

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE
Secretary
717-772-7777

March 8, 2000

A-212285 F0071
A-230073 F0002

VELMA A REDMOND
PA-AMERICAN WATER COMPANY
800 HERSHEY PARK DRIVE
PO BOX 888
HERSHEY PA 17033-0888

Dear Ms. Redmond:

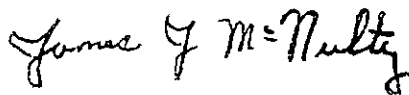
Receipt is acknowledged of the Application of Pennsylvania-American Water Company for approval to transfer and begin water/wastewater services in the area of the City of Coatesville Authority, which has been captioned and docketed to the above numbers.

It will be necessary for you to serve copies of the Application upon the authorities of the Township involved, the Commissioners of the County involved, and their Planning Commissions, if any, and file proof of service with this Commission.

You are directed upon receipt of this letter to publish the enclosed notice for two consecutive weeks in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before April 3, 2000.

This matter will receive the attention of the Commission and you will be advised of any further necessary procedure.

Sincerely,



James J. McNulty
Secretary

DOCUMENT
FOLDER

DOCKETED

MAR 07 2000

JJM:ddt

PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE TO BE PUBLISHED

Application of Pennsylvania-American Water Company (PAWC), for approval of 1) the transfer by sale of substantially all of the City of Coatesville Authority's assets, properties and rights related to its wastewater system to PAWC; 2) the rights of PAWC to begin to offer or furnish wastewater service to the public in all of the City of Coatesville and Parkesburg Borough, Chester County, PA, and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, PA. AND Application of PAWC for approval of 1) the transfer, by sale, of substantially all the water works property and rights of the City of Coatesville Authority water system to PAWC, and 2) the rights of PAWC to begin to offer or furnish water service to the public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania, and portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County, PA, and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, PA.
Docket Numbers: A-212285F0071 (water); A-230073F0002 (sewer)

Notice is hereby given that these Applications may be considered without a hearing. Protests or petitions to intervene can be filed with the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the applicant on or before April 3, 2000, pursuant to Title 52 of the Pennsylvania Code.

Applicant:

Pennsylvania-American Water Company

Through and By Counsel:

Velma A. Redmond
800 West Hershey Park Drive
P.O. Box 888
Hershey, PA 17033-0888

DOCKETED

MAR 07 2000

BY THE COMMISSION

James J. McNulty
James J. McNulty
Secretary

DOCUMENT
FOLDER

RECEIVED
LEGISLATIVE REFERENCE
BUREAU
00 MAR - 8 PM 2:58
PA. CODE & BULLETIN

DATE: March 8, 2000

SUBJECT: A-212285 F0071
A-230073 F0002

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *ddt*

**APPLICATION OF PA-AMERICAN WATER COMPANY FOR
APPROVAL OF THE TRANSFER AND TO BEGIN
WATER/WASTEWATER SERVICES IN THE AREA OF THE
CITY OF COATESVILLE AUTHORITY.**

We attach hereto a copy of the Application of Pennsylvania-American Water Company, which has been captioned and docketed to the above numbers.

Applicant has been instructed to serve copies of the application upon the authorities of the Township involved, the Commissioners of the County involved, and their Planning Commissions, if any, and file proof of service with the Commission.

Applicant has been instructed to publish in a newspaper.

If no protests are received by April 3, 2000, will your Bureau please prepare a report for the attention of the Commission or instruct the Secretary's Bureau to re-assign this matter to the Office of Administrative Law Judge for hearing.

Attachment

cc: Law Bureau

ddt

DOCKETED
MAR 07 2000

**DOCUMENT
FOLDER**

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

PENNSYLVANIA AMERICAN WATER CO
ATTN VELMA A REDMOND
PO BOX 888
HERSHEY PA 17033-0888

DATE 3/ 9/00
RECEIPT # 196773

IN RE: Application fees for PENNSYLVANIA-AMERICAN WATER CO

Docket Number A-230073F0002..... \$350.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 47519
CHECK AMOUNT: \$350.00

C. Joseph Meisinger
(for Department of Revenue)

DOCKETED
MAR 10 2000

DOCUMENT
FOLDER



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888

(717) 533-5000 • FAX: (717) 531-3252

e-mail: vredmond@pawc.com

Velma A. Redmond
Vice President, Corporate Counsel
and Secretary

March 13, 2000

ORIGINAL

James J. McNulty, Secretary
Pennsylvania Public Utility
Commission
North Office Building
PO Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all the water works property and rights of the City of Coatesville Authority water system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County, Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) certain additional regulatory approvals.

Application No. A-212285 F0071
A-230073 F0002

Dear Mr. McNulty:

Enclosed please find a Proof of Service which evidence that a copy of the Application was served upon East Fallowfield Utilities, Inc. on March 9, 2000.

2001/20

Sincerely,

Velma A. Redmond

blg

EEF

Attachment

RECEIVED
SECRETARY'S BUREAU
MAR 14 AM 8:11

Our commitment is crystal clear.™

An E.E.O. Employer M/F/H/V



ORIGINAL

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 the water works property and rights of the City of Coatesville Authority water system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County, Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) certain additional regulatory approvals.

Application No. A-212285 F0071
A-230073 F0002

201121

PROOF OF SERVICE

I hereby certify that I have, this 9th day of March, 2000, served a true and correct copy of the foregoing document upon the following and in the matter indicated below:

By First Class Mail

East Fallowfield Utilities, Inc.
977 Broad Run Road
West Chester, Pennsylvania 19380

DOCUMENT
FOLDER

DOCKETED
MAR 14 2000

RECEIVED
SECRETARY'S OFFICE
MAR 14 2000

VA Redmond
Velma A. Redmond, Esquire
Susan D. Simms, Esquire
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
(717) 533-5000

Dated: March 9, 2000



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888

(717) 533-5000 • FAX: (717) 531-3252

e-mail: velma@pawc.com

00 MAR 21 AM 8:02

Velma A. Redmond
Vice President, Corporate Counsel
and Secretary

March 17, 2000

RECEIVED
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility
Commission
New Filing Section, Room B-18
North Office Building
PO Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

DOCKETED
MAR 21 2000

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals. A-230073F0002

Dear Mr. McNulty:

Enclosed please find a Proof of Service which evidences copies served upon the affected offices as per your letter of March 8, 2000.

Sincerely,

Velma A. Redmond

blg

Attachment



BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

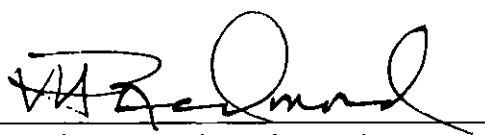
In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the City of Coatesville Authority's assets, properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in all of the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals. A-230073F002

PROOF OF SERVICE

I hereby certify that I am this day serving the above-referenced Application upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §3.61 and §3.62 and 1 Pa. Code §33.36:

Service by first class mail addressed as follows:

Lancaster County Commissioners Lancaster County Courthouse 50 North Duke Street Lancaster, PA 17602	Lancaster County Planning Commission Lancaster County Courthouse 50 North Duke Street Lancaster, PA 17602	Chester County Commissioners Chester County Courthouse 2 North High Street West Chester, PA 19380	Chester County Planning Commission Chester County Courthouse 2 North High Street West Chester, PA 19380
City of Coatesville City Council 114 East Lincoln Highway, P.O. Box 791 Coatesville, PA 19320	City of Coatesville Planning Commission 114 East Lincoln Highway, P.O. Box 791 Coatesville, PA 19320	Parkesburg Borough Board of Supervisors 329 West First Avenue Parkesburg, PA 19365	Parkesburg Borough Planning Commission 329 West First Avenue Parkesburg, PA 19365
Caln Township Board of Supervisors P.O. Box 149 Thorndale, PA 19372	Caln Township Planning Commission P.O. Box 149 Thorndale, PA 19372	East Fallowfield Township Board of Supervisors R. D. 8, Box 440-E Coatesville, PA 19320	East Fallowfield Township Planning Commission R. D. 8, Box 440-E Coatesville, PA 19320
Valley Township Board of Supervisors 1090 West Lincoln Highway Coatesville, PA 19320	Valley Township Planning Commission 1090 West Lincoln Highway Coatesville, PA 19320	West Sadsbury Township Planning Commission R. D. 1 Parkesburg, PA 19372	West Sadsbury Township Board of Supervisors R. D. 1 Parkesburg, PA 19372
Sadsbury Township Planning Commission 17 Quaker Road, R. D. 2 Parkesburg, PA 19365	Sadsbury Township Board of Supervisors 17 Quaker Road, R. D. 2 Parkesburg, PA 19365		

A handwritten signature in black ink, appearing to read "V. A. Redmond", written over a horizontal line.

Velma A. Redmond, Esquire
Susan D. Simms, Esquire
Counsel for
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
(717) 533-5000

Dated: March 17, 2000

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265



IN REPLY PLEASE
REFER TO OUR FILE

March 23, 2000

VELMA A REDMOND ESQUIRE
CORPORATE COUNSEL
PENNSYLVANIA-AMERICAN WATER COMPANY
800 WEST HERSHEY PARK DRIVE
HERSHEY PA 17033

Re: Acquisition of the City of Coatesville Authority (Wastewater)
Docket No. A-230073F0002

DOCUMENT
FOLDER

Dear Ms. Redmond:

In order for us to complete our analysis of Pennsylvania-American Water Company's above mentioned filing, the Water/Wastewater Industry Group requires answers to the enclosed data requests. This information is necessary for completion of our recommendation to the Commission.

An early and expeditious conclusion of your requested rate change is dependent upon full and responsive answers to the enclosed data requests which should be received by this office no later than ten working days from the date of this letter.

Answers to these data requests need not be typed but restate each data request and its corresponding number before answering. Internal and informal worksheets, as long as they are legible, will suffice. It is requested that three copies of the data requests be provided to:

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P O Box 3265
Harrisburg, PA 17105-3265

DOCKETED
MAR 27 2000

Attention: Wm. David Shrader - (717) 783-2505
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

If any problems should arise that prevent a full response within ten working days or any clarification of these data requests is required, please contact the above staff person. Thank you for your cooperation in the foregoing matter.

Sincerely,

A handwritten signature in cursive script that reads "Judith A. Koch Carlson".

Judith A. Koch Carlson, Manager
Water/Wastewater Industry Group
Bureau of Fixed Utility Services

Enclosure

**BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP**

DISCOVERY

PENNSYLVANIA-AMERICAN WATER COMPANY (WASTEWATER)

DOCKET NO. A-230073F0002

March 23, 2000

NOTE: Restate the data request prior to providing a response. Also, provide the name of the person providing the response.

RATE STRUCTURE

A-RS-1 In Exhibit K, Schedule of sewer consumption charges, there is a provision for tapping fees in conjunction with Parkersburg system. You have indicated that the Company will adopt the Authority's rate schedule. Please clarify this charge as you are aware of the Commission's policy with regards to tapping fees.

RATE BASE

A-RB-1 Is Parkersburg experiencing a growth phase?

**DOCUMENT
FOLDER
DOCKETED
MAR 27 2000**



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888

(717) 533-5000 • FAX: (717) 531-3252

e-mail: vredmond@pawc.com

Velma A. Redmond
Vice President, Corporate Counsel
and Secretary

March 23, 2000

James J. McNulty, Secretary
Pennsylvania Public Utility
Commission
New Filing Section, Room B-18
North Office Building
PO Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

303277

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals. A-230073F002

Dear Mr. McNulty:

Enclosed please find a Proof of Service which evidences copies served upon the affected offices as per your letter of March 8, 2000 at their corrected addresses.

RECEIVED
SECRETARY'S BUREAU
MAR 27 AM 9:30

Sincerely,

Velma A. Redmond

blg

Attachment



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 the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals. A-230073F002

303278

PROOF OF SERVICE

I hereby certify that I am this day serving the above-referenced Application upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §3.61 and §3.62 and 1 Pa. Code §33.36:

DOCUMENT
FOLDER

Service by first class mail addressed as follows:

City of Coatesville
City Council
1 City Hall Place
Coatesville, PA 19320

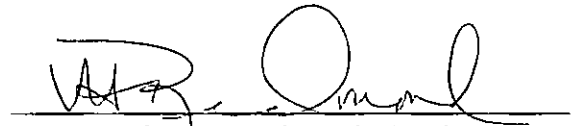
City of Coatesville
Planning Commission
1 City Hall Place
Coatesville, PA 19320

Valley Township
Board of Supervisors
P.O. Box 467
Coatesville, PA 19320

Valley Township
Planning Commission
P.O. Box 467
Coatesville, PA 19320

RECEIVED
SECRETARY BUREAU
00 MAR 27 AM 9:30

DOCKETED
MAR 27 2000



Velma A. Redmond, Esquire
Susan D. Simms, Esquire
Corporate Counsel for
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
(717) 533-5000

Dated: March 23, 2000



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

203029 March 24, 2000

00 MAR 27 AM 8:49

VELMA A REDMOND ESQUIRE
CORPORATE COUNSEL
PENNSYLVANIA-AMERICAN WATER COMPANY
800 WEST HERSHEY PARK DRIVE
HERSHEY PA 17033

RECEIVED
SECRETARY'S BUREAU

DOCUMENT
FOLDER

Re: Acquisition of the City of Coatesville Authority (Water & Wastewater)
Docket Nos. A-212285F0071 & A-230073F0002

Dear Ms. Redmond:

In order for us to complete our analysis of Pennsylvania-American Water Company's above mentioned filings, the Water/Wastewater Industry Group requires answers to the enclosed data requests. This information is necessary for completion of our recommendation to the Commission.

An early and expeditious conclusion of your requested rate change is dependent upon full and responsive answers to the enclosed data requests which should be received by this office no later than ten working days from the date of this letter.

Answers to these data requests need not be typed but restate each data request and its corresponding number before answering. Internal and informal worksheets, as long as they are legible, will suffice. It is requested that three copies of the data requests be provided to:

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P O Box 3265
Harrisburg, PA 17105-3265

DOCKETED
MAR 27 2000

Attention: Wm. David Shrader - (717) 783-2505
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

If any problems should arise that prevent a full response within ten working days or any clarification of these data requests is required, please contact the above staff person. Thank you for your cooperation in the foregoing matter.

Sincerely,

Judith A. Koch Carlson, Manager
Water/Wastewater Industry Group
Bureau of Fixed Utility Services

Enclosure

**BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP**

DISCOVERY

PENNSYLVANIA-AMERICAN WATER COMPANY (WATER & WASTEWATER)

DOCKET NOS. A-212285F0071 & A-230073F0002

March 23, 2000

NOTE: Restate the data request prior to providing a response. Also, provide the name of the person providing the response.

COST OF SERVICE

A-CS-1 With regards to customer lateral dedication, both water and wastewater, how is the Company going to treat these "contributions" in cost of service studies.

RATE STRUCTURE

A-RS-6 Provide a breakdown of the number of customers by class and municipality.

**DOCUMENT
FOLDER**

DOCKETED
MAR 27 2000

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

IN RE: APPLICATION OF
PENNSYLVANIA-AMERICAN WATER
COMPANY FOR APPROVAL OF THE (1) THE
TRANSFER, BY SALE, OF SUBSTANTIALLY
ALL OF THE WASTEWATER SYSTEM
PROPERTY AND RIGHTS OF THE CITY OF
COATESVILLE AUTHORITY WASTEWATER
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
THE CITY OF COATESVILLE...; AND (3)
CERTAIN ADDITIONAL REGULATORY
APPROVALS.

:Application Docket Number:
:A-230073-F0002

Sewer
RECEIVED

APR 03 2000

PROTEST BY ERNEST E. CAMPOS SR. PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Pursuant to 52 Pa. Code §§5.51, et seq., Ernest E. Campos Sr., (referred to as the "Protestant") throughout this Protest hereby files with the Pennsylvania Public Utility Commission this Protest to the above captioned Application by which Pennsylvania-American Water Company (referred to as the "Applicant") throughout this Protest will purchase substantially all of the wastewater assets, rights and other of the City of Coatesville Authority (referred to as "CCA") throughout this Protest.

1. The Protestant is Ernest E. Campos Sr., an adult individual and referred to as the "Protestant" throughout this Protest.
2. The Protestant is a long time residential and commercial property owner in both the City of Coatesville and Valley Township, both municipalities that are affected by this Application and a rate payer of CCA wastewater services.

127

3. The Protestant has been following the proposed sale of CCA with much attention attempting to participate in the public meetings and hearings held in the City of Coatesville relevant to the proposed acquisition.

4. The Protestant is without legal counsel in this matter and is Pro Se.

5. The Protestant believes the approval of this Application is not in the public's best interest.

6. The Protestant believes the Applicant is not legally fit.

A. Paragraph 23. of the Application infers the Applicant proposes to recover existing and future costs from its customer base.

(1) The Protestant believes this is not in the best public interest because the Applicant will not have a contiguous system effectively connected to the CCA system for which CCA customers might benefit. The Protestant agrees that he and CCA customers will benefit if excessive CCA costs are passed on to other users within the Applicant's other service territories but believes it is more likely the reverse will occur.

(2) The Protestant believes that many of the Applicant's customers, mostly in the more rural areas, have difficulty or may not be paying their wastewater service bills. Therefore:

a. The Protestant believes the Applicant should provide information and data to prove that its customers will not cause an adverse and negative impact to CCA customers.

B. Paragraph 23., b. of the application states that "The acquisition will further the Commission's goal of regionalizing".

(1) As previously stated in 6., A.(1) of this Protest, the acquisition would not result in a contiguous system with the Applicant's other systems. The Applicant is bound by Agreement with CCA to retain all employees for a period of one (1) year, and has stated that it will offer comparative jobs within the Applicant's territory. The Protestant believes that the acquisition will result in a stand alone system apart from the Applicant's other

operations and much needed jobs will be lost after the one year period.

