



800 West Hersheypark Drive
Hershey, PA 17033
P 717-531-3362
F 717-531-3252
Seth.mendelsohn@amwater.com

Seth A. Mendelsohn
Corporate Counsel

May 30, 2012

Rosemary Chiavetta
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
400 North Street, PO Box 3265
Harrisburg, PA 17105-3265

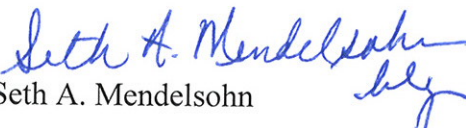
Re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Koppel Borough's assets, properties and rights related to its wastewater system to Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in all of Koppel Borough, Beaver County, Pennsylvania

Dear Ms. Chiavetta:

On behalf of Pennsylvania-American Water Company, I am e-filing an original copy of the above-referenced Application, together with payment in the amount of \$350 for the Commission's filing fee.

I will file the obligatory paper copy within three (3) days of this filing.

Sincerely,


Seth A. Mendelsohn

Enclosures

cc: Office of Consumer Advocate
Office of Small Business Advocate
Office of Trial Staff
Department of Environmental Protection

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Koppel Borough's assets, properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in all of Koppel Borough, Beaver County, Pennsylvania.

Application No. _____

TO PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Pennsylvania-American Water Company("Pennsylvania-American" or ("PAWC")) hereby requests that the Pennsylvania Public Utility Commission ("PUC" or the "Commission") issue Certificates of Public Convenience evidencing its approval under Sections 1102(a) and 507 of the Public Utility Code (66 Pa.C.S. §§1102(a), 507) of: (1) Pennsylvania-American's acquisition of substantially all of the assets, properties and rights of Koppel Borough's ("Koppel") " related to, or used in connection with, its wastewater system; (2) Pennsylvania-American's right to offer, render, furnish and supply wastewater service in the areas served by Koppel.

2. The name and address of the Applicant is:

Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033

3. The names and address of the Applicant's attorneys are:

Velma A. Redmond, Esquire
Susan D. Simms, Esquire
Seth A. Mendelsohn, Esquire
Pennsylvania-American Water Company

800 West Hersheypark Drive
Hershey, PA 17033
(717) 531-3210
(717) 531-3252 fax

4. Koppel Borough is a municipality in Beaver County, Pennsylvania. It owns and operates a public sanitary wastewater treatment system in the Borough of Koppel Beaver County, Pennsylvania.

5. Pennsylvania-American is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating, transporting and disposing of wastewater and sewage for the public. Koppel provides wastewater services to the public in a service territory encompassing all of Koppel Borough Beaver County, Pennsylvania, with a population of approximately 1,200. Water and wastewater service is furnished by Pennsylvania-American to the public in a service territory encompassing more than 290 communities across the Commonwealth with a combined population of over 2,000,000. A description of Pennsylvania-American's certificated water and wastewater service territory is found at Exhibit A, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations which have created Pennsylvania-American as it exists today.

6. As of December 31, 2011 Koppel furnished wastewater service to 500 customers.

7. As of December 31, 2011, Pennsylvania-American furnished wastewater service to 17,120 customers, as follows:

Residential	16,331
Commercial	739
Industrial	3
Municipal	43
Sale for Resale	4

A. TRANSFER, BY SALE, OF SUBSTANTIALLY ALL OF KOPPEL BOROUGH'S ASSETS, PROPERTIES AND RIGHTS RELATED TO ITS WASTEWATER SYSTEM TO PENNSYLVANIA-AMERICAN WATER COMPANY

All of the preceding and succeeding paragraphs are incorporated by reference into this subpart A.

Summary of the Transaction

8. On March 23, 2012, Koppel entered into an agreement with Pennsylvania-American to sell the wastewater assets of Koppel Borough.

Background Financial Information

9. There is attached hereto the balance sheet of Koppel as of December 31, 2011 (Exhibit B), and Pennsylvania-American as of December 31, 2011 (Exhibit C). Pennsylvania-American will undertake an original cost study to determine the original cost and accumulated depreciation of Koppel's wastewater utility plant in service.

10. There are attached hereto the income statements of Koppel for the 12 months ended December 31, 2011 (Exhibit D) and Pennsylvania-American for the 12 months ended December 31, 2011 (Exhibit E).

11. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with your Honorable Commission by Pennsylvania-American and its predecessors are made a part hereof by reference.

Terms And Impact of the Transaction

12. This Application seeks approval of the transfer to Pennsylvania-American of substantially all of the wastewater property and rights of Koppel. The terms and conditions of the transaction are contained in the executed Agreement between Pennsylvania-American and Koppel (Exhibit F). The specific property to be transferred is defined and described in Paragraph 1.1 of the Agreement.

13. The consideration for the transfer of the wastewater system is One Million Eight Hundred Thirty-Three Thousand (\$1,833,000) Dollars as outlined in Paragraph 2.1 of the Agreement. The transaction is at arm's length.

14. No investment securities will be transferred in the proposed transaction.

15. There is attached hereto a pro forma balance sheet of Pennsylvania-American as of December 31, 2011 , giving effect to the transfer (Exhibit G). However, as noted in Paragraph 9, above, Pennsylvania-American will update the original cost study through Closing for the purpose of establishing the depreciated original cost of the utility plant of Koppel. Once the original cost study is updated and the property's depreciated original cost and book value are finalized, Pennsylvania-American will amend the pro forma balance sheet giving effect to the transfer, accordingly.

16. There is attached hereto a pro forma consolidated income statement of Pennsylvania-American and Koppel for the 12 months ended December 31,2011 (Exhibit H).

17. Tentative journal entries to record the transfer in Pennsylvania-American's accounts are set forth below, based upon Koppel's Net Utility Plant being equal to the purchase price. However, as stated above, Pennsylvania-American will update Koppel 's original cost study. Upon completion of the updated original cost study, Pennsylvania-American will establish the depreciated original cost for Koppel's utility plant based on the results of the study.

Net Utility plant	\$1,833,000
Short term debt	\$ 500,000
Note Payable – Koppel	\$1,333,000

18. There is attached a certified copy of the resolutions adopted by the Board of Directors of Pennsylvania-American authorizing the execution of the Agreement and the consummation of the proposed transfer (Exhibit I). A certified copy of the resolutions adopted by the officers of Koppel authorizing the execution of the Agreement are attached as Exhibit J.

Effect on Service and Rates

19. The proposed transfer will have no detrimental effect on the service provided to Pennsylvania-American's existing customers or the customers transferred by Koppel. Pennsylvania-American believes that the proposed transfer will have a beneficial effect on the customers of Koppel in that they will receive the benefit of Pennsylvania-American's experience in managing and operating water and wastewater systems which will result in efficiencies and improvements in the service to the customers to be transferred. Pennsylvania-American's existing customers will benefit because the acquisition will expand the customer base over which existing costs are recovered and thereby, stabilize or reduce per-customer costs. The proposed transfer is in

the public interest and satisfies the applicable standard of Section 1103 for, among other, the following reasons:

a. Pennsylvania-American has the managerial, technical and financial capabilities to safely and adequately operate the Koppel system in compliance with the Public Utility Code, the Clean Streams Law and other requisite regulatory requirements, and to make improvements as needed, on a short and long term basis.

b. The acquisition will further the Commission's goal of regionalization. Koppel's wastewater system will become a part of a larger organization that is viable and is committed to providing improved service in the future. Any necessary system improvements can be completed within a reasonable period of time, without adversely affecting service to Pennsylvania-American existing customers.

c. The transferred customers will be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to the capital and its recognized strengths in system planning, capital budgeting and construction management, Pennsylvania-American is well-positioned to ensure that high quality wastewater service meeting federal and state requirements is provided to Koppel's customers and maintained for Pennsylvania-American's existing customers.

d. The transferred customers will benefit from enhanced customer service in a number of areas, such as additional bill payment options, extended customer service and call center hours, customer information and education programs, and the opportunity to participate in Pennsylvania-American's customer assistance programs.

e. The geographic overlap between Koppel's service area and Pennsylvania-American's existing water operations creates opportunities for functional and

operational consolidation, and associated efficiencies and cost savings.

20. The proposed transfer will have no immediate effect on the rates for service to be charged to Pennsylvania-American's existing customers. With regard to the customers to be transferred by Koppel to Pennsylvania-American, Pennsylvania-American will adopt Koppel's rates existing at the time of Closing. Koppel's current rates are shown on Exhibit K. Pennsylvania American will adopt Koppel's existing rules and regulations regarding conditions of service.

21. Pennsylvania-American finance the purchase with a note to Koppel and initially finance the \$500,000 cash payment with short term bank debt which, at the appropriate time will be replaced through the issuance of long-term debt and common equity.

22. The reason for the proposed transfer is the purchase by Pennsylvania-American of Koppel's wastewater system.

23. Pennsylvania-American and Koppel are not affiliated with each other.

24. Koppel is not subject to any special or general assessments outstanding against it pursuant to Section 510 of the Public Utility Code.

B. THE RIGHTS OF PENNSYLVANIA-AMERICAN TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN ALL OF KOPPEL BOROUGH, BEAVER COUNTY, PENNSYLVANIA.

All of the preceding and succeeding paragraphs are incorporated by reference into this sub-part B.

25. Pennsylvania-American is currently furnishing water and wastewater services in the service territory outlined in Paragraph 5. Koppel currently provides wastewater services to approximately 500 customers in Koppel Borough.

26. The service territory of Koppel is the Borough of Koppel as shown on Exhibit L.

27. No additional permanent capital will be required by Pennsylvania-American for the purpose of financing the matters and things involved in this Application except as stated in paragraph 21.

28. No corporation, partnership or individual other than Koppel is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by Pennsylvania-American in the territory covered by this Application, and no competitive condition will be created. As part of this Application, Pennsylvania-American has requested approval to acquire, by purchase, substantially all the wastewater property and rights of Koppel. Koppel will permanently discontinue all wastewater service to the public.

29. The facilities to be employed are described in Paragraph 1.1 of the Agreement. Specifically excluded assets are described in Paragraph 1.2 of the Agreement.

30. Immediately upon Closing, Pennsylvania-American will adopt Koppel's existing rates in the application territory, and Koppel's rules and regulations regarding conditions of service, as shown on Exhibit M.

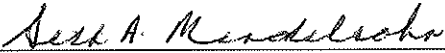
D. CONCLUSION

32. Approval of this Application is necessary and proper in order for the public now served by Koppel to benefit by receiving wastewater service from a public wastewater supply company with the resources and personnel to provide safe and reliable treatment of wastewater at reasonable prices.

WHEREFORE, Applicant prays your Honorable Commission to issue the necessary Certificates of Public Convenience under the Public Utility Code, as amended, 66 Pa. C.S. §§1102(a), 507, authorizing:

- (a) the transfer, by sale, of substantially all the assets, properties and rights of Koppel Borough related to or used in connection with its wastewater system to Pennsylvania-American in accordance with the Agreement, and;
- (b) the commencement by Pennsylvania-American of wastewater service to the public in all of the Borough of Koppel, Beaver County, Pennsylvania, and;

Respectfully submitted,



Seth A. Mendelsohn, Esquire

Velma A. Redmond, Esquire

Susan D. Simms, Esquire

Counsel for

Pennsylvania-American Water Company

800 West Hersheypark Drive

Hershey, PA 17033

Dated: May 30, 2012

PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 800 West Hershey Park Drive, Hershey, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence

Exhibit A

County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shipperville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donnegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallaceton Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011) and Wildcat Park Corporation (Schuylkill County, November 17, 2011). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 639,457 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 23rd, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mt. Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence, West Lawn³ and Wyomissing² and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallaceton and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown, West Fairview¹ and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Townships of Conewago, Derry, Londonderry, South Hanover and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville and South Connellsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Abington, Carbondale, Fell, Glenburn, North Abington, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laffin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono and the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitemarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Belfast, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Nazareth, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of Milton, Northumberland and Watsontown and the Townships of Delaware, East Chillisquaque, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose,

Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane, Union and West Pike Run in Washington County;
Portion of the Township of Clinton in Wayne County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 17,138 customers in the following municipalities:

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

All, or portions of, the Borough of Clarion and the Townships of Clarion and Monroe in Clarion County;

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

Portion of the Township of Lehman in Pike County; and

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County.

¹ West Fairview Borough was merged into East Pennsboro Township in 1998.

² Wyomissing Hills was merged into Wyomissing Borough in 2002.

³ West Lawn was merged into Spring Township in 2006.

[392 municipalities in 36 counties. Note: Ellwood City Borough is located in Beaver and Lawrence Counties; Hanover Township is located in Beaver and Washington Counties]

4/23/2012

Borough of Koppel- Sewer Fund
Balance Sheet
As of December 31, 2011

Dec 31, 11

ASSETS

Current Assets

Checking/Savings

400 · Sewage Revenue	150,312.20
401 · Sewer Capital Improvement Fund	126,057.28
405 · CD FNB 9433 11/14/12 .35% 12m	50,000.00
406 · CD FNB 2137 11/01/2011 .5% 24M	50,000.00
408 · CD FNB 7563 1/31/2013 4.33% 52M	50,000.00
409 · CD ESB 5740 9/3/2012 2.30 % 30M	100,000.00
410 · CD Lincoln Investments	200,000.00
411 · MM Lincoln Investments	2,149.47
412 · CD-StifelNicholas Swr Cptl Imp	200,000.00
413 · MM Stifel-Nicholas	2,182.16

Total Checking/Savings	930,701.11
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Other Current Assets

122.00 · AR Sewer	9,313.30
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Total Other Current Assets	9,313.30
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Total Current Assets	940,014.41
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Fixed Assets

164.1 · Building & Equipment Sewer	2,148,300.00
164.5 · Accumulated Depreciation	-506,185.00

Total Fixed Assets	1,642,115.00
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TOTAL ASSETS	2,582,129.41
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

200.2 · AP Sewer	12,922.49
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209 · Payroll Liabilities

250 · Federal Income Tax WH	296.25
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251 · FICA WH	139.47
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252 · State Income WH	75.80
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253 · Boro Wage WH	63.07
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254 · Pa UC Tax WH	4.98
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257 · LST W/H	12.96
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Total 209 · Payroll Liabilities	592.53
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Total Other Current Liabilities	13,515.02
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Total Current Liabilities	13,515.02
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Long Term Liabilities

261 · Pennvest Payable	1,284,034.82
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Total Long Term Liabilities	1,284,034.82
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Total Liabilities	1,297,549.84
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Equity

279.99 · Fund Balance Sewer	1,155,731.01
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Net Income	128,848.56
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Total Equity	1,284,579.57
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TOTAL LIABILITIES & EQUITY	2,582,129.41
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Pennsylvania-American Water Company, Inc.
Condensed Balance Sheet
December 31, 2011 (Unaudited)
(Dollars in thousands)

