this case, Aqua is requesting that the

---

<sup>61</sup> I&E St. No. 1, p. 42 (non-proprietary).

Commission approve its APA.<sup>62</sup> From I&E's perspective, if the Commission were to approve Aqua's APA in its current form, and the East Norriton system failed and was no longer fit to operate as a wastewater system at the time of closing, Aqua and its ratepayers may have no legal recourse because East Norriton had disclaimed any warranty that its system was fit for a particular purpose. By way of this term, that potential outcome is prevented, protecting both Aqua and its ratepayers from this unwarranted risk. It is important to remember, as witness Wesolowski indicated at the public input hearing in this case, customers often do not have the opportunity to shop around for another water company, so they are "stuck with" paying more for Aqua's expansion through acquisition.<sup>63</sup> It is therefore imperative to ensure that ratepayers, who are powerless to negotiate the Section 1329 transactions, are protected from unwarranted risk.

Furthermore, although in this case, fair market value was determined on the basis of purchase price, Aqua's Application also relied upon two UVE appraisals of the East Norriton system for support. Absent inclusion of the warranty, the UVEs underlying assumption that the East Norriton system was fit to operate as an income-generating wastewater system would not be guaranteed, casting significant doubt upon the UVE valuation results and the actual fair market value of the East Norriton assets. Such uncertainty would compromise Aqua, and its ratepayers by compromising the integrity of the valuations in this case. I&E submits that ratepayers, Aqua, and the public interest is served by ensuring that the assumptions that UVEs make in the fair market appraisals are supported, accurate, and consistent with the facts of the transaction. In this case, through the above settlement term,

---

<sup>62</sup> Aqua Application, p. 17, ¶ 69(i).

<sup>63</sup> Tr. at 31.

the UVEs' assumptions that the East Norriton system is fit to operate as a wastewater system must now be accurate at the time of closing, or Aqua will have the ability to pursue remedies for breach of warranty.

**M. LEGAL FEES ((Joint Petition ¶ 23(M))**

I&E witness Cline testified that I&E's counsel identified an issue with a term in Aqua's APA that provided for Aqua to pay East Norriton's legal fees if the amount reached a certain threshold. More specifically, Section 7.05(d) of the APA commits Aqua to paying East Norriton's legal fees in excess of \$20,000.<sup>64</sup> As witness Cline noted, I&E's position was that Aqua's commitment to pay any East Norriton legal fees in excess of \$20,000 was outside the scope of Section 1329, which only permits the acquiring public utility to include its transaction and closing costs in rate base.<sup>65</sup>

By way of the Joint Petition, I&E and Aqua were able to reach a resolution regarding Aqua's commitment to pay East Norriton's legal fees above a \$20,000 threshold. The resolution is as follows:

In its next base rate case, Aqua shall separately identify any legal fees included in its transaction and closing costs pursuant to the APA between Aqua and East Norriton Township and specify amounts expended by Aqua on behalf of East Norriton. The statutory advocates reserve the right to challenge the reasonableness, prudence, and basis for such fees.

Ultimately, I&E agreed to this term for several reasons. First, it memorializes Aqua's obligation to support the reasonableness, prudence, as well as the basis for any East Norriton legal fees it seeks to recover from its customers. I&E submits that ensuring that Aqua be

---

<sup>64</sup> I&E St. No. 2, pp. 22-23.

<sup>65</sup> I&E St. No. 2, p. 23.

permitted to recover only prudently incurred costs from ratepayers is in the public interest because it protects ratepayers from paying unwarranted costs and promotes rate affordability. Additionally, this term also ensures that I&E will be able to challenge the basis of any claimed East Norriton legal fees, meaning that I&E has not forfeited its position that Section 1329 does not permit the acquiring utility to recover the seller's transaction and closing costs. Through this term, the public interest is protected because I&E has preserved its ability to challenge the permissibility of any claims that Aqua may make for East Norriton's legal fees in its next base rate case, which is consistent with I&E's obligation to enforce the Code.

Furthermore, as a condition of this portion of the Settlement, Aqua agreed that if it does make a claim for any East Norriton legal fees in a future base rate case, it will separately identify those fees. From I&E's perspective, the separate identification of any such fees is important in that it ensures that I&E, other interested parties, and the Commission will easily be able to identify any portion of claimed fees. It is imperative that any claimed fees are readily identified to ease the administrative burden of uncovering this information when Aqua files its next rate case, which may be several years from now and be complicated by the complexity of the resulting rate investigation.

Finally, I&E notes that it is not possible to assess East Norriton's legal fees until after the acquisition, which means that it is uncertain whether East Norriton's legal fees will rise to the \$20,000 threshold necessary to trigger East Norriton's obligation to pay any fees in excess of that amount. With this in mind, I&E's agreement to address a claim for East Norriton's legal fees, if any, in Aqua's next rate case also protects the public interest by ensure that neither Aqua nor East Norriton's legal fees are further escalated by the need to

litigate the uncertain fees at this time, while simultaneously preserving the ability to address the issue in the future if warranted. Accordingly, this term of the Joint Petition is in the public interest and it should be approved without modification.

#### **IV. CONCLUSION**

20. Based upon I&E's analysis of the filing, acceptance of this proposed Settlement is in the public interest. Resolution of this case by settlement rather than litigation will avoid the substantial time and effort involved in continuing to formally pursue all issues in this proceeding at the risk of accumulating excessive expense.

21. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation if the Settlement is rejected by the Commission or otherwise properly withdrawn by any other parties to the instant proceeding.

22. If the ALJ recommends that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E has not waived its right to file Exceptions with respect to any modifications to the terms and conditions of the Settlement, or any additional matters, that may be proposed by the ALJ in her Recommended Decision. I&E also reserves the right to file Reply Exceptions to any Exceptions that may be filed.

**WHEREFORE**, the Commission's Bureau of Investigation and Enforcement supports the Joint Petition for Approval of Settlement of All Issues as being in the public interest and respectfully requests that Administrative Law Judge Angela T. Jones and the Commission approve all of the terms and conditions it contains without modification.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "G. Miller".

Gina L. Miller  
Prosecutor  
PA Attorney ID No. 313863

Erika L. McLain  
Prosecutor  
PA Attorney ID No. 320526

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120  
(717) 787-8754

Dated: February 14, 2020

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania :  
Wastewater, Inc. :  
Pursuant to Sections 1102, 1329 and 507 of : Docket No. A-2019-3009052  
the Public Utility Code for Approval of its :  
Acquisition of the Wastewater System :  
Assets of East Norriton Township :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Statement in Support of Joint Petition for Approval of Settlement** dated February 14, 2020, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

**Served via First Class and Electronic Mail**

Hon. Angela T. Jones  
Pennsylvania Public Utility Commission  
Office of Administrative Law Judge  
801 Market Street, Room 4063  
Philadelphia, PA 19107

Thomas T. Niesen, Esq.  
Thomas, Niesen & Thomas, LLC  
212 Locust Street  
Suite 302  
Harrisburg, PA 17101  
[tneisen@tntlawfirm.com](mailto:tneisen@tntlawfirm.com)

Erin K. Fure, Esq.  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1st Floor  
Harrisburg, PA 17101  
[efure@pa.gov](mailto:efure@pa.gov)

Christine Maloni Hoover, Esq.  
Erin L. Gannon, Esq.  
Harrison W. Breitman, Esq.  
Santo G. Spataro, Esq.  
Office of Consumer Advocate  
Forum Place  
555 Walnut Street, 5th Floor  
Harrisburg, PA 17101  
[OCAEastNorriton@paoca.org](mailto:OCAEastNorriton@paoca.org)

Thomas Wyatt, Esq.  
Matthew S. Olesh, Esq.  
Obermayer Rebmann Maxwell &  
Hippel, LLP  
Centre Square West  
1500 Market Street, Suite 3400  
Philadelphia, PA 19102  
[Thomas.Wyatt@obermayer.com](mailto:Thomas.Wyatt@obermayer.com)  
[Matthew.Olesh@obermayer.com](mailto:Matthew.Olesh@obermayer.com)  
*Counsel for East Norriton Township*



Joel P. Trigiani, Esq.  
Cleary, Josem & Trigiani, LLP  
325 Chestnut Street, Suite 200  
Philadelphia, PA 19106  
[jtrigiani@cjtllaw.org](mailto:jtrigiani@cjtllaw.org)  
*Counsel for Petitioner,  
Laborers District Council of the  
Metropolitan Area of Philadelphia  
and Vicinity*

May Va Lor  
LIUNA  
905 16th Street NW  
Washington, DC 20006  
[mlor@liuna.org](mailto:mlor@liuna.org)



---

Gina L. Miller  
Prosecutor  
Bureau of Investigation & Enforcement  
PA Attorney ID No. 313863