Therefore:

- a. The Protestant believes there needs to be further and complete clarity as to how the users of the CCA system will benefit by the inferred economies of scale that the applicant states will result from this acquisition, and
- b. The Protestant believes that there needs to be further clarity as to the future plans for CCA employees.

(2) The Protestant attended several public meetings in Coatesville whereby he attempted to engage the Applicant, CCA representatives and City of Coatesville officials in dialog to ascertain what the management structure of CCA would be after the acquisition. The parties refused to answer the questions. Therefore:

- a. The Protestant believes that the Applicant should be required to disclose what the management structure will be and what negotiations and agreements are in place with current managerial staff.

C. Paragraph 23., e. of the application infers that there is geographic proximity between CCA and the Applicant's service areas.

- (1) As previously stated in paragraph 6., A. (1) and 6., B. (1) of this Protest, this acquisition will result in a stand alone system since the next closest system the Applicant operates is located at least twenty (20) miles away in Norristown, Pennsylvania.
- (2) The Protestant believes there will be minimal or no economy of scale to benefit CCA users and that the Applicant must look elsewhere to recover or offset its costs and will seek to do that with grossly higher rates after the three (3) year freeze or delay or eliminate much needed system improvements in order to try and remain profitable.

(3) The Protestant believes this is more than just a rate case. It speaks directly to the fitness of the Applicant. Therefore:

a. The Applicant should provide further information as to exactly where the economies of scale are that will in turn benefit CCA users by the Applicant's claim of "Geographical proximity".

7. The Protestant is concerned that the Applicant is proceeding with this acquisition in a manner by which they are not legally fit.

A. Paragraph 25. of the application states that "In fulfillment of the contract provision which requires that the City shall not pay public fire hydrant charges, Pennsylvania-American proposes to continue to recover the costs of providing public fire service through customer water rates and not to impose a separate public fire hydrant charge on any municipality within CCA's current service area". Although fire hydrant charges may be related to the water service structure, the Protestant believes that this issue has a direct effect on the wastewater matters as well.

(1) The Protestant believes that this is inconsistent with current public law and contrary to the Applicant's tariff. As the Protestant, the City of Coatesville and its users may benefit from free fire hydrant service now and in the future, the application does not define whether or not Valley Township (or any other municipality) will be guaranteed free fire hydrant service in perpetuity also. Therefore:

a. The Protestant believes that there needs to be clarity as to whether or not all other municipalities in the CCA service area will be granted free fire hydrant service in perpetuity and if so,

b. Would this be consistent with current public law? and,

c. If so granted, would such a decision by this Honorable Commission be so binding on all future Honorable Commissions in perpetuity?

8. The Protestant believes the purchase price is grossly excessive of what the value is. This might seem like a windfall for the City of Coatesville and a potential benefit to the Protestant as a property owner and user of the CCA system in the City of Coatesville, but it is highly questionable that he will realize the same benefit with his interests in Valley Township.

A. The Protestant believes that the engineering study utilized to value the system is erroneous and contains defects. The reliance upon such a defective report is grounds to declare the Applicant unfit to proceed with the application.

(1) Specifically, but not limited to the fact that values for iron pipe instead of terra cotta pipe were used to assess large portions of the CCA system creating an inflated value. Therefore:

- a. There needs to be clarity and justification as to how the Applicant will recover the costs associated with such and overpayment, and
- b. There needs to be clarity as to whether or not the engineering study is accurate, and
- c. If the study is defective, what facts were relied upon to determine what improvements are needed and when?

9. Paragraph 24. states that ...“Pennsylvania-American has agreed to adopt rates in the service territory equal to the current rates of CCA ...”

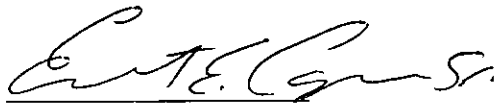
A. The Protestant does not know if all items pertaining to the rate structure will be adopted.

(1) For instance, tapping fees and street openings etc. are a part of the rate structure. Therefore:

- a. There needs to be clarity as to exactly what part of the fee schedule will be adopted and what if any miscellaneous fees will be charged during the three (3) year rate freeze, and
- b. Since there are different agreements within CCA’s service area, what items are applicable to which municipalities?

WHEREFORE, The Protestant believes that there are certain factual allegations in the application that need to be clarified and confirmed. The Protestant believes that this application is an attempt to override the authority of this Honorable Commission and believes there needs to be clarity as to who is in charge of this process. The Protestant requests this Honorable Commission conduct and investigation and then reject this application because it is not in the public interest and the Applicant is not legally fit.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Ernest E. Campos Sr.", written in a cursive style.

Ernest E. Campos Sr., Pro Se

Ernest E. Campos Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320
Phone: 610-383-0800
Fax: 610-383-7931

CERTIFICATE OF SERVICE

IN RE: APPLICATION OF PENNSYLVANIA-AMERICAN WATER COMPANY FOR APPROVAL OF THE (1) THE TRANSFER, BY SALE, OF SUBSTANTIALLY ALL OF THE WASTEWATER SYSTEM PROPERTY AND RIGHTS OF THE CITY OF COATESVILLE AUTHORITY WATER 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 THE CITY OF COATESVILLE...; AND (3) CERTAIN ADDITIONAL REGULATORY APPROVALS. Application Docket Number A-230073-F0002

I hereby certify that I have this day served a true copy of the foregoing document, Protest of Ernest E. Campos Sr., upon the parties of record in this proceeding in accordance with the requirements of 52 PA. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 3rd day of April, 2000.

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Dianne E. Dusman, Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923

William David Shrader
Bureau Of Fixed Utility Services
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

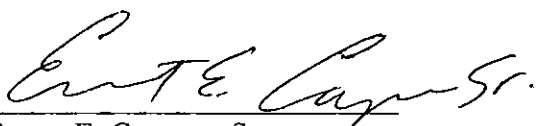
Johnnie E. Simms
Office Of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Velma A. Redmond
Susan Simms
Pennsylvania-American Water Company
800 West Hershey Park Drive
P.O. Box 888
Hershey, PA 17033

Daniel Clearfield
Wolf Block Schorr & Solis-Cohen
Locust Court Building, Suite 300
212 Locust Street
Harrisburg, PA 17101

Bernard A. Ryan, Jr.
Carol F. Pennington
Office Of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Wayne G. Reed, Executive Director
City Of Coatesville Authority
114 East Lincoln Highway
Coatesville, PA 19320


Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320

Phone: 610-383-0800
Fax: 610-383-7931



LAMB, WINDLE & McERLANE, P.C.

24 EAST MARKET STREET, BOX 565, WEST CHESTER, PA 19381-0565

DOCUMENT FOLDER

ORIGINAL

Vincent M. Pompo
Voice 610-430-8000
Fax 610-692-6210
vpompo@chesco.law.com

April 3, 2000

VIA FEDERAL EXPRESS

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room 206, North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Docket No. A-230073F0002 (sewer)

RECEIVED

APR 03 2000

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary:

Kindly enclosed for filing please find the original and four copies of the Protest of Sadsbury Township, Chester County in the above application docket.

Please time stamp the additional copy, and return to me in the enclosed, self-addressed and stamped envelope.

I hereby certify that a copy of the foregoing document has been served on the applicant, Pennsylvania American Water Company as per the enclosed Certificate of Service.

Very truly yours,

LAMB, WINDLE & McERLANE, P.C.

By: 
Vincent M. Pompo

Enclosures
VMP/jn

cc: Board of Supervisors, Sadsbury Township
Wayne G. Reed
Velma A. Redmond, Esquire

124

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re: : Application Docket
: No. A-230073F0002 (sewer)
:
:
APPLICATION OF PENNSYLVANIA-
AMERICAN WATER COMPANY FOR
APPROVAL OF THE TRANSFER, BY SALE,
OF SUBSTANTIALLY ALL THE WATER-
WORKS PROPERTY AND RIGHTS OF THE
COATESVILLE AUTHORITY WATER
SYSTEM TO PENNSYLVANIA-AMERICAN
WATER CO., ETC. :

PROTEST OF SADBURY TOWNSHIP, CHESTER COUNTY

Pursuant to 52 Pa. Code §§ 3.502 and 5.51, Sadsbury Township, Chester County ("Sadsbury") hereby files with the Pennsylvania Public Utility Commission ("Commission") this Protest to the Application captioned above of Pennsylvania-American Water Company ("PAWC") by which PAWC will acquire all of the wastewater system property and rights of the City of Coatesville Authority ("CCA") to furnish wastewater service to the public in the City of Coatesville and certain portions of seven surrounding municipalities in Chester County, including portions of Sadsbury. In support of this Protest, Sadsbury provides the following information:

1. The protestant is:
Sadsbury Township, Chester County
P.O. Box 261
Sadsburyville, PA 19369
610-857-9503

2. Sadsbury's attorney is:
Vincent M. Pompo, Esquire
Lamb, Windle & McErlane, P.C.
24 E. Market Street
P.O. Box 565
West Chester, PA 19381-0565

3. Sadsbury is a township of the second class pursuant to the Second Class Township Code, 53 P.S. §65101 *et seq.*, and is a political subdivision of the Commonwealth.

RECEIVED

APR 03 2000

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

DOCKETED

APR 04 2000

**DOCUMENT
FOLDER**

3. Sadsbury is a township of the second class pursuant to the Second Class Township Code, 53 P.S. §65101 *et seq.*, and is a political subdivision of the Commonwealth.

4. At present the only service provided by CCA within Sadsbury is conveyance and treatment service via the Parkesburg Interceptor. There are no individual CCA service connections within Sadsbury. Consistent with Sadsbury's Act 537 Official Sewage Facilities Plan, all present and future sewer service connections within Sadsbury are to be direct customers of Sadsbury and not CCA. It is believed, and therefore averred, that the Application seeks to confer upon PAWC a franchise area to include all or a portion of Sadsbury.

5. To date, neither CCA nor PAWC has communicated with, involved, or sought the approval, concurrence or comment of Sadsbury, in any of the matters set forth in the Application.

6. In fact, neither CCA nor PAWC served upon, delivered to, or filed with Sadsbury, a true and correct copy of the Application, or served written notice upon Sadsbury of the filing of the Application with the Commission.

7. Sadsbury submits this Protest for the following reasons:

a. Sadsbury has in place a comprehensive land use plan and comprehensive land use and zoning ordinances. Sadsbury is currently working to implement Chester County's *Landscapes* comprehensive planning policies including growth boundaries through funding from the County's Vision Partnership Program. Sadsbury has an interest in this proceeding in assuring consistency between any new PAWC franchise area, and its comprehensive land use planning.

b. Certain agreements and understandings exist between CCA and Sadsbury regarding the provision of sewer service, tapping fees, service extensions, rates and the like within Sadsbury. Sadsbury has an interest in assuring that these agreements and understandings are honored in this transaction.

c. Sadsbury has in place an Act 537 Official Sewage Facilities Plan approved by the Pennsylvania Department of Environmental Protection. The granting of any franchise area to PAWC within Sadsbury to provide sewer service to individual connections or customers would not be consistent with the approved Sadsbury Act 537 Official Sewage Facilities Plan, and therefore unlawful. Sadsbury has an interest in assuring that consistency with its Act 537 Plan is maintained.

d. Such further reasons as may become available following receipt and review of the Application.

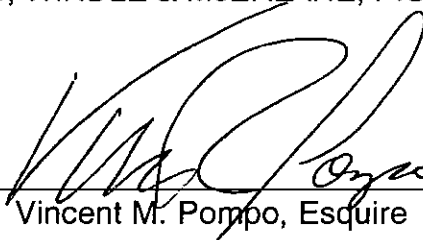
WHEREFORE, Sadsbury Township requests the Pennsylvania Public Utility Commission to (1) order the Applicant PAWC to serve upon Sadsbury a true and correct copy of the Application as filed; (2) afford Sadsbury a reasonable period of time to supplement or amend this protest, following receipt and review of the Application; (3) deny the Applicant insofar as it requests any PAWC franchise area within Sadsbury to serve individual customers; (4) set the matter for hearing on the above stated grounds, as supplemented or amended and (5) take such other action, and to impose

such other conditions on the transfer, as are found to be appropriate under the circumstances.

Respectfully submitted,

LAMB, WINDLE & McERLANE, P.C.

By:



Vincent M. Pompo, Esquire

Dated: April 3, 2000

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re: : Application Docket
: No. A-230073F0002 (sewer)
:
APPLICATION OF PENNSYLVANIA- :
AMERICAN WATER COMPANY FOR :
APPROVAL OF THE TRANSFER, BY SALE, :
OF SUBSTANTIALLY ALL THE WATER- :
WORKS PROPERTY AND RIGHTS OF THE :
COATESVILLE AUTHORITY WATER :
SYSTEM TO PENNSYLVANIA-AMERICAN :
WATER CO., ETC. :

CERTIFICATION OF SERVICE

This is to certify that in this case complete copies of all papers contained in the Protest of Sadsbury Township, Chester County were served upon all counsel and unrepresented parties on April 3, 2000. Specifically, the following persons were served in the following manner:

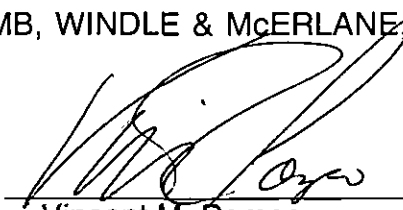
FACSIMILE AND FIRST CLASS MAIL - POSTAGE PREPAID

Velma A. Redmond, Esquire
Pennsylvania-American Water Company
800 West Hershey Park Drive
P.O. Box 888
Hershey, PA 17033-0888

Wayne G. Reed, Executive Director
City of Coatesville Authority
114 E. Lincoln Highway
P.O. Box 791
Coatesville, PA 19320

LAMB, WINDLE & McERLANE P.C.

Date: 4-3-00

By: 

Vincent M. Pompo
Attorneys for Protestant,
Sadsbury Township, Chester County



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888

(717) 533-5000 • FAX: (717) 531-3252

e-mail: vredmond@pawc.com

Velma A. Redmond
Vice President, Corporate Counsel
and Secretary

April 7, 2000

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

00 APR -7 PM 1:51
PA.P.U.C. BUREAU
SECRETARY'S OFFICE

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals. Docket No. A-230073F002

Dear Mr. McNulty:

Enclosed please find an original and three (3) copies of Pennsylvania-American Water Company's request to Amend of the above-captioned Application together with the applicable Exhibits.

Sincerely,

Velma A. Redmond

blg
Enclosure: Certificate of Service

DOCUMENT
FOLDER

40

Our commitment is crystal clear.™

An E.E.O. Employer M/F/H/V



BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals.

Application Docket
No. A-230073F002

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00 APR -7 PM 1:58
PA.P.U.C.
SECRETARY'S BUREAU

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pennsylvania-American Water Company ("Pennsylvania-American" or "Applicant") by its attorneys have filed on February 29, 2000 pursuant to Section 1102(a) of the Public Utility Code (66 Pa.C.S. §1102(a)), an Application for Approval of (1) the transfer, by sale, of substantially all of the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals. Pennsylvania-American now wishes to amend said Application.

In support of this request, the Applicant states as follows:

INDEXED DOCUMENT FOLDER
APR 11 2000

Reason for Amendment

By its Application, Pennsylvania-American seeks permission to offer or furnish wastewater service to the public in the service territory of the City of Coatesville Authority (CCA). Part B of the Application, and in particular Paragraph 30 and Exhibits M and N identify the proposed service territory as including certain portions of East Fallowfield. Subsequent to filing the Application, it has been determined through discussions with CCA and officials of the township, that CCA's service territory encompasses different portions of East Fallowfield Township. Pennsylvania-American wishes to amend the Application to identify those portions of East Fallowfield Township which are within CCA's service territory and, with respect to East Fallowfield Township, to limit the request for authorization to serve to the areas designated in this Amendment and the attached Exhibits.

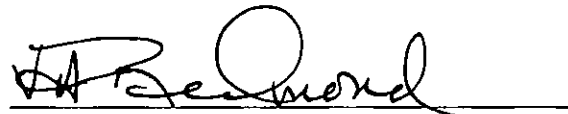
Amendment

Pennsylvania-American hereby amends Part B, more particularly Paragraph 30, Exhibits M and N, of the Application, to the extent that the Application describes the service territory of CCA in East Fallowfield Township, to request the right to offer or furnish wastewater service to the public in portions of East Fallowfield Township, Chester County, as described in the attached Exhibits M-1, N-Amendment 1).

WHEREFORE, the Pennsylvania-American respectfully requests that the Commission issue the necessary certificate of public convenience approving Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "V. A. Redmond", written over a horizontal line.

Velma A. Redmond, Esquire

Susan D. Simms, Esquire

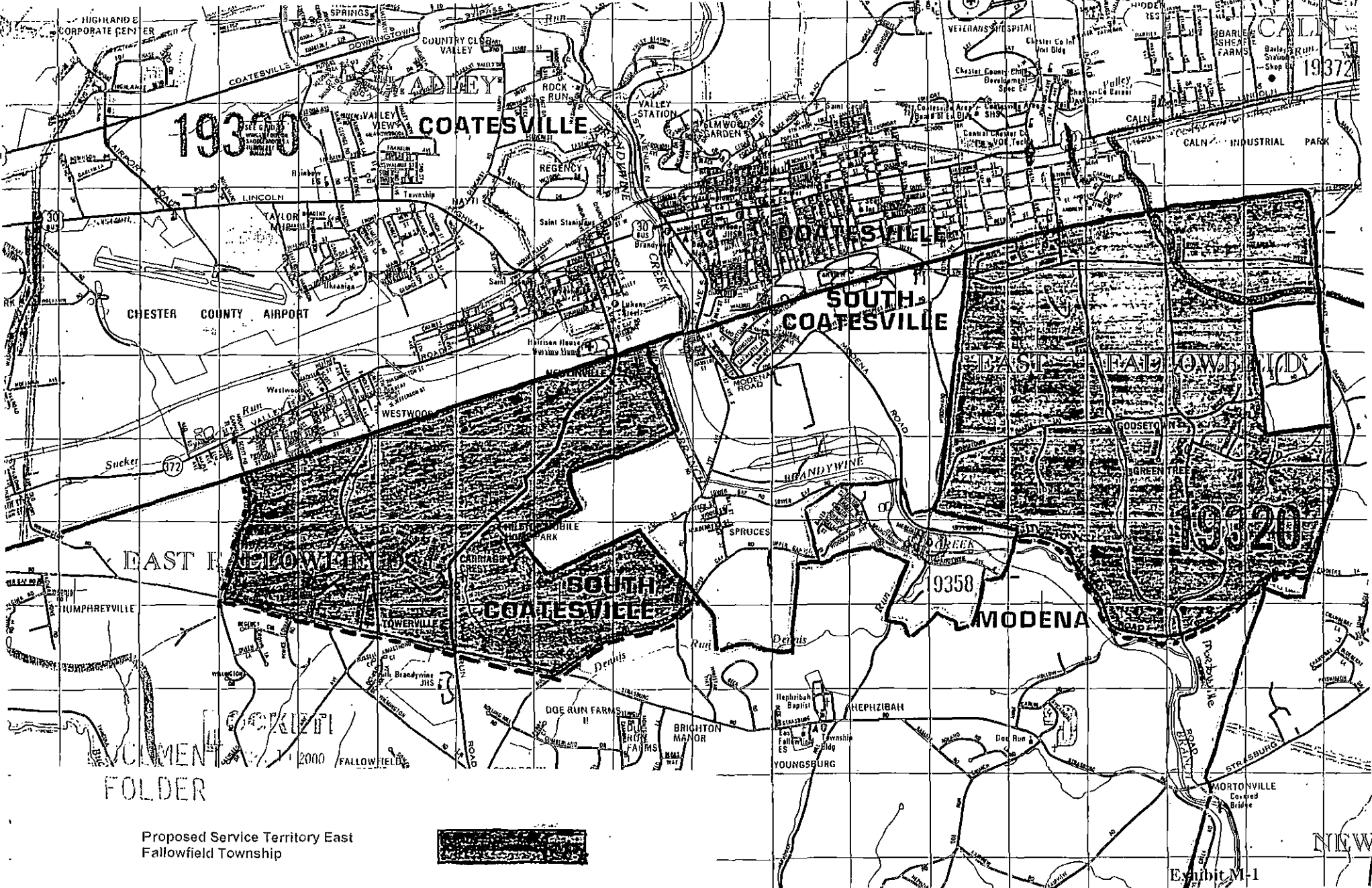
Counsel for

Pennsylvania-American Water Company

800 West Hersheypark Drive

Hershey, PA 17033

Dated: April 7, 2000



Proposed Service Territory East Fallowfield Township

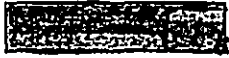


Exhibit M-1

NEW

**DESCRIPTION OF WASTEWATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County, Pennsylvania**

Serving all of the City of Coatesville and the Borough of Parkesburg. Also serving portions of the Townships of Caln, East Fallowfield, Valley, Sadsbury and West Sadsbury as described below.

Caln Township, Chester County, Pennsylvania

Serving portions of Caln Township through the receipt of bulk sewer service from the Caln Township sewage collection system at a meter connection located approximately 175 feet north of the intersection of Caln Road and Lincoln Highway and a meter connection located approximately 150 feet east of the intersection of 11th Avenue and Foundry Street.

Also serving the United States Veterans Administration Hospital located in Caln Township.

East Fallowfield Township, Chester County, Pennsylvania

Serving portions of East Fallowfield Township as follows:

Beginning at a point, said point being thirty five feet west of the intersection of the centerline of the Mount Carmel Road and the common boundary line between East Fallowfield and Valley Townships; thence along the boundary line between East Fallowfield and Valley Townships in a northeasterly direction to a point, said point being the common corner between East Fallowfield Township and South Coatesville Borough and also along the Valley Township boundary line, thence along the boundary between East Fallowfield Township and South Coatesville Borough in a southerly, westerly, southerly, westerly, southeasterly, easterly, southeasterly direction to a point, said point being thirty five feet southeast of the intersection of the centerline of Upper Gap Road and the boundary line between East Fallowfield Township and South Coatesville Borough, thence parallel to the centerline of Upper Gap Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Upper Gap Road, Youngsburg Road and Buck Run Road, thence parallel to the centerline of Buck Run Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Buck Run Road and Strasburg Road, thence parallel to the centerline of Strasburg Road in a northwesterly direction to a point, said point being thirty five feet west of the intersection of the centerline of Strasburg Road and Mount Carmel Road, thence parallel to the centerline of Mount Carmel Road in a northerly direction to the point of beginning.

Beginning at a point, said point being the common corner of West Bradford and East Fallowfield Townships and also being on their boundary line with Caln Township; thence, in a southerly direction along the boundary line between West Bradford and East Fallowfield Townships to a point, said point being on the northern property line of the Fox Knoll development; thence, in a westerly, southerly, and easterly direction along the northern, western, and southern property lines of the Fox Knoll development to a point, said point being the boundary line between West Bradford and East Fallowfield Townships; thence, in a southerly and southwesterly direction along the boundary line between West Bradford and East Fallowfield Townships to a point, said point being the thirty five feet south of the intersection of the centerline of Saw Mill Road and the boundary between West Bradford and East Fallowfield Townships, thence parallel to the centerline of Saw Mill Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Saw Mill Road and Mortonville Road, thence parallel to the centerline of Mortonville Road in a northwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Mortonville Road and the boundary line between East Fallowfield Township and Modena Borough, thence along the boundary between East Fallowfield Township and Modena Borough in a northerly, northwesterly direction to a point, said point being the common corner of East Fallowfield Township and South Coatesville Borough and also along the Modena Borough boundary line, thence along the boundary between East Fallowfield Township and South Coatesville Borough in a northerly direction to a point, said point being the common corner between, East Fallowfield Township, South Coatesville Borough, the City of Coatesville and Caln Township, thence along the boundary between East Fallowfield and Caln Townships in a easterly direction to the point of beginning.

**DESCRIPTION OF WASTEWATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County, Pennsylvania**

Serving all of the City of Coatesville and the Borough of Parkesburg. Also serving portions of the Townships of Caln, East Fallowfield, Valley, Sadsbury and West Sadsbury as described below.

Valley Township, Chester County, Pennsylvania

Serving those portions of Valley Township pursuant to the terms of the January 7, 1992 "Sewage Treatment Agreement" between the City of Coatesville Authority and Valley Township (See Exhibit N-1).

Serving portions of Valley Township through the receipt of bulk sewer service from the Valley Township sewage collection system at three metering points, two metering points are located within the municipal boundary of the City of Coatesville and one metering point is located within Valley Township.

West Sadsbury Township, Chester County, Pennsylvania

Serving portions of West Sadsbury Township as follows:

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between West Sadsbury Township and Parkesburg Borough; thence parallel to the centerline of the Amtrak Railroad tracks in a southwesterly direction to a point, said point being the common boundary between West Sadsbury Township and Atglen Borough; thence in a southerly direction along the boundary line between West Sadsbury Township and Atglen Borough to a point, said point being five hundred feet south of the intersection of the boundary line between West Sadsbury Township and Atglen Borough and the centerline of Lower Valley Road (S.R. 372); thence parallel to the centerline of Lower Valley Road in a northeasterly direction to a point, said point being five hundred feet southwest of the intersection of the centerline of Lower Valley Road and Lenover Road; thence parallel to the centerline of Lenover Road in a southerly direction to a point, said point being the common boundary line between West Sadsbury and Highland Townships; thence in a northeasterly direction along the boundary line between West Sadsbury and Highland Townships to a point, said point being the common corner between West Sadsbury Township and Parkesburg Borough and along the boundary of Highland Township, thence along the boundary between West Sadsbury Township and Parkesburg Borough in a northerly, westerly, northerly, easterly, northerly direction to the point of beginning. between West Sadsbury Township and Parkesburg Borough and along the boundary of Highland Township, thence in a northerly direction along the common boundary between West Sadsbury Township and Parkesburg Borough to the point of beginning.

Those portions of West Sadsbury Township to be developed under the name Sadsbury Commons and as fully described on the attached Metes and Bounds Description. (See Exhibit N-2)

Sadsbury Township, Chester County, Pennsylvania

Serving portions of Sadsbury Township through the receipt of bulk sewer service from the Sadsbury sewage collection system at a point of connection at the intersection of Newport Avenue and Valley Road within Sadsbury Township.

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APR 11 2000

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P.A.U.C.
SECRETARY'S BUREAU

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 the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) certain additional regulatory approvals. A-230073F002

PROOF OF SERVICE

I hereby certify that I am this day serving the above-referenced Application upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §3.61 and §3.62 and 1 Pa. Code §33.36:

Service by first class mail addressed as follows:

Lancaster County Commissioners Lancaster County Courthouse 50 North Duke Street Lancaster, PA 17602	Lancaster County Planning Commission Lancaster County Courthouse 50 North Duke Street Lancaster, PA 17602	Chester County Commissioners Chester County Courthouse 2 North High Street West Chester, PA 19380	Chester County Planning Commission Chester County Courthouse 2 North High Street West Chester, PA 19380
City of Coatesville City Council 1 City Hall Place Coatesville, PA 19320	City of Coatesville Planning Commission 1 City Hall Place Coatesville, PA 19320	Parkesburg Borough Board of Supervisors 329 West First Avenue Parkesburg, PA 19365	Parkesburg Borough Planning Commission 329 West First Avenue Parkesburg, PA 19365
Caln Township Board of Supervisors P.O. Box 149 Thorndale, PA 19372	Caln Township Planning Commission P.O. Box 149 Thorndale, PA 19372	East Fallowfield Township Board of Supervisors 2264 Strasburg Road East Fallowfield, PA 19320	East Fallowfield Township Planning Commission 2264 Strasburg Road East Fallowfield, PA 19320
Valley Township Board of Supervisors 890 W. Lincoln Highway P. O. Box 467 Coatesville, PA 19320	Valley Township Planning Commission 890 W. Lincoln Highway P.O. Box 467 Coatesville, PA 19320	West Sadsbury Township Planning Commission 6400 N. Moscow Road Parkesburg, PA 19365	West Sadsbury Township Board of Supervisors 6400 N. Moscow Road Parkesburg, PA 19365

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FOLDER

DOCKETED
APR 11 2000

Sadsbury Township
Planning Commission
P.O. Box 261
Sadsburyville, PA 19369

Sadsbury Township
Board of Supervisors
P.O. Box 261
Sadsburyville, PA 19369

Office of Trial Staff
Pennsylvania Public Utility
Commission
Pitnick Building
Harrisburg, PA 17105

Bernard A. Ryan, Jr.
Office of Small Business
Advocate
Suite 1102, Commerce
Building
300 North Second Street
Harrisburg, PA 17101

Office of Consumer
Advocate
555 Walnut Street, Fifth
Floor, Forum Place
Harrisburg, PA 17101-
1923

Jan Bowers
Chester County Water
Resources Authority
601 Westtown Road #270
P.O. Box 2747
West Chester, PA 19380



Velma A. Redmond, Esquire
Susan D. Simms, Esquire
Counsel for
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
(717) 533-5000

Dated: April 7, 2000

RECEIVED
00 APR - 7 PM 1:58
PA.P.U.C.
SECRETARY'S BUREAU

April 7, 2000

Subject: Applications of Pennsylvania-American Water Company acquisition of City of Coatesville Authority (water) at Docket No. A-212285F0071 and acquisition of City of Coatesville Authority (wastewater) at Docket No. A-230073F0002

To: James J. McNulty, Secretary
Secretary's Bureau

From: Robert A. Rosenthal, Director
Bureau of Fixed Utility Services

RECEIVED

APR 07 2000

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RAK

The referenced Applications were received on February 29, 2000. Several entities and one individual have filed protests to either one or both Applications.

In light of the aforementioned, please have these Applications re-assigned to the Office of Administrative Law Judge for appropriate adjudication.

DOCUMENT
FOLDER
RAK/WS

*to RE-Assign
4/10/2000
gg*

DOCKETED
APR 11 2000

COMMONWEALTH OF PENNSYLVANIA

DATE: April 10, 2000

SUBJECT: A-230073F0002

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

DOCUMENT
FOLDER

LAF

Application of Pennsylvania-American Water Company for Approval of 1) Transfer By Sale of Substantially All City of Coatesville Authority's Assets, Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company, and 2) Right of Pennsylvania American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in City of Coatesville, Parkesburg Borough, and in Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, West Sadsbury Township, Chester County, Pennsylvania.

DOCKETED
APR 11 2000

Per memo dated April 7, 2000, from Robert A. Rosenthal, Director, Bureau of Fixed Utility Services, the above-docketed proceeding is being re-assigned to your Office for appropriate action.

laf

pc: FUS



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office Of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

April 12, 2000

In Re: **A-230073F0002**

(See attached list)

Application of Pennsylvania-American Water Company

For approval of 1) Transfer by Sale of Substantially All City of Coatesville Authority's Assets, Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company, and 2) Right of Pennsylvania-American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in City of Coatesville, Parkesburg Borough, and in Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, West Sadsbury Township, Chester County, Pennsylvania.

NOTICE

This is to inform you that a initial prehearing conference on the above-captioned case will be held as follows:

Date: **Wednesday, May 17, 2000**

Time: **10:00 a.m.**

Location: **in an available hearing room
Ground Floor
North Office Building
North Street and Commonwealth Avenue
Harrisburg, Pennsylvania**

Presiding: **Administrative Law Judge Debra Paist
P.O. Box 3265
Harrisburg, PA 17105-3265
Telephone: (717) 783-5452
Fax: (717) 787-0481**

EEF

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call Norma Lewis at the Public Utility Commission:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing impaired: 1-800-654-5988.

pc: Judge Paist
Judy Carlson - FUS
Judy Weaver, Scheduling Officer
Consumer Advocate
Beth Plantz
Docket Section
Calendar File

A-230073F0002 Application of Pennsylvania-American Water Company

For approval of 1) Transfer by Sale of Substantially All City of Coatesville Authority's Assets, Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company, and 2) Right of Pennsylvania-American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in City of Coatesville, Parkesburg Borough, and in Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, West Sadsbury Township, Chester County, Pennsylvania.

VELMA A REDMOND ESQUIRE
VP SEC CORP COUNSEL
PENNSYLVANIA-AMERICAN WATER
COMPANY
800 WEST HERSHEY PARK DRIVE
PO BOX 888
HERSHEY PA 17033
(717) 533-5000 Fax (717) 531-3252

WILLIAM DAVID SHRADER
PENNSYLVANIA PUBLIC UTILITY
COMMISSION
BUREAU OF FIXED UTILITY SERVICES
PO BOX 3265
HARRISBURG PA 17105-3265
(717) 783-2505

CAROL F PENNINGTON ESQUIRE
OFFICE OF SMALL BUSINESS ADVOCATE
SUITE 1102 COMMERCE BUILDING
300 NORTH SECOND STREET
HARRISBURG PA 17101
(717) 783-2525 Fax (717) 783-2831

DIANNE E DUSMAN ESQUIRE
OFFICE OF CONSUMER ADVOCATE
5TH FLOOR FORUM PLACE
555 WALNUT STREET
HARRISBURG PA 17101-1923
(717) 783-5048 Fax (717) 783-7161

KEVIN MOODY ESQUIRE
WOLF BLOCK SCHORR & SOLIS-COHEN
212 LOCUST STREET SUITE 300
HARRISBURG PA 17101
(717) 237-7160 Fax (717) 237-7161

JOHNNIE E SIMMS ESQUIRE
PENNSYLVANIA PUBLIC UTILITY
COMMISSION
OFFICE OF TRIAL STAFF
PO BOX 3265
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VINCENT M POMPO ESQUIRE
SOLICITOR OF SADSBUURY TOWNSHIP
24 EAST MARKET STREET
BOX 565
WEST CHESTER PA 19381-0565
(610) 430-8000

ERNEST E CAMPOS SR
803 MERCHANT STREET
PO BOX 495
COATESVILLE PA 19230

JOHN S CARNES JR ESQUIRE
SOLICITOR FOR THE CITY OF COATESVILLE
202 NORTH CHURCH STREET
PO BOX 3449
WEST CHESTER PA 19380-3449
(610) 436-6604

STEPHEN HINES PRESIDENT OF
COUNCIL
FOR CITY OF COATESVILLE
ONE CITY HALL PLACE
COATESVILLE PA 19320
(610) 384-0300

JAMES B NORTON III PRESIDENT OF
COUNCIL
FOR BOROUGH OF PARKESBURG
329 WEST FIRST AVENUE
PARKESBURG PA 19365
(610) 857-2616

ALAN P NOVAK ESQUIRE
SOLICITOR FOR SOUTH COATESVILLE
17 WEST GAY STREET SUITE 100
WEST CHESTER PA 19382
(610) 701-9100

JOHN E GOOD ESQUIRE
SOLICITOR FOR CALN TOWNSHIP
331 WEST MINER STREET
WEST CHESTER PA 19380
(610) 436-6565

KEEN KEEN AND GOOD
SOLICITOR FOR WEST CALN TOWNSHIP
1 BONDSVILLE ROAD
DOWNTOWN PA 19335
(610) 269-5336

JOHN MAHONEY ESQUIRE
SOLICITOR FOR EAST FALLOWFIELD
TOWNSHIP
CRAWFORD WILSON RYAN & AQUILNICK
220 WEST GAY STREET
WEST CHESTER PA 19380
(610) 431-4500

ALAN JARVIS ESQUIRE
SOLICITOR FOR VALLEY TOWNSHIP
744 EAST LINCOLN HIGHWAY
COATESVILLE PA 19320
(610) 384-1151

CRAIG KALEMJIAN ESQUIRE
SOLICITOR FOR ATGLEN BOROUGH
PO BOX 565
WEST CHESTER PA 19380
(610) 692-3322

WILLIAM R KEEN JR ESQUIRE
SOLICITOR FOR WEST SADSBUURY
TOWNSHIP
1 BONDSVILLE ROAD
DOWNTOWN PA 19335
(610) 269-5336

KENELM L SHIRK III ESQUIRE
SOLICITOR FOR BART TOWNSHIP
K L SHIRK LAW OFFICES
115 SOUTH STATE STREET
EPHRATA PA 17522
(717) 733-7997

WILLIAM W CAMPBELL ESQUIRE
SOLICITOR FOR COLERAIN TOWNSHIP
303 WEST 4TH STREET
QUARRYVILLE PA 17566
(717) 786-4044

JANICE L LONGER ESQUIRE
SOLICITOR FOR EDEN TOWNSHIP
86 EAST KING STREET
LANCASTER PA 17605
(717) 295-8300

BLAKINGER BYLER & THOMAS
SOLICITOR FOR SADSBUARY TOWNSHIP
28 PENN SQUARE
LANCASTER PA 17603
(717) 299-1100

JOHN WASHINGTON III PRESIDENT
SOUTH COATESVILLE COUNCIL
15 REMINGTON AVENUE
SOUTH COATESVILLE PA 19320
(610) 384-1700

TERRY FRANCISCUS SUPERVISOR
FOR SADSBUARY TOWNSHIP
PO BOX 27
POMEROY PA 19367
(610) 857-9728

PAUL E PFITZENMEYER CHAIRMAN
FOR WEST CALN TOWNSHIP
149 CREAMERY ROAD
COATESVILLE PA 19320
(610) 384-1485

ILLARIA O STEELE PRESIDENT
FOR CALN TOWNSHIP
PO BOX 149
THORNDALE PA 19372
(610) 384-0600

EARL EMEL CHAIRMAN
FOR EAST FALLOWFIELD TOWNSHIP
130 TIMACULA ROAD
EAST FALLOWFIELD PA 19320
(610) 857-9476

GROVER KOON CHAIRMAN
FOR VALLEY TOWNSHIP
889 GEORGE STREET
VALLEY TOWNSHIP PA 19320
(610) 383-5940

RICHARD F WOOD PRESIDENT
FOR ATGLEN BOROUGH
BOX 115
ATGLEN PA 19310
(610) 593-6854

JAMES LANDIS CHAIRMAN
FOR WEST SADSBUARY TOWNSHIP
3969 UPPER VALLEY ROAD
PARKESBURG PA 19365
(610) 857-5760

COLIN A HANNA CHAIRMAN
FOR CHESTER COUNTY
2 NORTH HIGH STREET SUITE 512
WEST CHESTER PA 19380-3066
(610) 344-6100

ROBERT PATTERSON PRESIDENT
FOR QUARRYVILLE BOROUGH
7 WEST FIFTH STREET
QUARRYVILLE PA 17566
(717) 786-1592

CALVIN D KEENE CHAIRMAN
FOR BART TOWNSHIP
679 BARTSVILLE ROAD
CHRISTIANA PA 17509
(717) 529-2135

CARLTON P GROFF CHAIRMAN
FOR COLERAIN TOWNSHIP
6128 STREET ROAD
KIRKWOOD PA 17536
(717) 529-2249

KAREN HURD CHAIRWOMAN
FOR EDEN TOWNSHIP
972 VALLEY ROAD
QUARRYVILLE PA 17566
(717) 786-8249

N EUGENE LAMMEY CHAIRMAN
FOR SADSBUARY TOWNSHIP
236 CHRISTIANA PIKE
CHRISTIANA PA 17509
(610) 593-2559

PAUL THIBAUT CHAIRMAN
FOR COUNTY OF LANCASTER
COUNTY COMMISSIONERS OFFICE
50 NORTH DUKE STREET
BOX 83480
LANCASTER PA 17608-3480
(717) 299-8300

JOHN S HALSTED ESQUIRE
SOLICITOR FOR CHESTER COUNTY
CHESTER COUNTY COURTHOUSE
2 NORTH HIGH STREET SUITE 7
WEST CHESTER PA 19380-3070
(610) 696-8225

JOHN ESPENSHADE ESQUIRE
SOLICITOR FOR LANCASTER COUNTY
ONE PENN SQUARE
LANCASTER PA 17602
(717-291-1031

ROGER S'REIST ESQUIRE
SOLICITOR FOR QUARRYVILLE
BOROUGH
16 SOUTH HESS STREET
QUARRYVILLE PA 17566-1224
(717) 786-1123



**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

Office Of Administrative Law Judge

IN REPLY PLEASE
REFER TO OUR FILE

DOCUMENT
FOLDER

P.O. Box 3265, Harrisburg, PA 17105-3265
April 20, 2000

In Re: **A-230073F0002**

(See letter dated 04/12/00)

DOCKETED
APR 24 2000

Application of Pennsylvania-American Water Company

For approval of 1) Transfer by Sale of Substantially All City of Coatesville Authority's Assets; Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company, and 2) Right of Pennsylvania-American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in City of Coatesville, Parkesburg Borough, and in Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, West Sadsbury Township, Chester County, Pennsylvania.

NOTICE

This is to inform you that the presiding officer has been changed from Administrative Law Judge Debra Paist to Administrative Law Judge Louis G. Cocheres. **Judge Cocheres will preside over the initial prehearing conference scheduled for Wednesday, May 17, 2000 at 10:00 a.m.** Judge Cocheres can be contacted at PO Box 3265, Harrisburg PA 17105-3265; telephone (717) 783-5452; Fax: (717) 787-0481.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call Norma Lewis at the Public Utility Commission:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing impaired: 1-800-654-5988.

pc: Judge Cocheres
Judge Paist
Judy Carlson - FUS
Judy Weaver, Scheduling Officer
Consumer Advocate
Beth Plantz
Docket Section
Calendar File

EEF

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

ORIGINAL

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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BOSTON
DENVER
HARRISBURG
HARTFORD
HOUSTON
JACKSONVILLE
LOS ANGELES
NEWARK
PITTSBURGH
SALT LAKE CITY
SAN FRANCISCO

200 NORTH THIRD STREET
SUITE 300
P.O. Box 12105
HARRISBURG, PA 17108-2105
(717) 232-8199
FACSIMILE: (717) 232-8720

LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)
PARIS
BRUSSELS
MOSCOW
RIYADH
(AFFILIATED OFFICE)
TASHKENT
BISHKEK
ALMATY
BEIJING

April 20, 2000

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RECEIVED
00 APR 20 PM 4:14
PA. P.U.C.
SECRETARY'S BUREAU

Re: In Re: Application of Pennsylvania-American Water Company for Approval of (1) The Transfer, by Sale of Substantially all the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Cain Township, Chester County, Pennsylvania and Portions of Cain Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals.
Docket No. A-212285-F0071

In Re: Application of Pennsylvania-American Water Company For Approval of (1) The Transfer, by Sale of Substantially All of the City of Coatesville Authority'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 the City of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Cain Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County Pennsylvania; and (3) Certain Additional Regulatory Approvals.
Docket No. A-22373-F002

-230073 F0007

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of a Notice of Appearance on behalf of Pennsylvania-American Water Company.
A Certificate of Service is also enclosed.

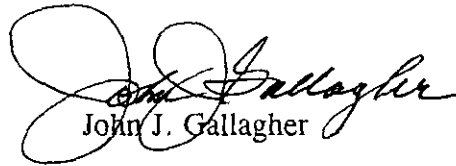
EEF

63

James J. McNulty
April 20, 2000
Page 2

Please do not hesitate to contact me if you have any questions regarding the above.

Sincerely,



John J. Gallagher

Enclosures
cc: All parties on service list

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

In Re: Application of Pennsylvania-American Water Company for Approval of (1) The Transfer, by Sale of Substantially all the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals.

Docket No.
A-212285-F0071

DOCKETED
APR 24 2000

DOCUMENT
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PA.P.U.C. BUREAU
SECRETARY'S

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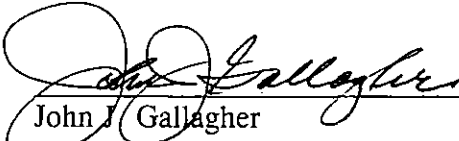
Docket No.
A-~~22373~~-F002
230073 F0002

NOTICE OF APPEARANCE

Please enter my appearance in the above-captioned matter on behalf of
Pennsylvania-American Water Company.