	December 31, 2011 <u>(Unaudited)</u>
Property, plant and equipment	
Utility plant - at original cost less accumulated depreciation	\$2,432,188
Utility plant acquisition adjustments, net	\$18,755
Total Non-Utility Plant, net	\$277
Construction Work in Progress	<u>\$65,392</u>
Total property plant and equipment	<u>\$2,516,612</u>
Current assets	
Cash and cash equivalents	\$1,192
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$29,836
Unbilled	\$28,070
Other current assets	<u>\$29,551</u>
Total current assets	<u>\$88,649</u>
Long-term assets	
Regulatory assets	\$174,172
Goodwill	\$40,223
Other	<u>\$133</u>
Total long-term assets	<u>\$214,528</u>
Total assets	\$2,819,789
Capitalization and Liabilities	
	December 31, 2011 <u>(Unaudited)</u>
Capitalization	
Stockholder's equity:	
Common stock	\$21,507
Paid-in capital	\$608,407
Retained earnings	<u>\$336,285</u>
Total stockholder's equity	<u>\$966,199</u>
Long-term debt	\$984,819
Preferred stock without mandatory redemption requirements	\$1,720
Preferred stock with mandatory redemption requirements	<u>\$12,452</u>
Total capitalization	<u>\$1,965,190</u>
Current liabilities	
Notes payable - associated companies	
Short-term debt	\$30,848
Current portion of long-term debt	\$6,441
Other	<u>\$83,933</u>
Total current liabilities	<u>\$121,222</u>
Long-term liabilities	
Deferred income taxes	\$508,404
Other	<u>\$114,395</u>
Total long-term liabilities	<u>\$622,799</u>
Contributions in aid of construction	\$110,578
Total capitalization and liabilities	\$2,819,789

Borough of Koppel- Sewer Fund
Custom Summary Report
 January through December 2011

Jan - Dec 11

Income	
341 · Interest Income	
341.01 · Interest FNB	2,465.62
341.02 · Interest Stifel Nicholas	2,182.47
341.03 · Interest ESB	2,299.97
341.04 · Interest Lincoln	309.73
Total 341 · Interest Income	7,257.79
364 · Sanitation	
364.10 · Sewer Charges	311,399.32
364.90 · Other Revenue	469.12
Total 364 · Sanitation	311,868.44
Total Income	319,126.23
Expense	
429 · Wastewater Coll & Treatment	
429.10 · Salaries	0.00
429.15 · Contracted Services	27,205.00
429.20 · Materials & Supplies	2,272.94
429.25 · Lab Test Supplies	6,441.50
429.29 · Miscellaneous Expense	600.00
429.36 · Electrical Power	12,754.90
429.37 · Maintenance & Repair	6,854.49
429.49 · Water	8,206.47
Total 429 · Wastewater Coll & Treatment	64,335.30
439 · Administration	
439.10 · Wages	24,514.05
439.20 · Material & Supplies	223.08
439.30 · Engineering Expense	7,827.37
439.31 · Billing & Collection Expense	1,242.05
439.32 · Telephone Expense	1,322.38
439.33 · Miscellaneous Exp	1,212.30
439.35 · Insurance Expense	6,475.80
439.43 · Payroll Tax	1,686.43
439.72 · Pennvest Interest	13,120.84
439.86 · Annual Audit	1,475.00
481.30 · Depreciation	43,892.00
481.31 · Unemployment Compensation	624.57
Total 439 · Administration	103,615.87
492 · Interfund Operating Transfers	
492.01 · Transfer to General Fund	22,326.50
Total 492 · Interfund Operating Transfers	22,326.50
Total Expense	190,277.67
Net Income	<u>128,848.56</u>

Pennsylvania-American Water Company, Inc.
Consolidated Condensed Statement of Income
For the 12 months ended December 31, 2011 (Unaudited)
(Dollars in thousands)

	Twelve Months Ended December 31, 2011
Operating revenues	<u>\$515,529</u>
Operating expenses	
Operation and maintenance	\$222,205
Depreciation and amortization	\$68,172
General taxes	\$12,435
Total Operating Expenses	<u>\$302,812</u>
Operating income	<u>\$212,717</u>
Other income (deductions)	
Other income, net	(\$2,567)
Interest expense, net	\$59,255
	<u>\$56,688</u>
Income before income taxes	<u>\$156,030</u>
Provision for income taxes	<u>\$59,524</u>
Net income	<u>\$96,506</u>
Dividends on preferred stock	<u>\$77</u>
Income to common stock	<u>\$96,429</u>

PURCHASE AGREEMENT

Between

KOPPEL BOROUGH

As Seller

and

PENNSYLVANIA-AMERICAN WATER COMPANY

As Buyer

Dated as of March 29, 2012

3/8/2012

Exhibit F

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**PURCHASE AGREEMENT FOR THE
KOPPEL BOROUGH
WASTEWATER SYSTEM**

THIS AGREEMENT, made and entered into as of the 29th day of March, 2012, by and between KOPPEL BOROUGH ("KOPPEL ") a municipality, organized and existing under the laws of the Commonwealth of Pennsylvania, and PENNSYLVANIA-AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "PAWC").

WITNESSETH

WHEREAS, KOPPEL is the owner of a public wastewater system located in Koppel Borough, Beaver County, Pennsylvania and having National Pollution Discharge Elimination System Identification Number PA0023434 and

WHEREAS, PAWC is a public utility owning and operating a public water supply system in the same area serviced by KOPPEL's Wastewater System in Koppel Borough, Beaver County, Pennsylvania, and;

WHEREAS, KOPPEL wishes to sell, and PAWC desires to purchase, substantially all of the assets, properties and rights of the KOPPEL public wastewater system (hereinafter referred to as "Wastewater System") on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, this Agreement witnesseth that for and in consideration of the respective covenants and agreements of the parties hereinafter set forth, the parties hereto, intending to be legally bound hereby, do covenant, contract and agree as follows:

ARTICLE I

THE TRANSACTION

1.1 SALE AND PURCHASE OF KOPPEL'S ASSETS. Subject to the terms, representations and conditions set forth in this Agreement, at Closing, KOPPEL shall sell, assign, transfer, deliver and convey to PAWC, free and clear of all liens and encumbrances whatsoever (based upon PAWC's assumption of KOPPEL's outstanding PennVest obligations), and PAWC shall purchase, the Acquired Assets. "Acquired Assets" means all of KOPPEL's right, title, and interest in and to all of the assets, properties and rights owned or used by KOPPEL in their Wastewater System or used in the business of providing wastewater service of every kind, nature and description existing on the Closing Date, excepting only those assets listed in Section 1.2. For avoidance of doubt, PAWC and KOPPEL agree that, excepting only the assets specifically described in Section 1.2, every asset, property and right owned by KOPPEL or used in the provision of wastewater service, whether real, personal, mixed, tangible or intangible, and including all the physical plant, property, equipment, and facilities comprising the existing Wastewater System owned and operated by KOPPEL for providing wastewater service to the public in and about Koppel Borough, Beaver County, Pennsylvania, wherever located and without any other exception whatever, is included within the Acquired Assets to be conveyed hereby. Except as specifically described in Section 1.2, the Acquired Assets shall include the following:

1.1.1 All real property easement rights, together with all fixtures, structures and other improvements erected thereon, and rights of way, wastewater lines, rights of use, licenses, hereditaments, tenements, privileges and other appurtenances thereto or otherwise related to the Wastewater System (such as appurtenant rights in and to public streets) (the "Real Estate")

excepting only those assets specifically listed in Section 1.2;

1.1.2 all wastewater tanks, wastewater works, plant and systems, pumping stations, pumps, , mains, services, valves, fittings, equipment, machinery, pumps, motors, spare parts, materials, supplies, fixtures and improvements, construction in progress, jigs, molds, patterns, gauges and production fixtures and other tangible personal property related to the Wastewater System (the "Equipment and Other Tangible Personal Property") excepting only those assets listed in Section 1.2;

1.1.3 all of KOPPEL's wastewater discharge rights;

1.1.4 intellectual property and goodwill, licenses and sublicenses owned and obtained with respect to the Wastewater System;

1.1.5 all customer contracts, supply agreements, operating contracts and distribution contracts relating to the Wastewater System;

1.1.6 franchises, approvals, permits, authorizations, licenses, orders, registrations, certificates, variances, and other similar permits or rights obtained from any authority relating to the Wastewater System;

1.1.7 books, records, ledgers, files, documents, correspondence, architectural plans, drawings, and specifications, records of plant operations and materials used, quality control records and procedures, equipment maintenance records, manual and warranty information, data and laboratory books and inspection processes, as readily available to KOPPEL.

1.2 EXCLUDED ASSETS. The assets identified in Schedule 1.2 as not being included in the Wastewater System sale are specifically excluded from the Acquired Assets.

1.3 LIABILITIES EXCLUDED. PAWC shall not assume any liabilities of

KOPPEL (other than KOPPEL'S PennVest obligations). It is further understood and agreed that all other obligations of any nature whatsoever, whether owed to KOPPEL by others or owed by KOPPEL to others, on the date of Closing shall be and remain with KOPPEL.

1.4 ACCOUNTS RECEIVABLE. Accounts receivable for wastewater services rendered by KOPPEL through the close of business on the date of Closing shall belong to KOPPEL, and accounts receivable for wastewater services rendered thereafter shall belong to PAWC.

ARTICLE 2

PURCHASE PRICE

2.1 PURCHASE PRICE FOR THE WASTEWATER SYSTEM.

2.1.1 Purchase Price. Subject to the terms and conditions of this Agreement, the total purchase price to be paid by PAWC for the purchase of the Wastewater System (the "Purchase Price") shall be no more than \$1,833,000 (One Million Eight Hundred Thirty Three Thousand Dollars). The purchase price shall be composed of: 1) a note, subject to the approval of KOPPEL's legal counsel and PENNVEST if required, issued by PAWC to KOPPEL equal to the non-delinquent principal and interest on KOPPEL's PENNVEST loan (Loan No. 71222 of approximately \$1.33 Million) at closing with the same interest rate and repayment schedule as the PENNVEST loan encumbering the KOPPEL system; and, 2) a cash payment of \$500,000 (Five Hundred Thousand Dollars) for the balance of the purchase price. The Purchase Price is contingent on a depreciated original cost study that verifies the depreciated original cost of the system is at or above the Purchase Price at closing. The depreciated original cost study will commence upon execution of the purchase agreement. PAWC will pay for the study. If the depreciated original cost

is determined to be less than the Purchase Price, the Purchase Price, subject to approval of KOPPEL, will be lowered to meet the depreciated original cost. The purchase price shall be payable directly to KOPPEL on the date of Closing by corporate check or wire transfer at PAWC's discretion.

2.1.2 PENNVEST LOAN. The PENNVEST loan will remain with KOPPEL.

2.1.3 Employees. No employees will come over from Koppel.

2.1.4 Rates. Koppel Borough will not lower rates below what is attached as Schedule 2.1.4.

2.1.5 Termination of Agreement. If any of these contingencies is not met before Closing either party shall have the right to terminate this Agreement by written notice to the other party.

ARTICLE 3

THE CLOSING

3.1 CLOSING. Subject to the terms and conditions of this Agreement, the Closing of the sale and purchase of the Acquired Assets (the "Closing") shall be held within forty-five (45) days following the date on which all of the conditions set forth in Article 7 and 8 of this Agreement have been met, at such time and date ("the Closing Date") as may be mutually agreed upon by the parties hereto. Provided, however, that if Closing shall not have occurred on or before June 30, 2012, either party shall have the right to terminate this Agreement by written notice to the other party. The Closing Date, as referred to in this Agreement, shall be the date of Closing. Closing shall take place either via mail or at the office of Koppel Borough.

3.2 DELIVERIES AND PROCEEDINGS AT CLOSING. Subject to the terms and conditions of this Agreement, at the Closing, KOPPEL shall deliver to PAWC:

3.2.1 Bills of sale and instruments of assignment duly executed by KOPPEL as necessary to transfer all of the Acquired Assets to PAWC;

3.2.2 The consents to transfer all contracts, intellectual property and permits. As per Paragraph 8.10, PAWC shall prepare the National Pollution Discharge Elimination System ("NPDES") permit application for the transfer application.

3.2.3 One or more deeds of conveyance of easements to PAWC, duly executed and acknowledged by KOPPEL and in recordable form, each sufficient to convey the title and rights of access to the Wastewater System.

3.2.4 The certificates, opinions and other documents required to be delivered by KOPPEL under this Agreement and certified resolutions evidencing the authority of KOPPEL as set forth in Section 4.2 hereof.

3.2.5 Evidence that any indebtedness of KOPPEL on the Wastewater System, excluding the PennVest loan assumed by PAWC through issuance of a "note" by PAWC to KOPPEL (see 2.1.1), has been retired.

3.2.6 All such other agreements, documents and instruments of conveyance, other than for fee title to any common area of the KOPPEL community, required by this Agreement or as shall, in the reasonable opinion of PAWC and its counsel, be necessary to transfer to PAWC the Wastewater System in accordance with this Agreement, and where necessary or desirable, in recordable form.

3.2.7 In addition to such other instruments and documents as are to be

delivered to PAWC by KOPPEL on or prior to the Closing, as provided herein, KOPPEL shall deliver to PAWC at the Closing all books and records and other documents maintained by KOPPEL relating to the Acquired Assets.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF KOPPEL

4. REPRESENTATIONS AND WARRANTIES OF KOPPEL. KOPPEL represents and warrants to PAWC that:

4.1 QUALIFICATION. KOPPEL is a Pennsylvania municipality duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, with full legal right, power and authority to own, lease and operate the Acquired Assets and the Wastewater System as presently being conducted, and to convey the Acquired Assets to PAWC as contemplated under this Agreement.

4.2 AUTHORIZATION AND ENFORCEABILITY. The execution, delivery, performance and acceptance of this Agreement by KOPPEL have been duly authorized by all necessary action. This Agreement constitutes a valid and binding obligation of KOPPEL enforceable in accordance with its terms. KOPPEL has full corporate power and municipal authority to execute, deliver and perform this Agreement and all other agreements and instruments to be executed by KOPPEL in connection herewith.

4.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery, and performance of this Agreement do not, and the consummation of the transaction contemplated by this Agreement as of Closing will not, violate any provision of law or conflict with, result in a

breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract, indenture, mortgage, or other instrument to which KOPPEL is a party or by which the Acquired Assets may be bound or affected.

4.4 PERMITS AND COMPLIANCE WITH LAWS GENERALLY.

4.4.1 KOPPEL has not knowingly violated any local, state or federal law, rule or regulation with respect to the use and operation of the Wastewater System. Except as set forth on Schedule 4.4.1, no outstanding notice, citation, summons or order has been issued, no outstanding complaint has been filed, no outstanding penalty has been assessed and no investigation or review is pending or, to the knowledge of KOPPEL, threatened, by any authority or other person with respect to any alleged violation by KOPPEL of any law, ordinance, rule, regulation, code or order of any authority relating to the Wastewater System or failure to have any Permit required with respect to the operation of the Wastewater System.

4.4.2 KOPPEL possesses and is in compliance with all Permits required to operate the Wastewater System as presently operated and to own, lease, or otherwise hold the Acquired Assets under all applicable laws, rules, regulations, ordinances and codes, including environmental laws. The Wastewater System is operated by KOPPEL in compliance with all applicable laws, rules, regulations, ordinances, codes, judgments and orders except as set forth in Schedule 4.4.1. All Permits of KOPPEL relating to the operation of the Wastewater System are in full force and effect. There are no proceedings pending or, to KOPPEL's knowledge, threatened that seek the revocation, cancellation, suspension or any adverse modification of any such Permits presently possessed by KOPPEL.

4.5 PENDING OR THREATENED LITIGATION. There is no known action or

litigation pending and none are known to be threatened against or affecting the Wastewater System or any of the Acquired Assets before any court, arbitrator or governmental authority, and there are no known laws, ordinances, regulations or official orders now in effect or pending which would adversely affect in a material way the Wastewater System or the ownership, condition or operation of the Wastewater System or the Acquired Assets.

4.6 ENVIRONMENTAL MATTERS.

4.6.1 KOPPEL has not knowingly disposed of or arranged for the disposal of or released any Hazardous Substances, other than in conformity with applicable laws and regulations, at any Real Estate, or at any other facility, location, or site to be transferred to PAWC pursuant to the terms of this Agreement.

4.6.2 KOPPEL has not received any written notice or request for information with respect to, and to the best of KOPPEL's knowledge, KOPPEL has not been designated a potentially liable party for remedial action or response costs, in connection with any Real Estate, or, as of the date hereof, with respect to the Acquired Assets or the operation of the Wastewater System, at any other facility, location, or other site under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or comparable state statutes.

4.6.3 To the best of KOPPEL's knowledge, no Real Estate has been used for the storage, treatment, generation, processing, production or disposal of any Hazardous Substances or as a landfill or other waste disposal site in violation of any law, rule or regulation.

4.6.4 To the best of KOPPEL's knowledge, underground storage tanks (other than tanks for the storage of wastewater) are not, and have not in the past been, located on or

under any Real Estate.

4.6.5 There are no pending or unresolved claims against KOPPEL or the Wastewater System for investigatory costs, cleanup, removal, remedial or response costs, or natural resource damages arising out of any releases or threat of release of any Hazardous Substances at any Real Estate or, as of the date hereof, with respect to the of the Wastewater System or the Acquired Assets or any other facility, location, or other site.

4.6.6 To the best of KOPPEL's knowledge, no polychlorinated biphenyls ("PCB's") or asbestos-containing materials are located at or in any Real Estate in violation of Environmental Laws or which require remedial action with the possible exception of the transite pipe located within the Wastewater System.

4.6.7 KOPPEL will within thirty (30) days of the date hereof provide PAWC with copies of all written environmental audits or investigations of which they are aware and have access to, prepared for the Real Estate or operations of the Wastewater System.

4.7 BROKERAGE. KOPPEL has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to PAWC.

4.8 EASEMENTS. Schedule 4.8, which shall be updated prior to Closing, is a complete and accurate list of all easements and rights of way over the real property of KOPPEL or others used by KOPPEL in the operation of the Wastewater System or on which any of its property is located ("Easements"). KOPPEL has or will at Closing have, subject to the limitations in Section 8.11, continuous right-of-way for its wastewater lines and other facilities from the record or assessed owner(s) acquired by legal instruments in sufficient form duly recorded. KOPPEL is in lawful and

quiet possession of all Easements and there are no pending, or threatened, disputes, claims, condemnation, eminent domain or similar proceedings relating to the Easements. No consents of third parties are required in connection with the transfer of the Easements to PAWC except for consents which shall have been obtained prior to Closing. KOPPEL has or will at Closing convey and transfer to PAWC, its title to the Easements. KOPPEL has no knowledge of any material breach or default under any of the covenants, terms or conditions under which the Easements were granted or are held or enjoyed by KOPPEL.

The title to the above described real estate easements shall be good and marketable or such as will be insured by any reputable Title Insurance Company at the regular rates to be paid by PAWC as its discretion. KOPPEL has no knowledge of any default or breach under any of the covenants, conditions, restrictions, rights of way or easements, if any, affecting all or any portion of the real estate easements, and there is no pending condemnation, eminent domain or similar proceeding affecting any of the real estate easements, and to the best knowledge of KOPPEL, no such proceeding is threatened. KOPPEL has not received any written or oral notice of assessment against any of the real estate which remains unpaid. To the best of KOPPEL'S knowledge, information and belief, there are no toxic or other dangerous conditions of the property.

4.8.1 Deed Of Easement And Right Of Way. Each easement conveyed to PAWC at Closing as required in 4.8 shall be in a form substantially the same as the applicable sample included in Schedule 4.8.1, as necessary to operate the Acquired Assets including, but not limited to pipelines, tanks, pumps, equipment and enclosures.

4.9 PERSONALTY. KOPPEL owns free and clear of all Liens, subject to outstanding PennVest obligations, or leases from others under valid and enforceable leases not

presently in default, all personal property in its possession or which is used or required for ownership, operation and maintenance of the Wastewater System as it is now conducted.

4.10 LEASES. Schedule 4.10 contains a complete and accurate list of each lease of real property to which KOPPEL is a party (each a "Lease"). KOPPEL has delivered to PAWC a true, correct and complete copy of each Lease. Each Lease is valid and subsisting and in full force and effect in accordance with its terms and has not been modified, in writing or otherwise. Each Lease, or a memorandum thereof, is properly recorded in the land records of the county in which the respective property is located. There has been no default or event which, with the giving of notice or the passage of time, or both, would constitute a default, on the part of KOPPEL or any landlord under each such Lease, and KOPPEL has not asserted a defense to, offset or claim against any payment or performance which is the obligation of KOPPEL pursuant thereto.

4.11 CONDITION OF ASSETS. Other than has previously been disclosed to PAWC by KOPPEL, the buildings, machinery, equipment, tools, furniture, improvements and other fixed tangible assets of the Wastewater System included in the Acquired Assets are considered by KOPPEL to be in good operating condition and repair, reasonable wear and tear excepted and are being purchased by PAWC in their current "as is" condition. Except for the Excluded Assets, the Acquired Assets include all assets, rights, properties and contracts the use of which, is necessary to the continued conduct of the Wastewater System by PAWC substantially in the manner as its was conducted prior to the Closing Date, including the service of all utility customers in substantially the same manner and service levels as provided by KOPPEL on the date hereof.

4.12 CONTRACTS. As of the date of this Agreement, Schedule 4.12 contains a complete and accurate list of all contracts, commitments, agreements, refundable

Extension Deposit Agreements and instruments relating to the conduct of the Wastewater System and all leases of Real Estate and personal property related to the Wastewater System (“Contract”). KOPPEL has delivered to PAWC a correct and complete copy of each written agreement listed in Schedule 4.12. Except as disclosed on Schedule 4.12, with respect to each Contract, neither KOPPEL nor, to the best of KOPPEL’S knowledge, any other party thereto, is in breach or default, no event has occurred which with notice or lapse of time would constitute a breach or default by KOPPEL , or permit termination, modification, or acceleration, under the contract. Except as set forth in Schedule 4.12, there are no disputes pending or to the best of KOPPEL’s knowledge, threatened, under or in respect of any of the Contracts.

4.13 CUSTOMER ADVANCES. Schedule 4.13 is a complete and accurate list of all unexpired Extension Deposit Agreements to which KOPPEL is a party and which contain unexpired obligations for KOPPEL to provide for the payment of periodic refunds to parties making advances for the construction of facilities for wastewater service. KOPPEL will provide to PAWC within 15 days of the execution of this Agreement (to be updated at Closing), true and complete copies of each such Extension Deposit Agreement. All records of KOPPEL relating to each Extension Deposit Agreement is complete and accurate in all material respects and, together with the relevant Extension Deposit Agreement, is all the information reasonably required to determine KOPPEL’s, and consequently PAWC’s obligations to each party to the Extension Deposit Agreements; and there are no disputes or disagreements with any party to an Extension Deposit Agreement relating to the amount due under that agreement or the method of calculating that amount. Schedule 4.13 may be updated at Closing only with the mutual consent of the parties.

ARTICLE 5

COVENANTS

5.1 COVENANTS OF KOPPEL. From and after the date of this Agreement and until the Closing Date, KOPPEL covenants and agrees that:

5.1.1 Conduct of Business. KOPPEL will operate the Wastewater System only in the ordinary course of business and in accordance with all applicable local, state, and federal laws, rules and regulations.

5.1.2 Contracts and Commitments. Except normal and usual commitments for the purchase of materials and supplies, no contract or commitment shall be entered into by or on behalf of KOPPEL relating to the Wastewater System which would materially affect the operation of the Wastewater System after Closing, except for those commitments approved in writing by PAWC.

5.1.3 Release of Liens. KOPPEL will take action necessary to cause the release, cancellation and discharge of any and all liens or encumbrances, other than PennVest obligations which will be assumed by PAWC through issuance of a “note” by PAWC to KOPPEL (see 2.1.1), so that as of the Closing, the Acquired Assets will be free and clear of any and all such liens and encumbrances.

5.1.4 Material Events and Circumstance. KOPPEL shall promptly inform PAWC in writing of any specific event or circumstance of which KOPPEL is aware, or of which KOPPEL receives notice, that has or is likely to have, individually or in the aggregate, taken together with the other events or circumstances, a material adverse effect on the Acquired Assets.

5.1.5 Supplemental Information.

5.1.5 (a) KOPPEL shall provide PAWC, within five (5) days of

execution or the date of receipt thereof, a copy of (a) each contract entered into by KOPPEL after the date hereof and prior to Closing relating to the Wastewater System; (b) a copy of any written notice of assessments for public improvements against any Real Estate received after the date hereof and prior to Closing; and (c) a copy of the filing of any condemnation, eminent domain or similar proceeding affecting all or any portion of any of the Real Estate received after the date hereof but prior to the Closing.

5.1.5 (b) Within five (5) days of the receipt of written notice of violation by the Pennsylvania Department of Environmental Protection to KOPPEL, KOPPEL shall notify PAWC of any violations of state or federal wastewater standards.

5.1.6 Title Information. Within sixty (60) days following the execution of this Agreement, KOPPEL shall use its reasonable efforts to deliver to PAWC true, correct and complete copies of all existing title policies, surveys, leases, deeds, instruments and agreements relating to title to the Real Estate in KOPPEL'S possession.

5.2 COVENANTS OF PAWC. From and after the date of Closing, PAWC shall be responsible for the wastewater system transferred to PAWC pursuant to this Agreement.

5.3 FURTHER ASSURANCES. Each party to this Agreement shall cooperate and deliver such instruments and take such action as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby. After the Closing, each party shall take such other actions and execute such other documents, certifications, and further assurances as KOPPEL or PAWC, as the case may be, may reasonably require in order to transfer more effectively to PAWC or to put PAWC more fully in possession of any of the Acquired Assets.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF PAWC

6. REPRESENTATIONS AND WARRANTIES OF PAWC. PAWC represents and warrants to KOPPEL that:

6.1 QUALIFICATION. PAWC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own, lease and operate the Wastewater System.

6.2 AUTHORIZATION AND ENFORCEABILITY. PAWC has full corporate power and corporate authority to execute, deliver and perform this Agreement. The execution, delivery and performance by PAWC of this Agreement have been duly authorized by all necessary corporate action. This Agreement constitutes a legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its terms. As of the Closing Date, each of the transaction documents to which PAWC is a party will be duly executed and delivered by PAWC and will constitute the legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its respective terms.

6.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery and performance of this Agreement do not, and the consummation of the transactions contemplated by this Agreement as of Closing will not, violate any provision of law or conflict with, result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract or other instrument to which PAWC is a party.

6.4 BROKERAGE. PAWC has not made any agreement or taken any other

action which might cause any Person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to KOPPEL.

6.5 CAPITAL IMPROVEMENT SCHEDULE. PAWC does hereby warrant and agree, in compliance with the terms of PAWC's bid and offer to purchase said system and the Borough's acceptance thereof, that the capital improvements as set forth in the agreement and referenced herein shall be completed per the aforementioned terms. After Closing, PAWC plans to conduct an Inflow and Infiltration ("I&I") study. It is PAWC's intent to replace approximately 15% of the linear footage of the system as needed and based on the I&I study, make access road improvements, install chlorine system improvements, install remote monitoring and dry chemical feeder system improvements. The timing and scope of such improvements will be within the sole discretion of PAWC. However, PAWC will use its best efforts to complete these improvements within five years after Closing. The estimated cost of these improvements is \$640,685 (six-hundred forty thousand six-hundred and eighty-five dollars). Actual cost may vary and PAWC does not represent or warrant that it will spend this exact amount on these improvements, since the cost of said improvements may exceed the bargained for amount in this agreement. However, the improvements are to be completed regardless of the eventual cost.

ARTICLE 7

PENNSYLVANIA PUBLIC UTILITY COMMISSION APPROVAL

7.1 PENNSYLVANIA PUC APPROVAL. The parties recognize and expressly agree that the consummation of the transaction is conditioned upon the approval of the Pennsylvania Public Utility Commission (the "Pennsylvania PUC"). KOPPEL and PAWC covenant

and agree to initiate and faithfully prosecute the necessary proceedings to obtain the approval of the Pennsylvania Public Utility Commission for: (a) the transfer by sale of KOPPEL's Acquired Assets to PAWC; (b) the right of PAWC to begin to offer or furnish wastewater service to the public in portions of Koppel Borough and Big Beaver Borough, Beaver County, presently being served by KOPPEL; (c) the right of PAWC to adopt the wastewater rates in the area to be served currently in effect for KOPPEL; (d) apply the existing rules and regulations for wastewater service as set forth in PAWC's duly filed and effective tariff generally applicable to its services at the time of Closing; and (e) the right of KOPPEL to permanently discontinue wastewater service to the public. KOPPEL, by this Agreement, covenants and agrees to provide such information, documents and assistance as may be reasonably requested by PAWC in connection with any such proceedings and to otherwise cooperate in the initiation and prosecution of any such proceedings.

ARTICLE 8

CONDITIONS PRECEDENT

8. CONDITIONS PRECEDENT TO PAWC'S OBLIGATIONS. The obligations of PAWC under this Agreement are subject to the fulfillment or waiver at the sole discretion of PAWC, prior to or at the Closing, of each of the following conditions:

8.1 REPRESENTATIONS AND WARRANTIES. KOPPEL's representations and warranties set forth in this Agreement shall be true at and as of the time of Closing with the same force and effect as though such representations and warranties were made at and as of such time, and KOPPEL shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing Date, certifying to the foregoing.

8.2 PERFORMANCE OF AGREEMENTS. KOPPEL shall have performed

and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and KOPPEL shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing Date, to such effect.

8.3 RELEASE OF LIENS. All necessary action shall have been taken to cause the release, cancellation and discharge of any and all liens and encumbrances so that as of the Closing, the Acquired Assets shall be free and clear of any and all such liens and encumbrances (subject to PAWC's assumption of KOPPEL's PennVest obligations through issuance of a "note" by PAWC to KOPPEL (see 2.1.1) and KOPPEL shall have provided PAWC with such opinions, instruments or documents as PAWC may reasonably request, and in form and substance satisfactory to PAWC, evidencing the release, cancellation and discharge of any and all liens and encumbrances and that the Acquired Assets are not subject to any lien or encumbrances. In the event KOPPEL is unable to convey title to the Wastewater System assets to PAWC at the Closing in accordance with the terms of this Agreement, PAWC shall have the option of: (a) accepting such title as KOPPEL is able to convey without abatement of the purchase price; or (b) canceling this Agreement in which case this Agreement shall be of no further force or effect and neither of the parties hereto shall have any further liability hereunder.

8.4 PENNSYLVANIA PUC APPROVAL. The Pennsylvania PUC shall have issued one or more orders, which orders shall be final and unappealable, approving the transactions contemplated hereby as set forth in Article 7.

8.5 CERTIFICATION OF FINANCIAL INFORMATION. KOPPEL shall have delivered to PAWC a certificate, executed by its authorized representative and in form and substance satisfactory to PAWC, listing (i) the amount of its net outstanding long-term debt or notes, if any, (ii)

all unexpired customers' advances for construction and unexpended contributions in aid of construction as of the Closing Date, and (iii) any and all additions or retirements to the Wastewater System during the period from the date of this Agreement to the Closing Date, together with the cost thereof.

8.6 LIST OF MATERIALS AND SUPPLIES. KOPPEL shall have delivered to PAWC a certificate listing all materials and supplies owned by KOPPEL as of the Closing which are component parts of the Wastewater System.

8.7 OPINION OF COUNSEL. KOPPEL shall have delivered to PAWC the opinion of its Counsel, in form and substance satisfactory to PAWC, with respect to the matters referred to herein as set forth on Schedule 8.7.

8.8 DELIVERY OF DOCUMENTS. KOPPEL shall have delivered to PAWC the deeds, easements or assignments of easements, bills of sale, rights of way and other documents required to be transferred under this Agreement, and all books records and such other instruments or documents maintained by KOPPEL relating to the Wastewater System.

8.9 DELIVERY OF RESOLUTIONS. KOPPEL shall have delivered to PAWC a copy of the Resolutions, certified by their proper representatives, approving the execution, delivery and performance of this Agreement, together with the certificate of its proper representatives that said Resolutions are in full force and effect and were duly adopted.

8.10 PERMITS ISSUED. PAWC shall prepare, and KOPPEL will execute at Closing, all necessary Application(s) for the transfer of a National Pollution Discharge Elimination System Permit Number PA0023434 identified at Schedule 8.10. The Applications will be submitted by PAWC to the Pennsylvania Department of Environmental Protection, and all other

regulatory agencies or authorities having jurisdiction over the operations of the Wastewater System to effectuate the operation of the Wastewater System by PAWC.

8.11 RIGHTS-OF-WAY. KOPPEL and PAWC agree to cooperate to identify and obtain all necessary rights-of-way prior to Closing. Upon execution of this Agreement, KOPPEL shall forward all documentation, if any, with respect to its rights-of-way, both recorded and unrecorded, at KOPPEL's expense, to PAWC. PAWC will conduct a rights-of-way abstract, at PAWC's expense, to determine whether KOPPEL has continuous rights-of-way for all of its wastewater systems and that such rights are represented by legal instruments in appropriate form duly recorded.

Upon notification from PAWC that the rights-of-way for the current Wastewater System are not sufficient for the operation of the Wastewater System, KOPPEL will, at its own expense, secure additional rights-of-way necessary to cover appurtenances of the current Wastewater System, however, KOPPEL shall not be obligated to spend more than Fifteen Thousand (\$15,000) dollars to secure additional rights-of-way. PAWC may cancel this Agreement at its sole discretion if KOPPEL does not obtain and record by Closing all rights-of-way necessary for the maintenance and operation of the current Wastewater System.

8.12 TITLE INSURANCE. A reputable title insurance company shall have issued, at PAWC's expense, title commitment to PAWC for an Owner's Title Insurance Policy including extended coverage at regular rates, evidencing good and marketable title to all easements conveyed to PAWC, in the amount of the fair market value of the Real Estate, covering title to the Real Estate on the date of Closing, and subject only to the following exceptions: existing building restrictions, ordinances, easement of roads, privileges or rights of public service companies, if any, agreements or

like matters of record, or easement and restrictions visible upon inspection of the premises and/or of record, if any, at standard rates to be paid by PAWC.

8.13 RATES. Koppel Borough will not lower rates below what is attached as Schedule 2.1.3.

ARTICLE 9

INDEMNIFICATION

9.1 INDEMNIFICATION BY KOPPEL. KOPPEL will indemnify, defend and hold harmless PAWC and its affiliates and their respective officers, directors and agents at all times after the date of this Agreement, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by KOPPEL in this Agreement or in any schedule, statement, certificate or other document furnished or to be furnished to PAWC in connection with the transactions contemplated hereby, and (ii) any and all liabilities of KOPPEL of any nature, whether due or to become due, whether accrued, absolute, contingent or otherwise, existing on the Closing Date or arising out of any transaction entered into, any state of facts existing or any event occurring on or prior to such date except liabilities resulting from breaches by PAWC of covenants, warranties, representations and agreements hereunder.

9.2 INDEMNIFICATION BY PAWC. PAWC will indemnify defend and hold harmless KOPPEL and its affiliates and their respective officers, directors and agents at all times after the date of this Agreement, from, against, and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by PAWC in this Agreement or in any schedule, statement, certificate or other document

furnished or to be furnished to KOPPEL in connection with the transactions contemplated hereby, and (ii) the ownership, operation or use of the Wastewater System or Acquired Assets on or after the Closing Date except liabilities resulting from breaches by KOPPEL of covenants, warranties, representations and agreements hereunder.

ARTICLE 10

MISCELLANEOUS

10.1 TRANSFER TAXES ON EASEMENTS. PAWC agrees to pay one half and KOPPEL will pay one half of any transfer taxes that may be due or owing as a result of the within transaction, and the parties agree to pro-rate any applicable transfer taxes.

10.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties and agreements made by KOPPEL and PAWC in this Agreement or pursuant hereto shall survive the Closing.

10.3 PENNSYLVANIA LAW TO GOVERN. This Agreement is being delivered in the Commonwealth of Pennsylvania and shall be construed and enforced in accordance with the laws of the Commonwealth.

10.4 RISK OF LOSS. KOPPEL retains all risk of destruction, losses or damage to Wastewater System due to fire or other casualty up to the Closing and agrees to maintain its current insurance coverage until the Closing. If prior to the Closing: (i) all or part of the Wastewater System assets are destroyed by fire or the elements or by any other cause; or (ii) all or a part of the Wastewater System assets are taken by eminent domain, KOPPEL shall give prompt notice thereof to PAWC and PAWC may, by notice given to KOPPEL prior to Closing, elect to

cancel this Agreement. In the event PAWC shall so elect, both parties shall be relieved and released of and from any further liability hereunder.

10.5 ACCESS AND INFORMATION. KOPPEL will give to authorized representatives of PAWC reasonable access during normal business hours throughout the period prior to Closing to all the properties, books, contracts, commitments, and records of KOPPEL relating to the Wastewater System, and furnish PAWC during such period with all such information relating thereto as PAWC may reasonably request. Within sixty (60) days of the execution of this Agreement, the KOPPEL shall provide PAWC with a complete list of customers, including names, services addresses, billing addresses, and two (2) sets of peel and stick mailing labels for billing addresses. This complete list shall be updated at Closing and provided to PAWC at Closing so as to be true and correct on the date of Closing.

10.6 RIGHT OF ENTRY. After the date of this Agreement and until Closing, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Wastewater System, after making reasonable prior arrangement with KOPPEL, for the purpose of making such inspections and investigations of the Wastewater System, including, but not limited to surveys, environmental assessments, and engineering studies, as PAWC deems reasonably necessary, and for the purpose of installing wastewater meters. PAWC shall indemnify and hold KOPPEL harmless from and against all losses, damages, demands, claims, suits and other liabilities, including attorney fees and other expenses of litigation, because of personal or bodily injury or property damage resulting from PAWC's presence at or use of the Wastewater System for such inspections and investigations. PAWC shall promptly (within five (5) business days) return the surface of the property to substantially the same as before such inspections and investigations.

10.7 ENVIRONMENTAL ASSESSMENT. After the dates of this Agreement and until the Closing Date, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Wastewater System, after making reasonable prior arrangement with KOPPEL, for the purposes of conducting an environmental assessment of the Wastewater System. In the event the results of such assessment are that the Wastewater System or any portion thereof is contaminated with hazardous substances, then PAWC may at its sole discretion terminate this Agreement by giving written notice to KOPPEL and whereupon neither PAWC nor KOPPEL shall have any further obligations to the other under this Agreement.

10.8. TERMINATION OF AGREEMENT. If Closing does not occur by June 30, 2012, unless otherwise extended in writing by PAWC and KOPPEL, with the full cooperation and diligent efforts of PAWC and KOPPEL, then either party may terminate this Agreement upon written notice to the other, and the parties shall be relieved of all rights and responsibilities hereunder, except as specified herein.

10.9 SECTION HEADINGS. The Section headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.10 NOTICES. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, registered mail, return receipt requested:

To KOPPEL:
Koppel Borough
P.O. Box I
3437 Third Ave
Koppel, PA 16136

To PAWC:
Pennsylvania-American Water Company
Attention: Seth A. Mendelsohn, Esq.
800 West Hershey Park Drive
Hershey, PA 17033

10.11 SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assignees of PAWC and KOPPEL.

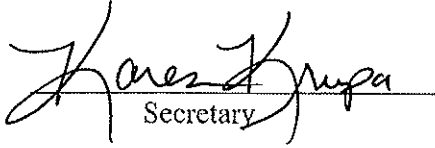
10.12 NO THIRD PARTY BENEFICIARIES. Nothing herein expressed or implied is intended or should be construed to confer upon or give to any person other than the parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement.

10.13 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof, supersedes any prior agreements or understandings, written or oral, among the parties with respect to the subject matter hereof and is not intended to confer upon any person other than the parties hereto any benefit, right or remedy.

10.14 AMENDMENT AND WAIVER. The Parties may by mutual agreement, amend this Agreement or waive compliance by the other party with any of the covenants or agreements contained herein. To be effective, any such amendment or waiver must be in writing and be signed by the party providing such waiver or extension, as the case may be. The waiver by any party hereto of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach, whether or not similar.

ATTEST:

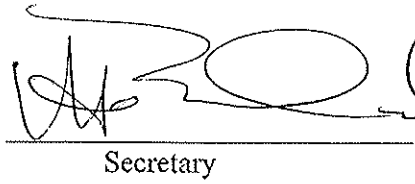
KOPPEL BOROUGH

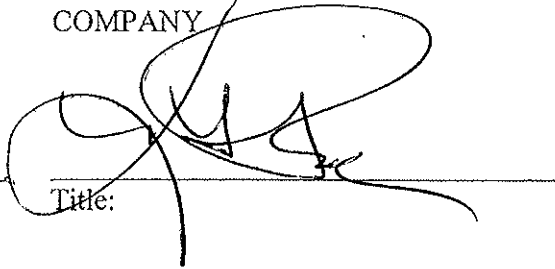

Secretary


Title: President of Council

ATTEST:

PENNSYLVANIA-AMERICAN WATER
COMPANY


Secretary


Title:

Schedule 1.2

Excluded Assets

**Cash/Checking/Savings/CDs/Investments
Accounts receivable**

Schedule 2.1.4

Rates- Koppel 2012 Rate Schedule

See Attached

BOROUGH OF KOPPEL	
SEWER DEPARTMENT - USER CHARGE SYSTEM	
2011 RATE SCHEDULE	
<u>CUSTOMER CLASSIFICATION</u>	<u>Adopted 2011 RATES</u>
Domestic / Commercial	
* Per Month (1st - 4,000 gals.)	\$38.36
* + Per 1,000 gals. overage	\$3.29
* Avg. Qtrly Bill @ 9,000 gals.	\$115.09
* Avg. Qtrly Bill @ 12,000 gals.	\$115.09
* Avg. Qtrly Bill @ 15,000 gals.	\$124.96
* Avg. Qtrly Bill @ 24,000 gals.	\$154.56
Penn State Special Metals - Qtrly Flat Rate	\$3,567.84
Luria Brothers - Min. Monthly (12 Employees)	\$460.41
Koppel Steel Co. - Qtrly Flat Rate	\$21,433.41

BOROUGH OF KOPPEL		
SEWER DEPARTMENT - USER CHARGE SYSTEM		
2012 RATE SCHEDULE		
(NO CHANGE FROM 2011)		
	2011	Adopted
<u>CUSTOMER CLASSIFICATION</u>	<u>RATES</u>	<u>RATES</u>
Domestic / Commercial		
* Per Month (1st - 4,000 gals.)	\$38.36	\$38.36
* + Per 1,000 gals. overage	\$3.29	\$3.29
* Avg. Qtrly Bill @ 9,000 gals.	\$115.09	\$115.09
* Avg. Qtrly Bill @ 12,000 gals.	\$115.09	\$115.09
* Avg. Qtrly Bill @ 15,000 gals.	\$124.96	\$124.96
* Avg. Qtrly Bill @ 24,000 gals.	\$154.56	\$154.56
Penn State Special Metals - Qtrly Flat Rate	\$3,567.84	\$3,567.84
Luria Brothers - Min. Monthly (12 Employees)	\$460.41	\$460.41
Koppel Steel Co. - Qtrly Flat Rate	\$21,433.41	\$21,433.41

Schedule 4.4.1

Permits and Compliance

None

Schedule 4.8

Rights-of-Way or Easements

Schedule 4.8.1

Easement Forms

See Attached

DEED OF EASEMENT AND RIGHT OF WAY
(AND CONSENT OF MORTGAGEE, if applicable)

Field t

THIS INDENTURE, made this ____ day of _____, 20__, by and between

hereinafter referred to as the "Grantor" and Pennsylvania-American Water Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, having an office for the transaction of business at _____, Pennsylvania, hereinafter referred to as the "Grantee".

WITNESSETH

The Grantor, in consideration of the covenants and agreements hereinafter recited and the sum of _____ Dollars (\$ _____), the receipt of which is hereby acknowledged, does hereby give, grant and convey unto the Grantee, its successors and assigns, forever, an easement and a free uninterrupted and unobstructed right of way, in, under, across and over the property of the Grantor, situate in City/Borough/Township of _____ in _____ County, Pennsylvania; said right of way to be _____ feet in width and to be _____ feet on each side of a center line described as follows: _____

or as shown on the sketch attached hereto and made a part hereof, if applicable, for the purpose of installing, laying, operating, maintaining, inspecting, removing, repairing, replacing, relaying and adding to from time to time pipe or pipes, with necessary fittings, appurtenances and attached facilities, including laterals and connections for the collection of wastewater.

Together with the right to the Grantee, its successors and assigns, to (i) enter in and upon the premises

described above with men and machinery, vehicles and material at any and all times for the purpose of maintaining, repairing, renewing or adding to the aforesaid wastewater pipe lines and appurtenances, (ii) remove trees, bushes, undergrowth and other obstructions interfering with the activities authorized herein, and (iii) for doing anything necessary, useful or convenient for the enjoyment of the easement herein granted.

The right of the Grantor to freely use and enjoy its interest in the premises is reserved to Grantor, its successors and assigns insofar as the exercise thereof does not endanger or interfere with the construction, operation, and maintenance of Grantee's wastewater pipe lines and attached facilities, except that no building, structure or similar improvements shall be erected within said easement, nor shall the grade or ground cover over Grantee's facilities be substantially altered, without the consent of the Grantee. Notwithstanding the foregoing, no other pipes or conduits shall be placed within ten (10) feet, measured horizontally, from the said wastewater mains except pipes crossing same at right angles, in which latter case, a minimum distance of two (2) feet shall be maintained between the pipes. All water pipe shall be laid above the wastewater mains. No excavation or blasting shall be carried on which in any way endangers or unreasonably interferes with the wastewater pipe lines and attached facilities.

TO HAVE AND TO HOLD the above granted easement and right of way unto the same Grantee, its successors and assigns forever.

The Grantee agrees, by the acceptance of this Deed of Easement and Right of Way that, upon any opening made in connection with any of the purposes of this easement and right of way, said opening shall be backfilled and resurfaced to as nearly as possible the same condition as existed when said opening was made, provided that Grantee shall not be obligated to restore landscaping, other than resodding any grass which was removed upon entry, all such work to be done at the expense of the Grantee.

And the said Grantor does covenant with the said Grantee as follows:

1. That the Grantor is the owner in fee simple of the real estate hereby subjected to said easement and right of way, and has good title to convey the same, having acquired said real estate from

_____, by deed dated _____, and recorded
in the Office of the Recorder of Deeds of _____ County in Deed Book _____, Page
_____ on the _____ day of _____, _____.

2. That the Grantee shall quietly enjoy the said easement and right of way.

3. That the premises hereby subjected to said easement and right of way are subject to no
mortgages except _____

_____. (If none, state
"No Exceptions.") (If mortgages exist, have attached Consent and Agreement of Mortgagee executed.)

IN WITNESS WHEREOF, the Grantor has duly executed this INDENTURE, all as of the day and
year first above written.

ATTEST/WITNESS:

GRANTOR

By _____ By _____

IN WITNESS WHEREOF, the Grantee has duly executed this INDENTURE, all as of the day and
year first above written.

ATTEST:

GRANTEE
PENNSYLVANIA-AMERICAN WATER COMPANY

By _____ By _____

PIN/MAP # (if applicable)

(ACKNOWLEDGMENT FOR PENNSYLVANIA-AMERICAN WATER COMPANY)

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF _____) SS:

On this, the _____ day of _____, A.D., 20____, before me, a Notary Public, personally appeared, _____, known to me as _____ of PENNSYLVANIA-AMERICAN WATER COMPANY, a corporation, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument, and as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have set my hand and official seal.

Notary Public _____

My Commission expires: _____

CONSENT AND AGREEMENT OF MORTGAGEE (Para. 3 above, if applicable)

The undersigned, _____, Mortgagee under a mortgage dated _____, recorded in the office of the _____ of _____ County, in Book _____, Page _____, et seq., (hereinafter referred to as the "Mortgagee") hereby joins in this Easement and Right of Way for the express purpose of subjecting to the operation and effect of this Easement and Right of Way all of its right, title and interest under the Mortgage and in and to the real property described in this Easement and Right of Way.

Nothing in the foregoing provisions of this Consent and Agreement of Mortgagee shall be deemed in any way to create between any person or entity named in this Easement and Right of Way as "Grantor" and the undersigned any relationship of partnership or joint venture, or to impose upon the undersigned any liability, duty or obligation whatsoever.

Nothing in the within Consent and Agreement shall (a) constitute a waiver by Mortgagee of any of its rights under the Mortgage as against the Mortgagor, and/or (b) in any way release the Mortgagor from its obligation to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Mortgage; and the provisions of the Mortgage shall remain in full force and effect and must be complied with by the Mortgagor.

IN WITNESS WHEREOF, Mortgagee has executed this Consent and Agreement of Mortgagee or cause it to be executed on its behalf by its duly authorized representatives, this _____ day of _____, _____.

ATTEST:

MORTGAGEE:

By _____

By _____

Schedule 4.10

Leases

None

Schedule 4.12

Contracts

None

Schedule 4.13

Customer Advances

None

Schedule 8.7

Opinion of Counsel

See Attached

[OPINION OF COUNSEL]

[DATE]

Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033

Ladies and Gentlemen:

I have acted as counsel for the Borough of Koppel (the "Borough") in connection with the sale of substantially all of the assets, properties and rights of the Borough's public wastewater system ("Wastewater System") to Pennsylvania-American Water Company ("PAWC"). This opinion is delivered to you pursuant to Paragraph 8.7 of the Purchase Agreement for the Borough dated _____ ("Agreement"). All capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Agreement unless otherwise noted.

In connection with the opinions expressed below, I have made such examination of law and have examined the originals or copies, certified or otherwise, identified to my satisfaction, of the Agreement and all other agreements and instruments to be executed by the Borough in connection with the Agreement ("Transaction Documents"), and such other documents and records of the Borough, certificates of public officials and officers of the Borough and such other documents as I have deemed necessary or appropriate.

Based upon and subject to the foregoing, it is my opinion that as of the date hereof:

1. The Borough is a Pennsylvania municipality, organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, with full legal right, power and authority to own, lease and operate the Wastewater System.
2. The Borough has good and marketable title to all real estate, physical plant, personal property, equipment and facilities involved in this transaction, free and clear of all liens and encumbrances whatsoever.
3. The execution, delivery, performance and acceptance of the Agreement by the Borough have been duly authorized by all necessary action; the Agreement constitutes a valid and binding obligation of the Borough enforceable in accordance with its terms; and the execution, delivery and performance of the Agreement by the Borough will not violate any provision of law.
4. The execution, delivery, performance and acceptance of the Agreement by the Borough will not conflict with, or result in a breach of, the terms, conditions, or provisions of, or constitute a default under, the terms of any agreement or instrument to which the Borough is a party.

5. The Borough has not knowingly violated any local, state or federal law, rule or regulation with respect to its use and operation of the Wastewater System and all permits relating to the operation of the Wastewater System are in full force and effect.

6. There is no known action or litigation pending and none is known to be threatened against or affecting the Borough in any court or before any commission, board or other administrative agency, which would adversely affect in a material way the Wastewater System or the use of the Wastewater System in the manner in which it is now being used, and there are no known laws, ordinances, regulations, or official orders now in effect or pending which would adversely affect in a material way the Wastewater System or the use of the Wastewater System in the manner in which it is now being used.

7. Pursuant to Paragraph 8.13 of the Purchase Agreement, see Schedule 2.1.3 regarding Rates.

8. To the best of the Borough's knowledge, information and belief, there are no toxic or other dangerous conditions of the property, no assessments for public improvements have been made affecting the property, or any part thereof, which remain unpaid, and no notice of any government or any other authority has been served upon the Borough or any one on the Borough's behalf, including notices relating to violations of environmental contamination, building and safety, or fire ordinances which remain uncorrected.

9. The Borough expressly disclaims any implied warranty of merchantability and any implied warranty of fitness for a particular purpose, and the Borough gives only the warranties expressly set forth in the Agreement. The condition of the Wastewater System is substantially the same as existed on the date the Agreement was fully executed.

10. The Borough has taken all action necessary to cause the release, cancellation and discharge of any and all liens and encumbrances so that as of the Closing the assets of the Wastewater System being conveyed are free and clear of any and all such liens and encumbrances.

Sincerely,

Schedule 8.10

Permits Issued

See Attached



Pennsylvania Department of Environmental Protection

RECEIVED JUL 29 2009

400 Waterfront Drive
Pittsburgh, PA 15222-4745
July 24, 2009

Southwest Regional Office

412-442-4000
Fax 412-442-5885

Mr. Michael Edmond
Koppel Borough
Arthur Street and Third Avenue
P. O. Box 1
Koppel, PA 16136-0613

Re: Sewage
NPDES Permit No. PA0023434
Koppel Borough
Beaver County

Dear Mr. Edmond:

A mistake was made in your NPDES permit. Condition No. 7 in Part C of the permit is not accurate. Please remove Page 14 of your permit, discard it, and replace it with the attached Page 14.

I apologize for any inconvenience you have experienced because of my error. If you have any questions, please contact me at 412-442-4031.

Sincerely,

James M. Vanek, P.E.
Environmental Engineer
Water Management

Enclosure (1)

cc: Jim Culler, P.E. – Michael Baker, Jr., Inc. ✓

OTHER REQUIREMENTS

1. In accordance with Part A.3.b of this permit, the permittee shall submit a copy of the Discharge Monitoring Reports to each of the following:

Department of Environmental Protection
Water Management
400 Waterfront Drive
Pittsburgh, PA 15222-4745

Attn: Water Quality Specialist
Department of Environmental Protection
Beaver Falls District Office
206 Municipal Building
8th Avenue and 15th Street
Beaver Falls, PA 15010

2. In accordance with Part B.1.c of this permit, the permittee shall submit a copy of the attached Supplemental Sewage Sludge Report to accompany each copy of the monthly Discharge Monitoring Reports to the addresses as specified above. This form must be submitted even if sewage sludge is not hauled in a given month, in this event enter "no sludge hauled."
3. Effluent limitations, monitoring requirements, and other standard and special conditions which relate to the discharge of pollutants authorized by this permit and which are contained in Water Quality Management Permit(s)

No. 0474418 issued on November 4, 1974

or any subsequent amendments or transfers are superseded by the terms and conditions of this permit, unless specifically noted otherwise herein.

4. Collected screenings, slurries, sludges and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 271, 273, 275, 283, and 285 (related to permits and requirements for landfilling, land application, incineration and storage of sewage sludge) Federal Regulations 40 CFR 257, and the Federal Clean Water Act and its amendments.
5. All discharges of floating materials, oil, grease, scum and substances which produce tastes, color, odors, turbidity or settle to form deposits shall be controlled at levels which will not be inimical or harmful to the water uses to be protected or to human, animal, plant or aquatic life.

6. In no case shall the arithmetic means of the effluent values of the biochemical oxygen demand (BOD-5 Day) and suspended solids discharged during a period of 30 consecutive days exceed 15 percent of respective arithmetic means of the influent values for those parameters during the same time period except as specifically authorized by the Department.
7. The effluent limitations for Outfall 001 in Part A, Page 2 of 14, of the permit were determined using an effluent discharge rate of 0.24 million gallons per day (mgd). This design flow rate of 0.24 mgd will be used to determine available capacity for growth. The available capacity of growth will be calculated by subtracting the average annual flow from the design flow, based on a calendar year. This permit also approves a wet weather flow rate of 0.9 mgd. The wet weather flow rate will be used to determine if a "hydraulic overload" situation exists as defined by 25 Pa. Code Chapter 94.
8. Total Residual Chlorine (TRC) Minimization

The permittee will ensure that applied chlorine dosages, used for disinfection or other purposes, are optimized to the degree necessary such that the total residual chlorine in the discharge does not cause an adverse stream impact. In doing so, the permittee shall consider relevant factors affecting chlorine dosage, such as wastewater characteristics, mixing and contact times, desired result of chlorination, and expected impact on the receiving water body.

To reduce or eliminate the amount of chlorine discharged into water bodies, the permittee must: (1) improve/adjust process controls and (2) improve operation/maintenance practices.

If the Department determines or receives documented evidence levels of TRC in the permittee's effluent are causing adverse impacts in the receiving water, the permittee shall institute necessary additional steps to reduce or eliminate such impact.

Important Reminders: Certified Mail may ONLY be combined with First-Class Mail or Priority Mail. A record of delivery kept by the Post Office.



Pennsylvania Department of Environmental Protection

400 Waterfront Drive
Pittsburgh, PA 15222-4745

DEC 10 2008

Southwest Regional Office

412-442-4000
Fax 412-442-4328

CERTIFIED MAIL NO. 7003 2260 0000 3140 5119

Michael Edmond
Koppel Borough
Arthur Street and Third Avenue
PO Box 1
Koppel, PA 16136-0613

Re: Sewage
Koppel Borough Wastewater Treatment Facility
NPDES Permit No. PA0023434
APS I.D. No. 635130
Koppel Borough
Beaver County

Dear Mr. Edmond:

Your permit is enclosed. Review it carefully, with special attention to the effluent limitations, monitoring requirements, and other requirements in Part C of the permit.

The discharge limitations and monitoring requirements in your NPDES permit are also typed on the original Discharge Monitoring Report (DMR) that is attached to the permit. That original DMR is provided as a master, so do not write on it but rather: (1) make copies of it; (2) after doing the sample analyses and flow measurements required by the permit, fill out all the empty blocks on one of the copies by following the instructions on the back of the original DMR; and (3) make copies of the filled out copy and send one to each of the addresses listed in Part C of the permit.

A copy of an original "Discharge Monitoring Report - Supplemental Sewage Sludge Report" is enclosed. You should make a supply of copies for future use. Please follow the instructions and submit copies of the completed form (2 sided), as an attachment to the DMR, to each of the addresses listed in Part C of the permit.

Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa. C.S. Chapter 5A, to the Environmental Hearing Board, Second Floor, Rachel Carson State Office Building, 400 Market Street, PO Box 8457, Harrisburg, PA 17105-8457, 717-787-3483. TDD users may contact the Board through the Pennsylvania Relay Service, 800-654-5984. Appeals must be filed with the Environmental Hearing Board within 30 days of receipt of written notice of this action unless the appropriate statute provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in braille or on audiotape from the Secretary to the Board at 717-787-3483. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

Michael Edmond

-2-

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST REACH THE BOARD WITHIN 30 DAYS. YOU DO NOT NEED A LAWYER TO FILE AN APPEAL WITH THE BOARD.

IMPORTANT LEGAL RIGHTS ARE AT STAKE, HOWEVER, SO YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE PRO BONO REPRESENTATION. CALL THE SECRETARY TO THE BOARD (717-787-3483) FOR MORE INFORMATION.

If you have any questions, please call me at 412-442-4031.

Sincerely,




James M. Vanek, P.E.
Environmental Engineer
Water Management

Enclosures

cc: Mr. James A. Culler, P.E. – Michael Baker Jr., Inc.

bcc: Operations Section

c 
J. Vanek

JMV:dk

DISCHARGE MONITORING REPORT (DMR)

NAME: Koppes Borough
 ADDRESS: Arthur Street and Third Avenue
 PO Box 1
 Koppel, PA 16136-0613
 FACILITY: Koppel Borough WWTF
 LOCATION: Koppel Borough, Beaver County

(2-16) PA0023434 (17-19) 001
 PERMIT NUMBER DISCHARGE NUMBER
 MONITORING PERIOD
 FROM YEAR MO DAY TO YEAR MO DAY
 (20-21) (22-23) (24-25) (26-27) (28-29) (30-31)

NOTE: Read instructions before completing this form

Parameter (32-37)	(3 Card Only) (46-55) QUANTITY OR LOADING (54-61)			(4 Card Only) (38-45) QUANTITY OR CONCENTRATION (46-53) (54-61)			NO. EX (62-63)	FREQUENCY OF ANALYSIS (64-68)	SAMPLE TYPE (69-70)
	AVERAGE	MAXIMUM	UNITS	MINIMUM	AVERAGE	MAXIMUM			
Flow	Sample Measurement		MGD	*		*			CONTINUOUS RECORDED
CBOD-5 Day	Sample Measurement		LB/DY	*			M/G/L		CONTINUOUS RECORDED
Suspended Solids Fecal Coliform	Sample Measurement		LB/DY	*			M/G/L		CONTINUOUS RECORDED
May 1 to Sep 30 Oct 1 to Apr 30	Sample Measurement		*	*			#/100ML		CONTINUOUS RECORDED
pH	Sample Measurement		*	*			S.U.		CONTINUOUS RECORDED
Total Residual Chlorine	Sample Measurement		*	*			M/G/L		CONTINUOUS RECORDED
	Sample Measurement		*	*			*		CONTINUOUS RECORDED

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER: _____ TELEPHONE: _____ DATE: _____

TYPE OR PRINT: _____ AREA CODE: _____ NUMBER: _____

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all attachments here):
 I CERTIFY UNDER PENALTY OF LAW THAT I HAVE PERSONALLY EXAMINED AND AM FAMILIAR WITH THE INFORMATION SUBMITTED HEREIN AND BASED ON MY INQUIRY OF THOSE INDIVIDUALS IMMEDIATELY RESPONSIBLE FOR OBTAINING THE INFORMATION, I BELIEVE THE SUBMITTED INFORMATION IS TRUE, ACCURATE AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION, INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT SEE 18 U.S.C. §1001 AND 33 U.S.C. §1319. (Penalties under these statutes may include fines up to \$10,000 and or maximum imprisonment of between 6 months and 5 years)

SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT: _____

GENERAL INSTRUCTIONS

1. If form has been partially completed by preprinting, disregard instructions directed at entry of that information already preprinted.
2. Enter "PERMITTEE NAME/MAILING ADDRESS (and facility name/location, if different)," "PERMIT NUMBER," and "DISCHARGE NUMBER" where indicated. (A separate form is required for each discharge.)
3. Enter dates beginning and ending "MONITORING PERIOD" covered by form where indicated.
4. Enter each "PARAMETER" as specified in monitoring requirements of permit.
5. Enter "SAMPLE MEASUREMENT" data for each parameter under "QUANTITY" and "QUALITY" in units specified in permit. "AVERAGE" is normally arithmetic average (geometric average for bacterial parameters) of all sample measurements for each parameter obtained during "MONITORING PERIOD." "MAXIMUM" and "MINIMUM" are normally extreme high and low measurements obtained during "MONITORING PERIOD." (NOTE to municipals with secondary treatment requirements, enter 30-day average of sample measurements under "AVERAGE" and enter maximum 7-day average of sample measurements obtained during monitoring period under "MAXIMUM.")
6. Enter "PERMIT REQUIREMENT" for each parameter under "QUANTITY" and "QUALITY" as specified in permit.
7. Under "NO. EX" enter number of sample measurements during monitoring period that exceeded maximum (and/or minimum or 7-day average as appropriate) permit requirement for each parameter. If none, enter "0."
8. Enter "FREQUENCY OF ANALYSIS" both as "SAMPLE MEASUREMENT" (actual frequency of sampling and analysis used during monitoring period) and as "PERMIT REQUIREMENT" specified in permit (e.g., Enter "CONT." for continuous monitoring, "1/7" for one day per week, "1/30" for one day per month, "1/90" for one day per quarter, etc.)
9. Enter "SAMPLE TYPE" both as "SAMPLE MEASUREMENT" (actual sample type used during monitoring period) and as "PERMIT REQUIREMENT." (e.g., Enter "GRAB" for individual sample, "24HC" for 24-hour composite, "N/A" for continuous monitoring, etc.)
10. WHERE VIOLATIONS OF PERMIT REQUIREMENTS ARE REPORTED, ATTACH A BRIEF EXPLANATION TO DESCRIBE CAUSE AND CORRECTIVE ACTIONS TAKEN. REFERENCE EACH VIOLATION BY DATE.
11. If "no discharge" occurs during monitoring period, enter "NO DISCHARGE" across form in place of data entry.
12. Enter "NAME/TITLE OF PRINCIPAL EXECUTIVE OFFICER" with "SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT," "TELEPHONE NUMBER" and "DATE" at bottom of form.
13. Mail signed Report to Office(s) by date(s) specified in permit. Retain copy for your records.
14. More detailed instructions for use of this DISCHARGE MONITORING REPORT (DMR) form may be obtained from Office(s) specified in permit.

LEGAL NOTICE

This report is required by law (33 U.S.C. 1318; 40 C.F.R. 122.22). Failure to report or failure to report truthfully can result in civil penalties not to exceed \$10,000 per day of violation; or in criminal penalties not to exceed \$25,000 per day of violation, or by imprisonment of not more than one year, or by both.



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Electronic Discharge Monitoring Report (eDMR) System

Overview

As part of DEP's Electronic Government initiative, DEP is offering a new method for wastewater facilities to submit the monthly Discharge Monitoring Reports (DMRs) and all supplemental forms as required by National Pollutant Discharge Elimination System (NPDES) permits and some Water Quality Management permits - permittees can now utilize DEP's electronic DMR (eDMR) system. Upon registration, permittees use an eDMR template generated specifically for their permit to enter parameter values for submission to DEP. The secure Web site is accessed with a User Identification Number and Password. When permittees utilize eDMR, they no longer need to submit paper DMRs to DEP and EPA. All supplemental forms can be uploaded into the eDMR system. A user with authorization as a "Certifier" can submit the monthly package to DEP.

Eligible Types of Permit Holders

- Water Quality Management Permit, Industrial Waste and Sewage, Land Application
- NPDES Permit, Industrial Wastewater (Major and Minor)
- NPDES Permit, Industrial Storm Water (Individual Permits)
- NPDES Permit, Sewage, Municipal and Non-Municipal (Major and Minor)
- PAG-03, Stormwater Associated with Industrial Activities
- PAG-05, Discharges from Gasoline Contaminated Ground Water Remediation Systems
- PAG-10, Discharges from Hydrostatic Testing of Tanks and Pipelines

Access

The eDMR system is accessed through DEP's Web site at www.dep.state.pa.us/edmr. Access is restricted by authorized security for the following types of accounts:

Viewer - This role enables the user to view reporting requirements, the status of submitted eDMRs and the submitted data.

Preparer - This role provides the user with all privileges of the Viewer role plus the ability to complete and save the eDMR forms.

Certifier - This role provides the user with all privileges of the Viewer and Preparer roles plus the ability to submit eDMRs using a Personal Identification Number (PIN) as part of a digital signature.

Value and Benefits

- Reduction in paperwork for the facility
- Reduction in manual data entry by DEP
- Allows data uploads from proprietary software applications
- Electronic attachment functionality
- Electronic receipt of all submissions
- Track status and history of online submissions
- Secure, convenient, and easy!

How to Participate

Permittees must first register with DEP. The following documents are needed to register:

- Registration Form (available on eDMR Web site);
- Copies of the first page of the current (effective) permit and effluent limits tables in the permit; and
- eDMR Trading Partner Agreement (available on eDMR Web site).

Submit these documents to:

PA DEP
Bureau of Water Standards and Facility Regulation
Rachel Carson State Office Building
PO Box 8466
Harrisburg, PA 17105-8466

You will receive your account information typically within 30 to 60 days, depending on the number of registration packages being processed.

Training

DEP schedules periodic classroom training for eDMR. Training schedules are posted on the eDMR Web site (see Documents and Training link) and are typically held at DEP regional offices. Participation in the training typically qualifies licensed operators for 3.5 contact hours of continuing education toward recertification. Follow instructions on the Web site to enroll in training. Please note that participation in training is not a prerequisite for registering for the eDMR program. While classroom training is encouraged to ensure proper use, it is not required. An eDMR User's Manual is available on the Web site for guidance.

FOR MORE INFORMATION CONTACT:

PA Department of Environmental Protection
Bureau of Information Technology
Application Help Desk
E-mail: depgreenporthelpdesk@state.pa.us
Phone: (717) 705-3768

For more information, visit www.depweb.state.pa.us, keyword: DMR.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
WATER MANAGEMENT PROGRAM

AUTHORIZATION TO DISCHARGE UNDER THE
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

NPDES PERMIT NO. PA0023434

In compliance with the provisions of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (the "Act") and Pennsylvania's Clean Streams Law, as amended, 35 P.S. Section 691.1 et seq.,

Koppel Borough
Arthur Street and Third Avenue
PO Box 1
Koppel, PA 16136-0613

is authorized to discharge from a facility located at

Koppel Borough Wastewater Treatment Facility
Koppel Borough
Beaver County

to receiving waters named Beaver River

in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts A, B, and C. hereof.

THIS PERMIT SHALL EXPIRE AT MIDNIGHT, DEC 31 2013.

The authority granted by this permit is subject to the following further qualifications:

1. If there is a conflict between the application, its supporting documents and/or amendments and the terms and conditions of this permit, the terms and conditions shall apply.
2. Failure to comply with the terms, conditions, or effluent limitations of this permit is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal.
3. Complete application for renewal of this permit, or notification of intent to cease discharging by the expiration date, must be submitted to the Department at least 180 days prior to the expiration date (unless permission has been granted by the Department for submission at a later date), using the appropriate NPDES permit application form.

In the event that a timely and complete application for renewal has been submitted and the Department is unable, through no fault of the permittee, to reissue the permit before the expiration date, the terms and conditions of this permit, including submission of the Discharge Monitoring Reports, will be automatically continued and will remain fully effective and enforceable pending the grant or denial of the application for permit renewal.

4. This NPDES permit does not constitute authorization to construct or make modifications to wastewater treatment facilities necessary to meet the terms and conditions of this permit.

DATE PERMIT ISSUED

DEC 10 2008

ISSUED BY


Samuel C. Harper

Water Management Program Manager

DATE EFFECTIVE

JAN - 1 2009

PART A

1. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS FOR OUTFALL 001 WHICH RECEIVES WASTE FROM:

the sewage treatment plant
at Latitude 40° 50' 22"

Longitude 80° 18' 56" Stream Code 33953 River Mile Index (RMI) 13.4

- a. The permittee is authorized to discharge during the period from effective date through expiration date.
- b. Based on the production data and/or anticipated wastewater characteristics and flows described in the permit application and its supporting documents and/or amendments, the following effluent limitations and monitoring requirements apply. Total (dissolved plus suspended fraction) is implied for each parameter unless otherwise indicated.

Discharge Parameter	DISCHARGE LIMITATIONS (gross unless otherwise indicated)				MONITORING REQUIREMENTS		
	Mass Units		Concentrations		Measurement Frequency	Sample Type	
	(lbs/day except flow)		(mg/l unless otherwise indicated)				
Average Monthly	Average Weekly	Max. Daily	Average Monthly	Average Weekly	Max. Daily	Instant. Max.	
Flow (mgd)	Monitor and Report						
CBOD-5 Day	50.1	75.1	25	37.5	50	1/week	8-hour composite
Suspended Solids	60.1	90.1	30	45	60	1/week	8-hour composite
Total Residual Chlorine			1.0		3.3	30/month	grab
% Removal (BOD-5 Day & SS)	refer to Part C						
Fecal Coliform Organisms May 1 to Sept 30						1,000/100 ml ⁽¹⁾	1/week grab
Oct 1 to Apr 30						10,000/100 ml	1/week grab
pH	not less than 6.0 nor greater than 9.0 standard units						

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location: at the outfall pipe.

⁽¹⁾ Effective disinfection to control disease producing organisms shall be the production of an effluent which will contain a concentration of fecal coliform organisms not greater than 1,000/100 ml in more than ten percent of the samples.

2. DEFINITIONS

- a. "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility.
- b. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.
- c. "Daily discharge" means the "discharge of a pollutant" measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the "daily discharge" is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the "daily discharge" is calculated as the average measurement of the pollutant over the day.
- d. "Average" refers to the use of an arithmetic mean, unless otherwise specified in this permit.
- e. "Geometric average (mean)" means the average of a set of n sample results given by the n^{th} root of their product.
- f. "Average monthly discharge limitation" means the highest allowable average of "daily discharge" over a calendar month, calculated as the sum of all "daily discharge" measured during a calendar month divided by the number of "daily discharge" measured during that month.
- g. "Average weekly discharge limitation" means the highest allowable average of "daily discharge" over a calendar week, calculated as the sum of all "daily discharge" measured during a calendar week divided by the number of "daily discharge" measured during that week.
- h. "Maximum daily discharge limitation" means the highest allowable "daily discharge."
- i. "Maximum any time" (or instantaneous maximum) means the concentration not to be exceeded at any time in any grab sample.
- j. "Composite sample" (for all except GC/MS volatile organic analysis) means a combination of at least 8 individual samples of at least 100 milliliters collected manually or automatically at periodic intervals during the operating hours of a facility over a 24 hour period. The composite must be flow-proportional; either the volume of each individual sample is proportional to discharge flow rates, or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite.

"Composite sample for GC/MS volatile organic analysis" consists of at least four (rather than eight) aliquots or grab samples collected during actual hours of discharge over a 24 hour period and need not be flow proportioned. The four samples are composited in the laboratory immediately before analysis, and only one analysis performed.

The maximum time period between individual samples used for any "composite sample" shall not exceed two hours, except that for wastes of a uniform nature the samples may be collected on a frequency of at least twice per working shift and shall be equally spaced over a 24-hour period (or over the operating day if flows are of a shorter duration).

- k. "Grab sample" means an individual sample of at least 100 milliliters collected at a randomly-selected time over a period not to exceed 15 minutes.
- l. "i-s" means immersion stabilization - in which a calibrated device is immersed in the wastewater until the reading is stabilized.
- m. "Daily average temperature" means the average of all temperature measurements made, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar day or during the operating day if flows are of a shorter duration.
- n. "Measured flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.
- o. "At outfall XXX" means a sampling location in outfall line XXX below the last point at which wastes are added to outfall line XXX, or where otherwise specified.
- p. "Estimated flow" means any method of liquid volume measurement based on a technical evaluation of the sources contributing to the discharge including, but not limited to, pump capabilities, water meters and batch discharge volumes.
- q. "Non-contact cooling water" means water used to reduce temperature which does not come in direct contact with any raw material, intermediate product, waste product (other than heat), or finished product.

