

100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166 Tel: 717.232.8000 • Fax: 717.237.5300 Adeolu A. Bakare Direct Dial: 717.237.5290 Direct Fax: 717.260.1744 abakare@mcneeslaw.com

May 18, 2020

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

VIA ELECTRONIC FILING

RE: Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Sections 1102, 1329 and 507 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of the Delaware County Regional Water Quality Control Authority Docket No. A-2019-3015173

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Petition to Intervene of the County of Delaware, Pennsylvania, in the above-referenced proceeding.

As shown by the attached Certificate of Service and per the Commission's March 20, 2020, Emergency Order, all parties to this proceeding are being duly served via email only due to the current COVID-19 pandemic. Upon lifting of the aforementioned Emergency Order, we can provide parties with a hard copy of this pleading upon request.

Sincerely,

McNEES WALLACE & NURICK LLC

3h By

Adeolu A. Bakare

Counsel to the County of Delaware, Pennsylvania

c: Certificate of Service

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HARFISBURG, PA . LANCASTER, PA . SCRANTON, PA . STATE COLLEGE, PA . COLUMBUS, OH . FREDERICK, MD . WASHINGTON, DC

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA E-MAIL

Thomas T. Niesen, Esq. Thomas, Niesen & Thomas, LLC 212 Locust Street, Suite 302 Harrisburg, PA 17101 <u>tniesen@tntlawfirm.com</u>

Alexander R. Stahl, Esq. Aqua Pennsylvania, Inc. 762 W. Lancaster Avenue Bryn Mawr, PA 19010 astahl@aquaamerica.com

Erin L. Fure, Esq. Daniel A. Asmus, Esq. Office of Small Business Advocate Commerce Building, Suite 1102 300 North Second Street Harrisburg, PA 17101 <u>efure@pa.gov</u> <u>dasmus@pa.gov</u> Christine Maloni Hoover, Esq. Erin L. Gannon, Esq. Harrison G. Breitman, Esq. Santo G. Spataro, Esq. Office of Consumer Advocate 555 Walnut Street, Forum Place, 5th Floor Harrisburg, PA 17101 choover@paoca.org egannon@paoca.org hbreitman@paoca.org sspataro@paoca.org

Gina L. Miller, Esq. Erika L. McLain, Esq. Bureau of Investigation and Enforcement Pennsylvania Public Utility Commission Commonwealth Keystone Building P.O. Box 3265 Harrisburg, PA 17105-3265 ginmiller@pa.gov ermclain@pa.gov

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Adeolu A. Bakare Counsel to the County of Delaware, Pennsylvania

Dated this 18th day of May, 2020, in Harrisburg, Pennsylvania

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Application of Aqua Pennsylvania Wastewater, Inc. pursuant to Sections 507, 1102 and 1329 of the Public Utility Code for, inter alia, approval of the acquisition of the wastewater system assets of the Delaware County Regional Water Quality Control Authority

Docket No. A-2019-3015173

PETITION TO INTERVENE OF THE COUNTY OF DELAWARE, PENNSYLVANIA

Pursuant to Sections 5.71 through 5.74 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations, 52 Pa. Code §§ 5.71 - 5.74, the County of Delaware, Pennsylvania ("Delaware County" or "the County") hereby files this Petition to Intervene in the above-captioned proceeding concerning the application ("Application") of Aqua Pennsylvania Wastewater, Inc. ("Aqua") seeking Commission approval for the acquisition of the Wastewater System Assets ("System") of the Delaware County Regional Water Quality Control Authority ("DELCORA" or "Authority"), and the right of Aqua to provide wastewater service to the areas served by the Authority. In support thereof, the County asserts the following:

1. Delaware County is a political subdivision of the Commonwealth of Pennsylvania with administrative offices located at Government Center, 226A, 201 W. Front Street, Media, Pennsylvania 19063. The County is the incorporating municipality of DELCORA and is also a DELCORA customer.¹ Accordingly, the County has a substantial interest in the outcome of this

¹ DELCORA is a municipal Authority created by the County under the Municipalities Authorities Act of 1945 (now codified in the Municipality Authorities Act, 53 Pa. C.S. §5601 et seq.) ("Authorities Act").

proceeding. The County is concerned that the Application is not in the public interest and is particularly concerned that the DELCORA Rate Stabilization Trust Agreement ("the Trust") (and related agreements) associated with the Application violates applicable law, including the Authorities Act.²

2. The names and address of Delaware County's attorneys are:

Adeolu A. Bakare (I.D. No. 208541) Robert F. Young (I.D. No. 55816) Kenneth R. Stark (I.D. No. 312945) McNEES WALLACE & NURICK LLC 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166 Phone: (717) 232-8000 Fax: (717) 237-5300 abakare@mcneeslaw.com ryoung@mcneeslaw.com

3. On December 30, 2019, the Commission established Docket No. A-2019-3015173 for document management purposes only when it acknowledged receipt of Aqua's Letter/Notice of Licensed Engineer and Utility Valuation Expert Engagement regarding the proposed acquisition.

4. On or around March 3, 2020, Aqua filed the Application seeking Commission approval to acquire DELCORA and provide wastewater service to areas served by DELCORA. The Commission has yet to issue a Secretarial Letter formally accepting the Application at Docket No. A-2019-3015173.

² On May 14, 2020, Delaware County filed a complaint against DELCORA before the Delaware County Court of Common Pleas. *See* County of Delaware, Pennsylvania v. Delaware County Regional Water Quality Control Authority, and DELCORA Rate Stabilization Fund Trust Agreement b/t The Delaware County Regional Water Quality Control Authority as Settlor and Univest Bank and Trust Co. as Trustee, No. CV-2020-003185, Civil Action – LAW (Del. County Ct. Common Pleas) (filed May 13, 2020). The complaint alleges that the Trust conflicts with DELCORA's Articles of Incorporation, the Authorities Act, and Uniform Trust Act, § 7701 et. seq. *Id.*

5. In the Application, Aqua seeks PUC approval of the ratemaking rate base of the assets used to serve DELCORA's 16,000 customer connections and numerous wholesale customers pursuant to Section 1329(c)(2) of the Public Utility Code, 66 Pa. C.S. § 1329. Application at ¶ 8. In total, DELCORA collects, conveys, and treats approximately 197,000 Equivalent Dwelling Units for retail, wholesale, municipal, commercial, and industrial rate classes. Aqua Statement No. 5 (Direct Testimony of Robert Willert) at 4. Aqua also requests Commission approval of the Asset Purchase Agreement ("APA") between Aqua and the Authority pursuant to Section 507 of the Public Utility Code, 66 Pa. C.S. § 507. Application at ¶ 3. Aqua also requests approval to apply disbursements from the Trust to customers acquired from DELCORA through Aqua's billing process. *See* Application at ¶ 36, Exhibit U2 (Testimony of William C. Packer), Appendix B to Packer Testimony (Draft Memorandum of Understanding regarding the Trust).

6. On March 26, 2020, the Office of Small Business Advocate ("OSBA") filed a Notice of Intervention in the proceeding.

7. On April 2, 2020, the Commission's Bureau of Investigation & Enforcement ("I&E") filed a notice of appearance in the proceeding.

8. On April 2, 2020, the Office of Consumer Advocate ("OCA") filed a protest to the Application, seeking to protect the interests of Aqua's existing and acquired customers. OCA indicated it would investigate whether the proposed rates are just and reasonable and would evaluate the impact on future rates by virtue of the proposed acquisition. *See* OCA Protest at p. 5. The OCA noted that Aqua's Notice to DELCORA customers included an estimated monthly percentage increase in rates of 12.55% for all existing DELCORA customers. OCA Protest at p. 6; *see* Aqua Exhibits I2-I11).

9. The Commission has yet to formally accept the Application and the Application has not yet been published in the *Pennsylvania Bulletin*. Therefore, there are currently no formal deadlines for protests to the Application.

10. The County intends to file a formal protest on or before the protest due date, further detailing the scope of issues and adverse impacts resulting from the Application. In the meantime, the County requires party status to monitor the proceedings regarding Aqua's Application. Like OCA, the County will investigate the rate impacts associated with the proposed acquisition. However, the County, as the incorporating municipality of DELCORA, is also particularly interested in exploring broader public interest issues related to the APA and the Trust. Therefore, consistent with 52 Pa. Code § 5.72(a), the County has a significant and unique interest in this proceeding that is not represented by any other party of record. Consequently, the County should be granted party status in this proceeding.

WHEREFORE, Delaware County respectfully requests that the Pennsylvania Public Utility Commission grant this Petition to Intervene, providing the County with full-party status in this proceeding, as well as any other relief as it deems necessary.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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Adeolu A. Bakare (I.D. No. 208541) Robert F. Young (I.D. No. 55816) Kenneth R. Stark (I.D. No. 312945) McNEES WALLACE & NURICK LLC 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166 Phone: (717) 232-8000 Fax: (717) 237-5300 abakare@mcneeslaw.com ryoung@mcneeslaw.com kstark@mcneeslaw.com

Counsel to the County of Delaware, Pennsylvania

Dated: May 18, 2020

VERIFICATION

VERIFICATION

I, Adeolu A. Bakare, counsel to the County of Delaware, Pennsylvania, hereby state that the facts above set forth are true and correct (or 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).

Dated: May 18, 2020

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Adeolu Bakare