



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 North Street, Harrisburg, Pennsylvania 17120

IN REPLY PLEASE
REFER TO OUR FILE

April 8, 2022

Via Email and eService

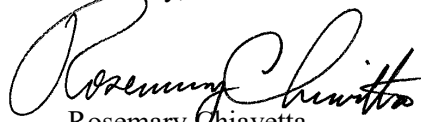
TO ALL PARTIES OF RECORD:

RE: Application of Aqua Pennsylvania Wastewater, Inc. - DELCORA
Docket Number: A-2019-3015173

Please find under cover of this Secretarial Letter, a communication received by the Secretary's Bureau on April 7, 2022, regarding the above captioned proceeding. The letter was received and delivered to the Secretary by the Pennsylvania Department of Community and Economic Development (DCED) acting as a "Receiver" for the City of Chester, Pennsylvania.

Since this matter is a contested proceeding and currently pending before the Pennsylvania Public Utility Commission, the letter constitutes an ex-parte communication as defined by 66 Pa. C.S. Section 334(c). Therefore, to cure any due process concerns, the communication and this Secretarial Letter are being placed upon the record in the docketed proceeding, published to the Commission's website at the above docket number, and served to all Parties of Record listed for this proceeding.

Sincerely,


Rosemary Chiavetta
Secretary of the Commission

Enclosure/Attachment

CC: All Parties of Record to Docket Number A-2019-3015173

Office of Administrative Law Judge
PUC Office of Special Assistants
PUC Bureau of Technical Utility Services

Mayor Thaddeus Kirkland, City of Chester
Ronald Starr, Chief of Staff, City of Chester
1 Fourth Street
Chester, Pennsylvania 19013 (Served by first class mail)

April 7, 2022

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

Dear Ms. Chiavetta:

Please be advised that the on behalf of the City of Chester, the Receiver for the City of Chester provides this notice that the City is asserting its rights under paragraph 15.7 of the contract and Agreement of Sale and Service between the City of Chester (the “City”) and the Delaware County Regional Water Quality Control Authority (“DELCORA”) February 12, 1973 (amended January 21, 1986) (the “Agreement”). Paragraph 15.7 of the Agreement creates a reversionary interest in favor of the City if “at any time in the future...[DELCORA] ceases to operate the system”. Please also note that the City’s reversionary interest is automatic upon the time that DELCORA ceases to operate the system and as stated in paragraph 16.3 of the Agreement, neither DELCORA nor Aqua can ignore or nullify the City’s reversionary interest without the City’s express written consent. The City has not consented to waive its reversionary interest.

The Agreement required DELCORA to operate the wastewater system that DELCORA purchased from the City. Paragraph 15.7, however, created the reversionary interest, in favor of the City, of all fixed assets and real property, to the City’s ownership. The City alone will be the sole owner of its assets upon Aqua’s acquisition of DELCORA. The contract prohibits either party from assigning any rights, interests, or obligations under the Agreement. Neither the City nor DELCORA have amended the cite provisions of the Agreement, and based on paragraph 15.7 of the Agreement, DELCORA has no right to sell the City’s fixed assets and real property defined in the Agreement to Aqua. If DELCORA intends to stop operating the system, the collection system previously owned by the City “shall revert” to the City for the City to control. Accordingly, DELCORA does not have any right to transfer the system or the Agreement to Aqua or any other entity, without the City’s consent.

Any attempt by DELCORA or Aqua to transfer the City's interest in the system and to ignore the City's automatic and self-effectuating reversionary interest will be void and not effective. The Receiver for the City of Chester will take all necessary action, including protesting Aqua's application pending before the PA Public Utility Commission, to prevent the transfer of the Agreement and its wastewater infrastructure to Aqua which is prohibited by paragraph 15.7.

The Receiver is not interested impeding the sale of purchase of DELCORA, but the Receiver must also protect the interest of the City and its residents. The Receiver is interested in discussing a potential resolution of the matter to avoid litigation and remains available to meet with DELCORA to further discuss or resolve this protest before pursuing any legal action.

Sincerely,



Michael T. Doweary

Receiver

City of Chester, Pennsylvania

RECEIVED

APR 7 2022

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU