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August 7, 2023

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:

The Joint Movants (County of Delaware, Pennsylvania ("County"), the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OSBA")) hereby provide this Second Joint Status Report pursuant to the Interim Order issued by Administrative Law Judge ("ALJ") F. Joseph Brady on February 6, 2023. The Joint Movants report that, as of the date of this report, a final unappealable decision in the Bankruptcy Court for the Eastern District of Pennsylvania ("Bankruptcy Court") on the City of Chester's Motion of Debtor Pursuant to Section 362 of the Bankruptcy Code for Entry of an Order Enforcing the Automatic Stay of Proceedings Pending Before the Pennsylvania Public Utility Commission ("Motion to Enforce Stay") has not been issued. Similarly, a final unappealable decision in the Delaware County Court of Common Pleas on DELCORA's Complaint for Declaratory Judgment has not been issued.

City of Chester Motion to Enforce Stay (US Bankruptcy Court, E.D. Pa, Case No. 22-13032)

As of the prior Joint Movants Update provided on May 8, 2023, the bankruptcy court proceeding regarding the City of Chester's Motion to Enforce Stay was stayed for 60 days pending a further hearing scheduled for May 15, 2023. Judge Ashley M. Chan scheduled the May 15 hearings to provide the parties an opportunity to advise of any progress towards reaching an agreement as to the identification of any assets subject to the City of Chester's reversionary interest.

At the May 15 hearing, Judge Chan determined that the parties had been unable to reach agreement as to the identification of the assets subject to the reversionary interest and granted the City of Chester's Motion to Enforce Stay of the above-captioned Pennsylvania Public Utility Commission proceeding. Judge Chan subsequently memorialized this decision in a May 23 Order granting the Motion to Enforce Stay ("Stay Order"). Pursuant to the Stay Order:

DELCORA and Aqua continue to be barred from pursuing, taking, or continuing any further action in the Application Proceeding without first obtaining stay relief from this Court.

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The PUC continues to be barred from taking any further action with respect to the Application Proceeding, including, without limitation, taking evidence, requesting briefing, and issuing a decision with respect to the Application Proceeding.¹

On June 6, 2023, Aqua filed a Notice of Appeal of the Stay Order with the United States District Court for the Eastern District of Pennsylvania (Docket No. 2:23-cv-251).

DELCORA Complaint for Declaratory Judgment (Ct. of Common Pleas of Delaware County, Case No. CV-2023-000494)

As of the prior Joint Movants' Status Report provided on May 8, 2023, the parties to the DELCORA Complaint for Declaratory Judgment proceeding were awaiting disposition of the various pleadings, including the Preliminary Objections filed by Aqua on February 15, 2023, and the respective answers filed by the County and DELCORA on March 6, 2023.

On June 15, 2023, the Delaware County Court of Common Pleas entered an Order scheduling a hearing on the Preliminary Objections for October 12, 2023.

Aqua Pennsylvania Wastewater, Inc. Verified Complaint in Equity for Declaratory and Injunctive Relief (Ct. of Common Pleas of Delaware County, Case No. CV-2023-005128)

In another matter related to this Application docket, Aqua Pennsylvania Wastewater, Inc., on June 16, 2023, filed a civil complaint for declaratory and injunctive relief against DELCORA at the Delaware County Court of Common Pleas. Aqua alleges that DELCORA's efforts to negotiate an extension of its current Wastewater Service Agreement with the Philadelphia Water Department constitutes a breach of Sections 9.01 and 9.02 of the Asset Purchase Agreement between Aqua and DELCORA. On July 21, 2023, DELCORA filed its Answer and Counterclaims.

The Joint Movants will continue to provide updates for informational purposes pursuant to the Interim Order.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Very truly yours,



Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

c: Administrative Law Judge F. Joseph Brady
Pamela McNeal, Legal Assistant to ALJ
Certificate of Service

¹ Stay Order at 16.

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).

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Dated this 7th day of August, 2023, in Harrisburg, Pennsylvania