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December 14, 2020

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265
rchiavetta.pa.gov

RE: Docket No. A-2019-3015173; Application of Aqua Pennsylvania Wastewater, Inc. – Delaware County Regional Water Quality Control Authority

Dear Secretary Chiavetta:

We serve as counsel to the Delaware County Regional Water Quality Control Authority ("DELCORA") in the above matter and are submitting, with this letter, DELCORA's Reply Brief in support of Aqua Pennsylvania Wastewater, Inc.'s Application.

This document is being served via electronic mail on the Administrative Law Judges presiding over this matter and all parties of record. The document was also filed electronically with the Public Utility Commission on this date.

Very truly yours,

Matthew S. Olesh

cc: The Honorable Angela Jones, Administrative Law Judge
The Honorable F. Joseph Brady, Administrative Law Judge
All parties of record

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

The Honorable Angela T. Jones and the Honorable F. Joseph Brady, Presiding

Application of Aqua Pennsylvania Wastewater pursuant to Sections 507, 1102, and 1329 of the Pennsylvania Public Utility Code for Approval of the Acquisition of the Delaware County Regional Water Quality Control Authority	A-2019-3015173

REPLY BRIEF OF THE DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY

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Dated: December 14, 2020

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I. INTRODUCTION

DELCORA respectfully submits this Reply Brief primarily in response to the Main Brief submitted by "I&E", the County, and the Municipal Protestants in this matter and the arguments raised there.

I&E's Main Brief contains numerous factual and legal inaccuracies that must be corrected. As a threshold matter, I&E seems to misunderstand both the purpose and function of the Trust.[1] To be clear: the Trust is ***not*** a mechanism by which Aqua seeks to, or will be able to, provide rate discounts or stabilization that deviate from any rates approved by the PUC. The Trust was ***created by DELCORA as DELCORA's mechanism to return the sale proceeds from the Proposed Transaction to its ratepayers so that those proceeds can be directly used for the substantial benefit of ratepayers***. DELCORA commits, and the Commission can include as a condition for approval, that proceeds from the net proceeds of the sale will be directly used for the substantial benefit of ratepayers – with or without an irrevocable Trust in place.

There is no ambiguity about this in the record. As the record makes clear, the sale proceeds from the Proposed Transaction will be placed into the Trust, for which DELCORA is the Settlor. DELCORA made the determination that these proceeds would be distributed to ratepayers in a way to assist with rate increases for the life of the Trust – i.e., at a cap of a 3% increase in rate per year. This is ***not*** being done by way of Aqua providing such a rate cap – in fact, ***Aqua will receive the exact same amount of money in ratepayer billings whether or not the Trust is in existence.*** This is simply a mechanism by which DELCORA can distribute the Trust funds to ratepayers as partial payment of those rates. The net effect is ***exactly the same*** as it would be if DELCORA simply made payments to customers in response to each bill they receive by mailing them a check

[1] Any defined terms used herein and not otherwise defined shall have the same definition as those given in DELCORA's Main Brief.

– something that involves increased administrative burden and, more importantly, expense.

Again, whether or not the return of the sale proceeds is in the form of a customer assistance payment on an Aqua bill or through a one time check, DELCORA commits to returning a substantial portion of the sale proceeds to its customers.

DELCORA is not aware of any other Section 1329 proceeding whereby an intervening party or the Commission required a "guarantee" on what the selling entity was going to do with the sale proceeds, whether it be to pay down debt, build a new township building or avoid a tax increase. While DELCORA supports its position that the Trust concept of returning funds to ratepayers is a substantial benefit of this transaction, the concept of returning funds to ratepayers seems to have created a heightened review in this docket.

I&E seems to want a guarantee that the Trust will be in place, yet at the same time objects to the form in which Aqua and DELCORA have proposed to administratively return funds to ratepayers. I&E 's confusion on this point seems to derive from the fact that Aqua and DELCORA are asking that the Commission approve their request that these distributions be reflected on customer bills. Again, this request is being made to minimize administrative burden and expense, while at the same time providing transparency to ratepayers and letting them see, in one convenient place, what Aqua is charging, and how the distributions from the Trust will be made in order to benefit the customers. There is simply no merit to the contention that the Trust equates to improper rate stabilization by Aqua. This arrangement is reflective of DELCORA's choice as to what it will do with the Proposed Transaction sale proceeds, and is no different than DELCORA choosing to use it for some other purpose, such as constructing parks or buildings.

With respect to the Common Pleas Litigation, I&E again misconstrues its import. I&E is primarily concerned with DELCORA and Aqua providing a "guarantee" that the litigation will not (a) change DELCORA's status as a bona fide seller and (b) change the terms of the APA.

DELCORA is unsure – I&E has not specified – what form or shape this supposed "guarantee" would hypothetically take.[2] In response, however, DELCORA respectfully submits neither of these things will change regardless of the outcome of the Common Pleas Litigation.

The County's requested relief in the Common Pleas Litigation is twofold: (1) to declare the Trust invalid, and (2) to obtain mandamus relief with respect to its Ordinance, which seeks to ultimately take back ownership of DELCORA's wastewater conveyance and treatment system and terminate DELCORA pursuant to the MAA. Regarding the former – the Trust is DELCORA's chosen vehicle to distribute the Proposed Transaction sale proceeds back to its ratepayers, but it is not the only way to accomplish this, just the mechanism that DELCORA viewed as optimal. If the Trust is invalidated by the Delaware County Court, DELCORA will employ another mechanism, either by rectifying any technical issues found to exist regarding the Trust (although DELCORA believes that no such issues exist) or by sending direct payments to ratepayers (which will diminish the amount of money ratepayers would receive due to greater administrative expense, but would still effectuate DELCORA's intentions). One way or another, the Proposed Transaction sale proceeds are going to be distributed to DELCORA ratepayers, as the County has repeatedly affirmed in open court as part of the Common Pleas Litigation.

Regarding the County's efforts to terminate DELCORA, the Municipal Authorities Act ("MAA") is clear that it may only do so "upon the assumption by the municipality of all the obligations incurred by the authorities with respect to [it]." 53 Pa.C.S. § 5622(a). The APA is clearly such an obligation, and the law requires that the County assume it as part of any dissolution

[2] DELCORA respectfully submits that it is both improper and impossible to guarantee how a tribunal would rule on certain matters before it. If the situation were reversed, for example, DELCORA would imagine (but cannot guarantee) that the Commission would not view it favorably if DELCORA or any other party made a "guarantee" before the Delaware County Court of Common Pleas as to how the Commission would rule in this or any other proceeding.

of DELCORA. While it is a colossal waste of time and resources for the County to assume all of DELCORA's assets only to turn around and sell them all to Aqua, that appears to be what the County thinks is wise. Thus, regardless of whether the seller of the assets is DELCORA or the County, the MAA requires that a bona fide seller will continue to exist and perform the obligations under the APA, which will be legally binding on the County if it takes ownership of DELCORA's System.

The County's own position in the Common Pleas Litigation supports this. It has baselessly argued that the APA is not an obligation that it must assume unless and until the Proposed Transaction is approved by the Commission. To the extent I&E is not satisfied that it has at this time the "guarantee" it seeks, the County's position in the Common Pleas Litigation provides that guarantee immediately upon the Commission's approval of the Application and relief sought in this proceeding. Thus, no further "guarantee" is necessary.

Finally, no claim is before the Delaware County Court that would materially impact or change any of the terms of the APA. In the Common Pleas Litigation, both DELCORA and Aqua seek affirmation of the APA as a legally binding obligation of DELCORA that must be assumed by the County. The County disagrees, but has neither asserted nor proven any affirmative claim to invalidate or modify the APA.

Similarly, it will not materially change the relief sought in Aqua's Application if DELCORA's assets used to serve of any of the Municipal Protestants are ultimately excluded from the Proposed Transaction.

There is thus no basis for either of these conditions sought by I&E. Aqua has not circumvented the requirement that it charge tariffed rates because, bluntly put, ***it is not providing any discount to DELCORA customers***. Similarly, the "guarantee" sought by I&E regarding the Common Pleas Litigation is already provided by applicable law. DELCORA thus respectfully

requests that the Commission approved the Proposed Transaction on the terms proposed by Aqua in its Main Brief.

II. ARGUMENT

A. There Is No Circumvention of the Code Because the Distributions From the Trust Are Not Bill Discounts.

I&E's proposed condition regarded the Trust – namely, that it should be rejected – is grounded entirely in the flawed premise that the Trust violates Section 1303 of the Code because it is an improper bill discount. This is simply not true, and I&E's proposed condition should be rejected by the Commission.