Such water may on occasion, as a result of corrosion, cooling system leakage or similar cooling system failures contain small amounts of process chemicals: provided, that all reasonable measures have been taken to prevent, reduce, eliminate and control to the maximum extent feasible such contamination: and provided further, that all reasonable measures have been taken that will mitigate the effects of such contamination once it has occurred.
- r. "Toxic pollutant" means those pollutants, or combinations of pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will, on the basis of information available to the Administrator of the United States Environmental Protection Agency, cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunctions, including malfunctions in reproduction, or physical deformations in such organisms or their offspring.
- s. "Hazardous substance" means any substance designated under Title 40 Code of Federal Regulations Part 116 (40 CFR 116) pursuant to Section 311 of the Clean Water Act.
- t. "Publicly Owned Treatment Works" or "POTW" means a facility as defined by Section 212 of the Clean Water Act which is owned by a State or Municipality, as defined by Section 502(4) of the Clean Water Act, including any sewers that convey wastewater to such a treatment works, but not including pipes, sewers or other conveyances not connected to a facility providing treatment. The term also means the municipality as defined in Section 502(4) of the Clean Water Act which has jurisdiction over the indirect discharges to and the discharges from such a treatment works.

- u. "Industrial User" means an establishment which discharges or introduces industrial wastes into a Publicly Owned Treatment Works (POTW).
- v. "Total Dissolved Solids" means the total dissolved (filterable) solids as determined by use of the method specified in 40 CFR 136.
- w. "Storm water associated with industrial activity" means the discharge from any conveyance which is used for collecting and conveying storm water and which is directly related to manufacturing, processing, or raw materials storage areas as defined at 40 CFR 122.26(b)(14).
- x. "Storm water" means storm water runoff, snow melt runoff, and surface runoff and drainage.
- y. "Best Management Practices ("BMPs")" means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce the pollution of "Waters of the United States". BMPs also include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.

3. SELF-MONITORING, REPORTING, AND RECORDS KEEPING

a. Representative Sampling

- (1) Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

(2) Records Retention

Except for records of monitoring information required by this permit related to the permittee's sewage sludge use and disposal activities which shall be retained for a period of at least 5 years, all records of monitoring activities and results (including all original strip chart recordings for continuous monitoring instrumentation and calibration and maintenance records), copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained by the permittee for three (3) years from the date of the sample measurement, report, or application. The three year period shall be extended as requested by the Department or the EPA Regional Administrator.

(3) Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

- (i) The exact place, date, and time of sampling or measurements;
- (ii) The person(s) who performed the sampling or measurements;
- (iii) The date(s) the analyses were performed;
- (iv) The person(s) who performed the analyses;

(v) The analytical techniques or methods used; and the associated detection level; and

(vi) The results of such analyses.

(4) Test Procedures

Unless otherwise specified in this permit, the test procedures for the analysis of pollutants shall be those contained in 40 CFR 136 (or in the case of sludge use or disposal, approved under 40 CFR 136 unless otherwise specified in 40 CFR 503), or alternate test procedures approved pursuant to those parts, unless other test procedures have been specified in the permit.

(5) Quality Assurance/Control

In an effort to assure accurate self-monitoring analyses results:

- (a) Permittee or its designated laboratory shall participate in the periodic scheduled quality assurance inspections conducted by the Department and EPA.
- (b) The permittee or its designated laboratory shall develop and implement a program to assure the quality and accurateness of the analyses performed to satisfy the requirements of this permit in accordance with 40 CFR 136, Appendix A

b. Reporting of Monitoring Results

- (1) The permittee shall effectively monitor the operation and efficiency of all wastewater treatment and control facilities, and the quantity and quality of the discharge(s) as specified in this permit.
- (2) Unless instructed otherwise in Part C of this permit, monitoring results obtained each month shall be summarized for that month and reported on a Discharge Monitoring Report (DMR).
- (3) The completed DMR Form shall be signed and certified either by the following applicable person (as defined in 40 CFR 122.22(a)) or by that person's duly authorized representative (as defined in 40 CFR 122.22(b)):
 - For a corporation - by a responsible corporate officer
 - For a Partnership or Sole Proprietorship - by a general partner or the proprietor, respectively
 - For a Municipality, State, Federal or other public agency - by a principle executive officer or ranking elected official.

If signed by other than the above, written notification of delegation of DMR signatory authority must be submitted to the Department. The DMR and any other reports required herein shall be submitted to the appropriate agency at the address listed in Part C of this permit and postmarked no later than the 28th day of the following month.

- (4) If the permittee monitors any pollutant, using analytical methods described in A.3.a(4) above, more frequently than the permit requires, the results of this monitoring shall be incorporated, as appropriate, into the calculations used to report self-monitoring data on the DMR.

c. Reporting Requirements

(1) Planned Changes - The permittee shall give notice to the Department as soon as possible of any planned physical alterations or additions to the permitted facility. Notice is required only when:

- (a) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in 40 CFR 122.29(b); or
- (b) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under 40 CFR 122.42(a)(1).
- (c) The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan;

(2) Anticipated Non-Compliance

The permittee shall give advance notice to the Department of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

(3) Compliance Schedules

Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this permit shall be submitted no later than 14 days following each schedule date.

(4) Twenty-Four Hour Reporting

- (a) The permittee shall report any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within 5 days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.
- (b) The following shall be included as information which must be reported within 24 hours under this paragraph.
 - (i) Any unanticipated bypass which exceeds any effluent limitation in the permit.
 - (ii) Any catastrophic event which causes the discharge to exceed effluent limitations in this permit.
 - (iii) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Department in the permit to be reported within 24 hours.

- (c) The Department may waive the written report on a case-by-case basis for reports under paragraph c (4)(a) of this section if the oral report has been received within 24 hours.

(5) Other Noncompliance

The permittee shall report all instances of noncompliance not reported under paragraphs c (3), (4) of this section, at the time monitoring reports are submitted. The reports shall contain the information listed in paragraph c (4) of this section.

Compliance with reporting requirements under A.3.c. above shall not excuse a person from immediate notification of incidents causing or threatening pollution pursuant to 25 Pa. Code, Chapter 91.33.

- d. Specific Toxic Substance Notification Levels (for Manufacturing, Commercial, Mining, and Silvicultural Dischargers) The permittee shall notify the Department as soon as it knows or has reason to believe the following:

- (1) That any activity has occurred, or will occur, which would result in the discharge of any toxic pollutant which is not limited in the permit, if that discharge on a routine or frequent basis will exceed the highest of the following "notification levels".
 - (a) One hundred micrograms per liter.
 - (b) Two hundred micrograms per liter for acrolein and acrylonitrile.
 - (c) Five hundred micrograms per liter for 2,4-dinitrophenol and 2-methyl-4,6-dinitrophenol.
 - (d) One milligram per liter for antimony.
 - (e) Five (5) times the maximum concentration value reported for that pollutant in the permit application.
 - (f) Any other notification level established by the Department.
- (2) That any activity has occurred or will occur which would result in any discharge, on a non-routine or infrequent basis, of a toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (a) Five hundred micrograms per liter;
 - (b) One milligram per liter for antimony;
 - (c) Ten (10) times the maximum concentration value reported for that pollutant in the permit application;
 - (d) Any other notification level established by the Department.

1. MANAGEMENT REQUIREMENTS

a. Compliance Schedules

- (1) The permittee shall achieve compliance with the terms and conditions of this permit within the time frames specified in Part C of this permit.
- (2) The permittee shall submit reports of compliance or noncompliance with, or progress reports as applicable, any interim and final requirements contained in this permit. Such reports shall be submitted no later than 14 days following the applicable schedule date or compliance deadline.

b. Permit Modification, Termination, or Revocation and Reissuance

- (1) This permit may be modified, terminated, or revoked in whole or in part during its term for cause including, but not limited to, any of the causes specified in 25 Pa. Code, Chapter 92.
- (2) The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated non-compliance, does not stay any permit condition.
- (3) In the absence of a Departmental action to modify or revoke and reissue this permit, the permittee shall comply with effluent standards or prohibitions established under Section 307(a) of the Clean Water Act for toxic pollutants within the time specified in the regulations that establish those standards or prohibitions.

c. Duty to Provide Information

- (1) The permittee shall furnish to the Department, within a reasonable time, any information which the Department may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit.
- (2) The permittee shall furnish to the Department, upon request, copies of records required to be kept by this permit.
- (3) Other Information - Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Department, it shall promptly submit such facts or information to the Department.
- (4) Where the permittee is a POTW, the permittee shall provide adequate notice to the Department of the following:
 - (a) Any new introduction of pollutants into the POTW from an indirect discharger which would be subject to Sections 301 and 306 of the Clean Water Act if it were otherwise discharging those pollutants.
 - (b) Any substantial change in the volume or character of pollutants being introduced into the POTW by an Industrial User which was discharging into the POTW at the time of issuance of this permit.

- (c) Adequate notice shall include information on:
- (i) the quality and quantity of the effluent introduced into the POTW, and
 - (ii) any anticipated impact of the change on the quantity or quality of the effluent to be discharged from the POTW.

The submission of the above information in the POTW's Annual Wasteload Management Report, required under the provisions of 25 Pa. Code Chapter 94, will normally be considered as providing adequate notice to the Department, unless a more stringent time period is required by law, regulation, or permit condition in which case the more stringent submission date shall apply.

- (d) The identity of Industrial Users served by the POTW which are subject to pretreatment standards adopted under Section 307(b) of the Clean Water Act; the POTW shall also specify the total volume of discharge and estimated concentration of each pollutant discharged into the POTW by the Industrial Users.
- (e) The POTW shall require all Industrial Users to comply with the reporting requirements of Sections 204(b), 307, and 308 of the Clean Water Act and any regulations adopted thereunder, and the Clean Streams Law and any regulations adopted thereunder.

d. Facilities Operation

The permittee shall at all times maintain in good working order and properly operate and maintain all facilities and systems which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance includes, but is not limited to effective performance based on designed facility removals, adequate funding, effective management, adequate operator staffing and training, and adequate laboratory controls including appropriate quality assurance procedures. This provision also includes the operation of backup or auxiliary facilities or similar systems which are installed by the permittee, only when necessary to achieve compliance with the terms and conditions of this permit.

The permittee shall develop, install, and maintain Best Management Practices to control or abate the discharge of pollutants when the practices are reasonably necessary to achieve the effluent limitations and standards in this permit or to carry out the purposes and intent of the Clean Water Act, or when required to do so by the Department.

e. Adverse Impact

The permittee shall take all reasonable steps to minimize or prevent any discharge or sludge use or disposal in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment.

f. Bypassing

- (1) Bypassing Not Exceeding Permit Limitations - The permittee may allow a bypass to occur which does not cause effluent limitations to be violated, but only if the bypass is essential for maintenance to assure efficient operation. This type of bypassing is not subject to the reporting and notification requirements of Part A.3.c.

- (2) Other Bypassing - In all other situations bypassing is prohibited unless all of the following conditions are met:
- (a) A bypass is unavoidable to prevent loss of life, personal injury or "severe property damage";
 - (b) There are no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed (in the exercise of reasonable engineering judgment) to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance;
 - (c) The permittee submitted the necessary reports required under Part A.3.c.
- (3) The Department may approve an anticipated bypass, after considering its adverse effects, if the Department determines that it will meet the three conditions (a through c) listed above.

2. PENALTIES AND LIABILITY

a. Violations of Permit Conditions

Any person violating Sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act or any permit condition or limitation implementing such sections in a permit issued under Section 402 of the Act is subject to civil, administrative, and/or criminal penalties as set forth in 40 CFR 122.41(a)(2).

Any person or municipality who violates any provision of this permit, any rule, regulation, or order of the Department, or any condition or limitation of any permit issued pursuant to the Clean Streams Law is subject to criminal and/or civil penalties as set forth in Sections 602, 603 and 605 of the Clean Streams Law.

b. Falsifying Information

Any person who does any of the following:

Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit; or

Knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit (including monitoring reports or reports of compliance or non-compliance);

shall, upon conviction, be punished by a fine and/or imprisonment as set forth in 18 P.S. §4904 and 40 CFR 122.41(j)(5) and (k)(2).

c. Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance pursuant to Section 309 of the Clean Water Act or Sections 602, 603 or 605 of the Clean Streams Law.

Nothing in this permit shall be construed to preclude the institution of any legal action or to relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject to under the Clean Water Act and the Clean Streams Law.

d. Enforcement Proceedings

- (1) It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. OTHER RESPONSIBILITIES

a. Right of Entry

Pursuant to Sections 5(b) and 305 of Pennsylvania's Clean Streams Law and 25 Pa. Code, Chapter 92, the permittee shall allow the head of the Department, the EPA Regional Administrator, and/or their authorized representatives, upon the presentation of credentials and other documents as may be required by law:

- (1) To enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
- (2) To have access to and copy at reasonable times any records that must be kept under the conditions of this permit;
- (3) To inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices or operations regulated or required under this permit;
- (4) To sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act, any substances or parameters at any location.

b. Transfer of Permits

- (1) *Transfers by modification.* Except as provided in paragraph (2) of this section, a permit may be transferred by the permittee to a new owner or operator only if the permit has been modified or revoked and reissued, or a minor modification made to identify the new permittee and incorporate such other requirements as may be necessary under the Clean Water Act.
- (2) *Automatic transfers.* As an alternative to transfers under paragraph (1) of this section, any NPDES permit may be automatically transferred to a new permittee if:
 - (a) The current permittee notifies the Department, at least 30 days in advance, of the proposed transfer date in paragraph (2)(b) of this section;

- (b) The notice includes the appropriate Department transfer form signed by the existing and new permittees containing a specific date for transfer of permit responsibility, coverage, and liability between them; and
- (c) The Department does not notify the existing permittee and the proposed new permittee of its intent to modify or revoke and reissue the permit. A modification under this subparagraph may also be a minor modification. If this notice is not received, the transfer is effective on the date specified in the agreement mentioned in paragraph (2)(b) of this section.

(3) In the event the Department does not approve transfer of the permit, the new owner or controller must submit a new permit application.

c. Property Rights

The issuance of this permit does not convey any property rights of any sort, or any exclusive privilege.

d. Other Laws

The issuance of a permit does not authorize any injury to persons or property or invasion of other private rights, or any infringement of State or local law or regulations.

OTHER REQUIREMENTS

1. In accordance with Part A.3.b of this permit, the permittee shall submit a copy of the Discharge Monitoring Reports to each of the following:

Department of Environmental Protection
Water Management
400 Waterfront Drive
Pittsburgh, PA 15222-4745

Attn: Water Quality Specialist
Department of Environmental Protection
Beaver Falls District Office
206 Municipal Building
8th Avenue and 15th Street
Beaver Falls, PA 15010

2. In accordance with Part B.1.c of this permit, the permittee shall submit a copy of the attached Supplemental Sewage Sludge Report to accompany each copy of the monthly Discharge Monitoring Reports to the addresses as specified above. This form must be submitted even if sewage sludge is not hauled in a given month, in this event enter "no sludge hauled."
3. Effluent limitations, monitoring requirements, and other standard and special conditions which relate to the discharge of pollutants authorized by this permit and which are contained in Water Quality Management Permit(s)

No. 0474418 issued on November 4, 1974

or any subsequent amendments or transfers are superseded by the terms and conditions of this permit, unless specifically noted otherwise herein.

4. Collected screenings, slurries, sludges and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 271, 273, 275, 283, and 285 (related to permits and requirements for landfilling, land application, incineration and storage of sewage sludge) Federal Regulations 40 CFR 257, and the Federal Clean Water Act and its amendments.
5. All discharges of floating materials, oil, grease, scum and substances which produce tastes, color, odors, turbidity or settle to form deposits shall be controlled at levels which will not be inimical or harmful to the water uses to be protected or to human, animal, plant or aquatic life.

6. In no case shall the arithmetic means of the effluent values of the biochemical oxygen demand (BOD-5 Day) and suspended solids discharged during a period of 30 consecutive days exceed 15 percent of respective arithmetic means of the influent values for those parameters during the same time period except as specifically authorized by the Department.
7. The effluent limitations for Outfall 001 were determined using an effluent discharge rate of 0.24 million gallons per day which is the design flow used to determine whether a "hydraulic overload" situation exists, as defined in 25 Pa. Code Chapter 94.
8. Total Residual Chlorine (TRC) Minimization

The permittee will ensure that applied chlorine dosages, used for disinfection or other purposes, are optimized to the degree necessary such that the total residual chlorine in the discharge does not cause an adverse stream impact. In doing so, the permittee shall consider relevant factors affecting chlorine dosage, such as wastewater characteristics, mixing and contact times, desired result of chlorination, and expected impact on the receiving water body.

To reduce or eliminate the amount of chlorine discharged into water bodies, the permittee must: (1) improve/adjust process controls and (2) improve operation/maintenance practices.

If the Department determines or receives documented evidence levels of TRC in the permittee's effluent are causing adverse impacts in the receiving water, the permittee shall institute necessary additional steps to reduce or eliminate such impact.

Pennsylvania-American Water Company, Inc.
Pro Forma Condensed Balance Sheet
December 31, 2011 (Unaudited)
(Dollars in thousands)

	December 31, 2011 (Unaudited)
Property, plant and equipment	
Utility plant - at original cost less accumulated depreciation	\$2,434,021
Utility plant acquisition adjustments, net	\$18,755
Total Non-Utility Plant, net	\$277
Construction Work in Progress	\$65,392
Total property plant and equipment	<u>\$2,518,445</u>
Current assets	
Cash and cash equivalents	\$1,192
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$29,836
Unbilled	\$28,070
Other current assets	\$29,551
Total current assets	<u>\$88,649</u>
Long-term assets	
Regulatory assets	\$174,172
Goodwill	\$40,223
Other	\$133
Total long-term assets	<u>\$214,528</u>
Total assets	\$2,821,622
Capitalization and Liabilities	
	December 31, 2011 (Unaudited)
Capitalization	
Stockholder's equity:	
Common stock	\$21,507
Paid-in capital	\$608,407
Retained earnings	\$336,285
Total stockholder's equity	<u>\$966,199</u>
Long-term debt	\$984,819
Preferred stock without mandatory redemption requirements	\$1,720
Preferred stock with mandatory redemption requirements	\$12,452
Total capitalization	<u>\$1,965,190</u>
Current liabilities	
Notes payable - associated companies	
Short-term debt	\$30,848
Current portion of long-term debt	\$6,492
Other	\$84,382
Total current liabilities	<u>\$121,722</u>
Long-term liabilities	
Deferred income taxes	\$508,404
Other	\$115,728
Total long-term liabilities	<u>\$624,132</u>
Contributions in aid of construction	\$110,578
Total capitalization and liabilities	\$2,821,622

Pennsylvania-American Water Company, Inc.
Pro Forma Condensed Statement of Income
For the 12 months ended December 31, 2011 (Unaudited)
(Dollars in thousands)

	Twelve Months Ended December 31, 2011
Operating revenues	\$515,791
Operating expenses	
Operation and maintenance	\$222,439
Depreciation and amortization	\$68,172
General taxes	\$12,435
	<u>\$303,046</u>
Operating income	\$212,745
Other income (deductions)	
Other income, net	(\$2,569)
Interest expense, net	\$59,269
	<u>\$56,700</u>
Income before income taxes	\$156,045
Provision for income taxes	\$59,524
Net income	\$96,521
Dividends on preferred stock	\$77
Income to common stock	\$96,444

PENNSYLVANIA-AMERICAN WATER COMPANY

I, V. A. Redmond, Secretary of Pennsylvania-American Water Company, a Pennsylvania Corporation, (the "Company") DO HEREBY CERTIFY that below is a true and correct copy of the resolutions duly adopted by the Board of Directors of the Company at a meeting thereof duly convened and held on August 2, 2011 at which meeting a quorum was present and acting throughout, and that such resolutions have not been amended or rescinded and are still in full force and effect:

RESOLVED, that the proper officers of the Company be, and hereby are, authorized and directed to execute and deliver to Koppel Borough an agreement to purchase; and

RESOLVED, that the proper officers of the Company be, and hereby are, authorized and directed to execute and deliver any and all documents, make all filings and do any other thing which they may deem necessary, proper or desirable to effectuate the purposes of the foregoing resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of this Company this 29 day of May, 2012.



V. A. Redmond, Secretary

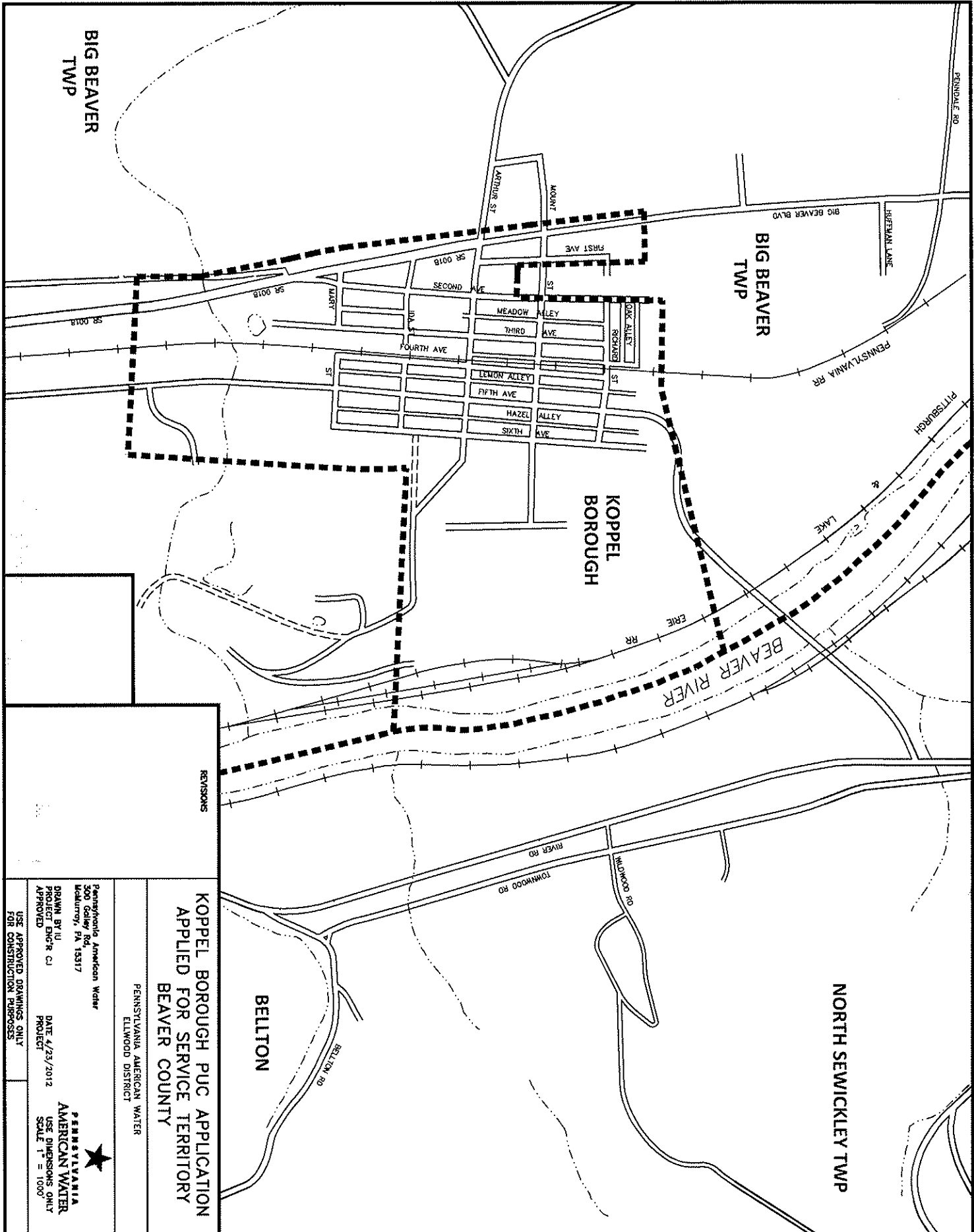
Exhibit I

Koppel Borough's Resolutions

To be filed separately

BOROUGH OF KOPPEL	
SEWER DEPARTMENT - USER CHARGE SYSTEM	
2011 RATE SCHEDULE	
CUSTOMER CLASSIFICATION	Adopted 2011 RATES
Domestic / Commercial	
* Per Month (1st - 4,000 gals.)	\$38.36
* + Per 1,000 gals. overage	\$3.29
* Avg. Qtrly Bill @ 9,000 gals.	\$115.09
* Avg. Qtrly Bill @ 12,000 gals.	\$115.09
* Avg. Qtrly Bill @ 15,000 gals.	\$124.96
* Avg. Qtrly Bill @ 24,000 gals.	\$154.56
Penn State Special Metals - Qtrly Flat Rate	\$3,567.84
Luria Brothers - Min. Monthly (12 Employees)	\$460.41
Koppel Steel Co. - Qtrly Flat Rate	\$21,433.41

BOROUGH OF KOPPEL		
SEWER DEPARTMENT - USER CHARGE SYSTEM		
2012 RATE SCHEDULE		
(NO CHANGE FROM 2011)		
	2011	Adopted
	2012	2012
<u>CUSTOMER CLASSIFICATION</u>	<u>RATES</u>	<u>RATES</u>
Domestic / Commercial		
* Per Month (1st - 4,000 gals.)	\$38.36	\$38.36
* + Per 1,000 gals. overage	\$3.29	\$3.29
* Avg. Qtrly Bill @ 9,000 gals.	\$115.09	\$115.09
* Avg. Qtrly Bill @ 12,000 gals.	\$115.09	\$115.09
* Avg. Qtrly Bill @ 15,000 gals.	\$124.96	\$124.96
* Avg. Qtrly Bill @ 24,000 gals.	\$154.56	\$154.56
Penn State Special Metals - Qtrly Flat Rate	\$3,567.84	\$3,567.84
Luria Brothers - Min. Monthly (12 Employees)	\$460.41	\$460.41
Koppel Steel Co. - Qtrly Flat Rate	\$21,433.41	\$21,433.41



REVISIONS
 KOPPEL BOROUGH PUC APPLICATION
 APPLIED FOR SERVICE TERRITORY
 BEAVER COUNTY
 PENNSYLVANIA, AMERICAN WATER
 ELLWOOD DISTRICT
 Pennsylvania American Water
 300 Galley Rd.
 Haldenbury, PA 15317
 DRAWN BY IU DATE 4/23/2012
 PROJECT ENGR CJ PROJECT APPROVED
 USE APPROVED DIMENSIONS ONLY
 FOR CONSTRUCTION PURPOSES
 PENNSYLVANIA
 AMERICAN WATER
 USE DIMENSIONS ONLY
 SCALE 1" = 1000'

Exhibit L

Pennsylvania-American Water Company
Claysville Wastewater Operations
Koppel Borough Wastewater Operations
(Hereinafter referred to as the "Company")

D/B/A

Pennsylvania American Water

RATES, RULES AND REGULATIONS
GOVERNING THE PROVISION OF WASTEWATER
COLLECTION TREATMENT AND/OR DISPOSAL SERVICE
TO THE PUBLIC IN CLAYSVILLE BOROUGH, DONEGAL
TOWNSHIP, WASHINGTON COUNTY

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Filed in compliance with Commission Order A-2011-XXXX,
Adopted XXXX.

Issued: XXXX

Effective: XXXX

By: Kathy Pape, President
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033

LIST OF CHANGES

Increases/Decreases

This tariff supplement authorizes Pennsylvania-American Water Company to begin to offer wastewater services to the public in Koppel Borough, Beaver County, as previously served by Koppel Borough, in accordance with the Commission Order A-2011-XXXX, entered XXXX.

Page 24 Section K - the reference to Claysville Wastewater Operations has been removed.

(I) Indicates Increase, (D) Indicates Decrease, (C) Indicates Change

Issued: XXXX

Effective: XXXX

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Pennsylvania-American Water Company

TERRITORIES SERVED

Washington County

Claysville Borough and portions of the Township of Donegal.

Beaver County

Koppel Borough.

(C)

Issued: XXXX

Effective:

XXXX

Part I: Rates

Schedule of Rates Applicable to Koppel Borough Wastewater Operations (C)

Metered Rates

Service Charges:

All metered customers shall be subject to a monthly service charge of \$38.36.

Usage Charge For All Bill Classes:

The following rates shall apply per hundred gallons.

The First	4,000 gallons per month	service charge
All Over	4,000 gallons per month	\$0.3290 per hundred

Special Flat Rates

All flat rates will be billed monthly.

Penn State Special Metals	\$1,189.28
Luria Brothers	\$ 460.41
Koppel Steel Co.	\$7,144.47

(b) **Responsibility for Customer Facilities:** The Company shall not be liable for any loss or damage caused by reason of any break, blockage, leak or other defect in a Customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents. The Company shall in no event be responsible for maintenance of, or for damage done by sewage escaping from a blockage of the customer's service lateral or any other pipe or fixture, or from any other cause occurring to any premise or within any house or building.

(c) When the Company incurs costs and the blockage or defect is determined to be on the customer's service lateral, the Company may request reimbursement and the Customer is responsible to reimburse the Company for associated costs.

Section I- Waivers

The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

Section J- Amendment of Commission Regulations

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, this tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

Section K - Industrial and Commercial Service Limitations (C)

1. **Pretreatment:** All industrial and commercial waste proposed for discharge into the sewer system shall be categorized to determine the degree of pretreatment, if any, necessary in order that the waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to properly control any waste discharge into its sewage system by regulating the rate of any waste discharge into its sewer system and/or by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company's system.

Issued: XXXX

Effective:

XXXX