1. The MOU Does Not Comport With I&E's Proposed Condition.

The language relied upon by I&E conclusively shows that its theory is premised on faulty facts. *See* I&E Main Brief, p. 21 (purpose of MOU is to set forth the agreement on "how Aqua can assist with ***applying a payment to DELCORA customer bills from the net proceeds to be received by DELCORA***" from the Proposed Transaction) (emphasis added). Although this language is from a draft of the MOU, the final version – attached to William Packer's rebuttal testimony – underscores DELCORA's role – not Aqua's role – in determining how the Proposed Transaction sale proceeds will be deployed. *See* MOU, p. 1 ("DELCORA has agreed to devote a majority of the proceeds that it receives from the Sewer System Sale to mitigate those rate increases for DELCORA Customers for a specified period of time following the closing date"); p. 2 ("the Trustee will make distributions from the Trust for the benefit of DELCORA customers to Aqua for the assistance payment amounts credited to DELCORA Customers' accounts in order to reduce the amounts DELCORA Customers pay for Wastewater Utility Services.")

This final MOU ends the inquiry because it accurately describes the purpose and scope of the Trust. Aqua is charging the rates approved by the PUC without any discount whatsoever. Each

customer is responsible for paying those rates. DELCORA, however, will be providing assistance payments to help customers pay those rates to the extent they reflect more than a 3% yearly rate increase. Aqua will receive the same amount it would have received if there were no Trust. The only difference is that DELCORA customers will have some assistance in paying the bills sent by Aqua.

2. The Purpose of the Arrangement Between DELCORA and Aqua is Solely for the Convenience of the Parties and to Maximize the Funds Available for Distributions to the Ratepayers.

I&E appears to argue that because DELCORA and Aqua are requesting that Trust distributions be reflected on customer bills, Aqua is providing a "discount" on the rates that would otherwise apply. As addressed above, this is simply not the case. The rates to be charged to the former DELCORA ratepayers will not deviate whatsoever from Aqua's tariffed rates. Again, Aqua will be receiving those tariffed rates as payee. The payor of those rates, however, will not solely be the ratepayer, but will also be the Trust for any amounts that constitute a rate increase of more than 3% per year.

There is nothing wrong with this arrangement because, despite I&E's contentions, there is no discount of the tariffed rates. The key point I&E appears to be overlooking is that Customer Assistance Payments will be coming from the Trust – ***not Aqua.***[3] While the Trust funds are derived from the Proposed Transaction sale proceeds, which of course are being paid by Aqua, the situation is no different from any other seller using the proceeds from the sale of a wastewater system as it sees fit. DELCORA has simply made the decision to use those funds to benefit its customers.

The use of a line item on bills is for the purpose of showing customers the direct impact of Trust distributions to pay for amounts for which they would otherwise be responsible. They will

[3] Indeed, this is the obvious – and crucial – distinction between this matter and the Scranton Sewer Authority matter relied on by I&E.

not be charged "less than the tariffed rates" – they will be charged the full tariffed rates, but are only responsible to pay the portion of them up to the 3% annual rate increase, with the Trust making distributions to pay for the rest. The line item on bills reflects this. It is not a discount.

3. Alternatives to Distributions Reflected As Line Items on Bills.

DELCORA is committed, and thus will commit, to returning the proceeds of the sale of its System to its customers as a condition of approval in this proceeding. As reflected in the testimony of Robert Willert, other mechanisms to do this – such as payments sent to customers via check – are plausible, but not optimal.[4] Sending a check for any distributions that would correlate to one or more wastewater bills issued by Aqua would not only entail needless administrative burden and expense, but would risk customers not actually receiving the intended benefit if, for example, checks are lost in the mail or ignored by customers.

The Trust was designed and is intended to return the Proposed Transaction sale proceeds to customers in the most straightforward way possible. It is undisputed in the record that DECLORA's rates will be increasing regardless of whether DELCORA sells its wastewater system to Aqua. Selling DELCORA's System and using the Proposed Transaction sale proceeds to offset these rate increases for a period of time, even if only a decade, was a far preferable solution than customers bearing the cost of the increased expenses DELCORA would otherwise face now and going forward. The Trust and its line item setup ensure that these benefits are realized by customers by having distributions applied and reflected on their bills. Again, this is not a rate discount, but a distribution from the Proposed Transaction sale proceeds designed to assist with future rate increases.

While DELCORA is confident that the Trust is legal and will be upheld as such, it is not

[4] Aqua Statement 5-R, at 4.

the only vehicle that could conceivably be used to distribute the Proposed Transaction sale proceeds. Similarly, the line-item credit reflected on bills is not a necessary component for Trust distributions to be made – it is merely the optimal one DELCORA chose. Customers could be forced to pay the entirety of the Aqua tariffed rates themselves – as is seemingly preferred by I&E – and then can submit for reimbursement of a portion of that payment from the Trust. While this creates much more of a logistical burden that could result in some customers failing to submit for, and therefore receive, the reimbursements, it can be accomplished, as could any number of other creative and suboptimal solutions. None, however, would offer the administrative ease and direct realization of benefit as the arrangement proposed by DELCORA and Aqua here.

4. Robert Willert's Testimony About the Amount of Funds Available in the Trust Does Not Support I&E's Argument.

Robert Willert's testimony makes clear how the Proposed Transaction sale proceeds will be used: they will first pay off DELCORA's outstanding debts, and what remains (estimated to be approximately $200 million) will be placed in the Trust. I&E takes this clear testimony and distorts it by suggesting that the failure to provide an exact amount of the Trust now is both wrong and prevents the Commission from properly evaluating the Trust. See I&E Main Brief, pp. 39-40.

There is nothing deficient about Mr. Willert's testimony. The exact amount of DELCORA's outstanding debt is simply not known at this time, and will not be known until closing of the Proposed Transaction. The amount remaining after DELCORA's debts and obligations are satisfied will be put into the Trust. Of course, the portion of that amount that can actually be used for purposes of customer assistance payments will be impacted by whatever uncertainty is created by, for example, I&E arguing that a line item on ratepayer bills may not be used to reflect those payments. If that mechanism is not upheld by the Commission, it will result in increased administrative costs, which will also need to be paid from the Trust.

Moreover, the exact amount to be placed into the Trust is not needed for the Commission's review and determination of the Application because there is no rate stabilization plan before the Commission pursuant to Section 1329 of the Code. Again, this is not an instance of a purchaser/applicant proposing rate stabilization as part of an acquisition. It is merely the choice of DELCORA, the seller, as to how it will use the Proposed Transaction sale proceeds, as it has the clear right to do. There is nothing "illegal" about this arrangement.

5. Conclusion as to I&E's Trust Argument.

I&E's seeming aversion to the arrangement proposed by DELCORA and Aqua with respect to the Trust should be dismissed. While DELCORA can understand and appreciate I&E's concern about parties being permitted to contract around the requirements set forth in the Code, that is not what is occurring here. DELCORA is simply using the Proposed Transaction sale proceeds as it deems reasonable. It should not be penalized for doing so, and it would be inconsistent with the public interest to have less Proposed Transaction sale proceeds available to customers due to I&E's proposed condition regarding the Trust.

There is no violation of Section 1303 here. The Proposed Transaction should be approved without I&E's proposed condition.

B. The Common Pleas Litigation Will Not Result In Either A Situation Where There Is No Bona Fide Seller or Material Changes to the APA.

As far as DELCORA is aware, I&E's request that DELCORA provide a "guarantee" as to the outcome of the Common Pleas Litigation is without precedent. Litigation is of course uncertain by its very nature, and it is inappropriate for I&E to suggest that DELCORA and Aqua provide any sort of guarantee about anything connected with the Common Pleas Litigation. Notwithstanding that point, it is completely unclear what form this supposed "guarantee" would even take. I&E provides no details about what it is actually seeking.

Nonetheless, DELCORA will address I&E's arguments regarding the Common Pleas Litigation because, despite its vagueness, there is no basis for the Commission to impose I&E's requested condition regarding the Common Pleas Litigation. The litigation will not result in there being no bona fide seller of DELCORA's System, nor is there any risk that the outcome of the litigation will change any of the terms of the APA.

1. <u>There Cannot Be A Situation Where There Is No Bona Fide Seller.</u>

DELCORA and Aqua need not provide a guarantee regarding DELCORA's status as a bona fide seller because there is no situation under the MAA in which the Proposed Transaction proceeds without such a seller. As a result, there is no risk that any current litigation will "negate [the seller's] ability to consummate the transaction," as I&E argues. *See* I&E Main Brief, p. 41.

It is true that, as part of the Common Pleas Litigation, the County seeks to exercise its rights under the MAA to take back ownership of DELCORA's wastewater System and ultimately dissolve DELCORA. There is nothing about this claim that jeopardizes the Proposed Transaction should it be approved here. As DELCORA has previously noted, this is because under the MAA, the County can ***only*** take back ownership of DELCORA's System "***upon*** the assumption by the [County] of ***all*** the obligations incurred by [DELCORA]." 53 Pa.C.S. § 5622(a) (emphasis added).

It is beyond dispute that DELCORA's status as a seller under the APA comes with all of the contractual obligations contained therein. Therefore, the County must assume DELCORA's "obligations" under the APA – namely, the obligation to sell the System to Aqua – before it can proceed to take back ownership of the System. Thus, even if DELCORA is somehow terminated before the APA closes – which, as detailed below, is unlikely – it will simply be supplanted by the County as seller, which would also be contractually bound to sell the System to Aqua under the APA.

DELCORA further notes that, in the Common Pleas Litigation, the County has taken the

position that the APA is not yet a binding obligation of DELCORA that must be assumed as a prerequisite to termination, contending that it will not be such an obligation until it is granted approval by the PUC.[5] While not correct – the APA was a binding contract that imposed obligations on DELCORA the day it was executed by each party, and imposes obligations on DELCORA to this day – the County's position only further reinforces that no "guarantee" is needed. A necessary corollary to the County's position is that it will, in fact, assume the obligations of the APA if it is given approval by the Commission.[6] The end result is clear: if the Proposed Transaction is approved by the Commission, there is no risk of there being no bona fide seller as suggested by I&E. Whether that seller is DELCORA or the County is of no consequence, as the same obligations contained in the APA will bind either party.

Moreover, at trial of the Common Pleas Litigation (which has already completed), the County conceded that even if it is entitled to mandamus relief in connection with its Ordinance, it will take at least six to nine months before it can even be in a position to take back DELCORA's assets due to the numerous conditions that must be satisfied before it is legally able to do so.[7] It is plainly apparent, and required by law, that the Commission's final decision in this proceeding will be issued well before that time. As a result, even if the County succeeds in enforcing its Ordinance, there will be no uncertainty as to whether the APA constitutes a binding obligation of DELCORA

[5] *See* the County's October 21, 2020 Answer to DELCORA's Motion for Summary Judgment on Count V of the County's Amended Complaint and Counts II and III of DELCORA's Counterclaim in the Common Pleas Litigation, ¶¶ 10, 46. This pleading is publicly available on the Common Pleas Litigation docket, and DELCORA respectfully requests that the Administrative Law Judges and the Commission take Official Notice pursuant to 52 Pa. Code Section 408(e) and 66 Pa.C.S. Section 331(g) of this fact and all other citations from the Common Pleas Litigation herein.

[6] *See id*., ¶¶ 24, 72, 73; *see also* the County's October 30, 2020 pre-trial Memorandum of Issues, Relief Requested, Findings of Fact, and Proposed Order in the Common Pleas litigation, p. 6.

[7] This testimony was given by Howard Lazarus, the County's recently-hired Executive Director, at trial in the Common Pleas Litigation. A transcript of his testimony is not yet available but can be provided if the Commission requires it.

that must be approved by the County before it is in a position to terminate DELCORA and gain ownership of its assets.

In sum, if DELCORA ceases to be a bona fide seller with respect to the APA, it will only be because the County has assumed all obligations of the APA and is standing in DELCORA's shoes. There is thus no need for the "guarantee" sought by I&E – the clear statutory law of the MAA guarantees this to be the case.

2. <u>There is No Risk of Change to the Terms of the APA.</u>

a. <u>Common Pleas Litigation.</u>

Similarly, DELCORA respectfully submits that no "guarantee" is needed regarding the validity of the APA or any material change to its terms. In terms of the APA's validity, the County has no active claim in the Common Pleas Litigation to invalidate the APA. Rather, DELCORA and Aqua have brought counterclaims against the County to affirm the APA as a valid and enforceable obligation of DELCORA that must be assumed by the County pursuant to the APA before it can proceed with DELCORA's termination, as detailed above.

In response, the sole argument the County has made in the Common Pleas Litigation is that the APA is invalid due to a conflict of interest on the part of Robert Willert, DELCORA's executive director.[8] The County's position to this effect is not simply legally tenuous, but is objectively frivolous. The County relies upon Section 5614(e) of the MAA, which provides that:

> **Conflict of interest**.--No member of the authority or officer or employee of the authority may directly or indirectly be a party to or be interested in any contract or agreement with the authority if the contract or agreement establishes liability against or indebtedness of the authority. Any contract or agreement made in violation of this subsection is void, and no action may be maintained on the agreement against the authority.

[8] *See* the County's October 30, 2020 pre-trial Memorandum of Issues, Relief Requested, Findings of Fact, and Proposed Order in the Common Pleas Litigation, pp. 7-8.

53 Pa.C.S. § 5614(e). The County's argument is that Mr. Willert was involved in the negotiation of the terms of the APA, which included offers of continued employment for all of DELCORA's employees, and that he stood to benefit from this personally because he, too, would get continued employment.

This argument has no factual merit, as there was no effort on the part of Mr. Willert to obtain any personal benefit for himself in negotiating the APA. Moreover, Mr. Willert will not be gaining anything more than he already has pursuant to his employment contract with DELCORA if and when he decides to accept an offer of employment from Aqua.

DELCORA recognizes that these facts are at issue in the Common Pleas Litigation and are not before the Commission. However, even if the County's factual contentions are correct, its position and argument are meritless because Section 5614 of the MAA (i.e., the provision relied upon by the County for its alleged conflict of interest claim) explicitly deals with situations where a municipal authority is engaging another party for "construction, reconstruction, repair or work of any nature." 53 Pa.C.S. § 5614(a). Indeed, Section 5614(e) is clear that it is only applicable if a contract or agreement "establishes liability against or indebtedness of the authority." 53 Pa.C.S. § 5614(e). It is thus clear that this section of the MAA deals with situations where an authority is engaging a contractor for certain work to be performed, and is designed to prevent an authority representative from engaging in self-dealing to this effect. That is not the situation with respect to the negotiation and execution of the APA.

Beyond its erroneous contentions regarding 53 Pa.C.S. § 5614(e), the County has no arguments against the validity of the APA. Thus, the "guarantee" sought by I&E is again explicitly provided for by applicable law.

b. <u>Municipal Protestants.</u>

The issues raised by the Municipal Protestants in this proceeding similarly do not justify

I&E's request for a "guarantee." As a threshold matter, DELCORA disputes that it has made any material misrepresentations at any time during this case (or otherwise), as alleged by I&E. *See* I&E Main Brief, p. 45. The schedule in the APA cited by I&E was prepared based on the information available to DELCORA at that time. More significantly, and as addressed in DELCORA's Main Brief, the APA specifically provides for the scenario where the Municipal Protestants do not give consent for the transfer of their assets. Section 2.06 provides that DELCORA will continue to be the legal owner of those assets after closing of the Proposed Transaction, but Aqua will become the economic/beneficial owner and provide service to these customers as an agent/subcontractor of DELCORA. There was thus nothing misrepresented, as the APA specifically provided for this possibility in recognition that a full complement of information regarding the Municipal Protestants' intentions was not yet available.[9]

Section 2.06 further serves to illustrate that the exclusion of any assets and/or any relief obtained by the Municipal Protestants before the Delaware County Court would not result in a change to any material term of the APA. In essence, this already-existing term of the APA provides for the "guarantee" that I&E seeks. No terms of the APA will change if any actions are taken pursuant to this provision, and any contracts for which assignment is not possible will continue to be honored by DELCORA in accordance with this clear term of the APA.[10]

C. <u>Incorporation of Aqua's Arguments.</u>

DELCORA adopts and incorporates by reference all arguments made in Aqua's Reply

[9] DELCORA notes that discussions with the Municipal Protestants regarding the resolution of the protests are ongoing.

[10] As discussed in DELCORA's Main Brief, the exclusion of any assets of the Municipal Protestants from the Proposed Transaction will not have an impact on the recommendation of DELCORA's UVE, whose valuation was more than the Proposed Transaction sale price. DELCORA will not repeat those arguments here, but notes that I&E's argument that "Aqua, and ultimately its ratepayers, stand to get a lot less than they will pay for" rings hollow in the instant situation, where the average of the UVEs appraisals is $358,538,503 and the sale price is $276,500,000.

Brief.

III. CONCLUSION WITH REQUESTED RELIEF

For all of the reasons set forth herein, as well as all of the reasons set forth in Aqua's Reply Brief, DELCORA's Main Brief, and Aqua's Main Brief, DELCORA respectfully requests that the Commission approve the Application and grant Aqua's requested relief.

Respectfully submitted,

/s/ Thomas Wyatt

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Dated: December 14, 2020

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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	**A-2019-3015173**

CERTIFICATE OF SERVICE

I, Matthew Olesh, Esq., hereby certify that I have served a true and correct copy of the foregoing letter upon the following parties by electronic mail.

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Dated: December 14, 2020