I am authorized to accept service on behalf of said participant in this matter.

On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.



John J. Gallagher

LeBoeuf, Lamb, Greene & MacRae, L.L.P.

200 North Third Street, Suite 300

P.O. Box 12105

Harrisburg, PA 17108-2105

(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: 4/20/00

**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 the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals.

Docket No.
A-212285-F0071

In Re: Application of Pennsylvania-American Water Company For Approval of (1) The Transfer, by Sale of Substantially All of the City of Coatesville Authority'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 the City of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County Pennsylvania; and (3) Certain Additional Regulatory Approvals.

Docket No.
~~A-22373-F002~~
230073 F0002

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 00 APR 20 PM 4:14
 PA P.U.C. BUREAU
 SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of April, 2000, served a true and correct copy of Pennsylvania-American Water Company's Notice of Appearance, upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 and § 5.41(b):

John E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Bernard A. Ryan, Jr.
Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Irwin A. Popowsky, Esq.
Diane E. Dusman, Esq.
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

Wayne G. Reed, Executive Director
City of Coatesville Authority
114 East Lincoln Highway
P.O. Box 791
Coatesville, PA 19320

Robert W. Nael, Executive Director
Chester Water Authority
5th & Welsh Streets
Chester, PA 19016

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320

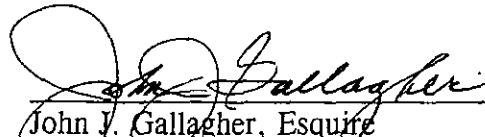
Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(Counsel for Philadelphia Suburban Water Company)

William David Shrader
Bureau of Fixed Utility Services
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Vincent M. Pompo
24 East Market Street
P.O. Box 565
West Chester, PA 19381-0565
(Sadsbury Township)

William H. Fulton AICP
Planning Commission
Government Service Center
Suite 270
601 Westtown Road
P.O. Box 2747
West Chester, PA 19380-0990

Milton Allen
104 Lakeview Drive
Coatesville, PA 19320



John V. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: April 20, 2000

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00 APR 20 PM 4: 14
P.A.P.U.C.
SECRETARY'S BUREAU

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

ORIGINAL

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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200 NORTH THIRD STREET
SUITE 300
P.O. BOX 12105
HARRISBURG, PA 17108-2105
(717) 232-8199
FACSIMILE: (717) 232-8720

LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)

PARIS

BRUSSELS

MOSCOW

RIYADH
(AFFILIATED OFFICE)

TASHKENT

BISHKEK

ALMATY

BEIJING

April 20, 2000

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

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00 APR 20 PM 4:12
PA.P.U.C. BUREAU
SECRETARY'S BUREAU

Re: In Re: Application of Pennsylvania-American Water Company for Approval of (1) The Transfer, by Sale of Substantially all the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals.
Docket No. A-212285-F0071

EEF

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Docket No. A-22373-E002

A-230073 Folder

Dear Secretary McNulty:

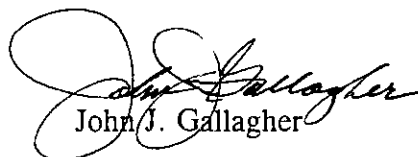
Enclosed please find an original and three (3) copies of a Notice of Appearance on behalf of Pennsylvania-American Water Company.

A Certificate of Service is also enclosed.

James J. McNulty
April 20, 2000
Page 2

Please do not hesitate to contact me if you have any questions regarding the above.

Sincerely,



John J. Gallagher

Enclosures

cc: All parties on service list

ORIGINAL

**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 the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals.

Docket No.
A-212285-F0071

DOCKETED
APR 24 2000

In Re: Application of Pennsylvania-American Water Company For Approval of (1) The Transfer, by Sale of Substantially All of the City of Coatesville Authority'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 the City of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County Pennsylvania; and (3) Certain Additional Regulatory Approvals.

Docket No.
A-22373-F002

A-230073 F0002

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PA.P.U.C.
SECRETARY'S BUREAU

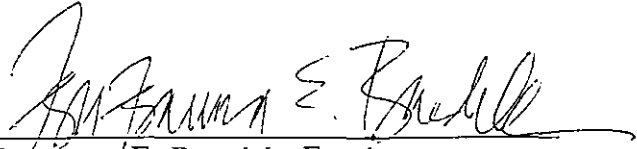
**DOCUMENT
FOLDER**

NOTICE OF APPEARANCE

Please enter my appearance in the above-captioned matter on behalf of
Pennsylvania-American Water Company.

I am authorized to accept service on behalf of said participant in this matter.

On the basis of this notice, I request a copy of each document hereafter issued by
the Commission in this matter.



Zsuzsanna E. Benedek, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: April 20, 2000

**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 the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in the City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township and West Caln Township, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals.

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PA.P.U.C.
SECRETARY'S BUREAU

In Re: Application of Pennsylvania-American Water Company For Approval of (1) The Transfer, by Sale of Substantially All of the City of Coatesville Authority'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 the City of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County Pennsylvania; and (3) Certain Additional Regulatory Approvals.

Docket No.
~~A-22373-F002~~
A-230073 F0002

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of April, 2000, served a true and correct copy of Pennsylvania-American Water Company's Notice of Appearance, upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 and § 5.41(b):

John E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Bernard A. Ryan, Jr.
Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Irwin A. Popowsky, Esq.
Diane E. Dusman, Esq.
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

Wayne G. Reed, Executive Director
City of Coatesville Authority
114 East Lincoln Highway
P.O. Box 791
Coatesville, PA 19320

Robert W. Nael, Executive Director
Chester Water Authority
5th & Welsh Streets
Chester, PA 19016

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320

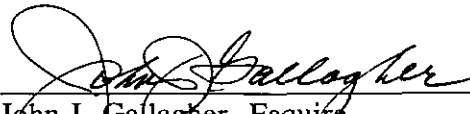
Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(Counsel for Philadelphia Suburban Water Company)

William David Shrader
Bureau of Fixed Utility Services
Pennsylvania Public Utility Commission
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Harrisburg, PA 17105-3265

Vincent M. Pompo
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(Sadsbury Township)

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Planning Commission
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P.O. Box 2747
West Chester, PA 19380-0990

Milton Allen
104 Lakeview Drive
Coatesville, PA 19320



John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: April 20, 2000

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00 APR 20 PM 4:13
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LEBOEUF, LAMB, GREENE & MACRAE L.L.P.

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April 24, 2000

VIA HAND DELIVERY

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Re: In Re: Application of Pennsylvania-American Water Company For Approval of (1) The Transfer, by Sale of Substantially All of the City of Coatesville Authority'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 the City of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County Pennsylvania; and (3) Certain Additional Regulatory Approvals

Docket No. A-22373-F002
A-230073 F002

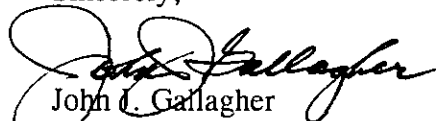
Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of Pennsylvania-American Water Company's Answer to the Protest filed by Sadsbury Township.

A certificate of service is also enclosed.

Please do not hesitate to contact me if you have any questions regarding the above.

Sincerely,


John J. Gallagher

Enclosures

cc: All parties on service list

ORIGINAL

308102

**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 the City of Coatesville Authority'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 the City of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County Pennsylvania; and (3) Certain Additional Regulatory Approvals.

Docket No.
~~A-22373-F002~~

A-230073 F000

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**DOCUMENT
FOLDER**

**Pennsylvania-American Water Company's Answer
to the Protest filed by
Sadsbury Township**

NOW COMES Pennsylvania-American Water Company ("PAWC"), by its attorneys, and hereby files this Answer to the Protest of Sadsbury Township, Chester County, ("Sadsbury"), as follows:

1. Admitted.
2. Admitted.
3. Admitted.

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APR 25 2000

3. [sic] Paragraph 3 on page 2 is a duplicate of Paragraph 3 on page 1.

It is likewise admitted.

4. Admitted in part and denied in part. Sadsbury's Act 537 is a written document that speaks for itself. The contents of that ordinance are a matter of law that require no responsive pleading. It is admitted that the instant Application seeks to confer upon PAWC a certificate of public authority that includes part of Sadsbury Township. By way of further answer, PAWC's Application was only intended to give it the right to continue the current arrangement of providing wastewater services to Sadsbury Township through the Parkesburg interceptor. It is denied that PAWC is seeking authority to provide wastewater service to all of Sadsbury Township.

5. Admitted. By way of further answer, there is no statutory or other requirement that an applicant seek the approval, concurrence or comment of an affected municipality prior to filing an application with the Public Utility Commission ("PUC"). PAWC and the Coatesville City Authority ("CCA"), however, did meet with a Sadsbury official on the day Sadsbury filed its Protest, and also in subsequent meetings attempted to seek their approval and concurrence in the instant Application.

6. Admitted in part, denied in part. In response to the Secretary's Order concerning service, PAWC attempted to serve a copy of its Application upon Sadsbury utilizing the address listed in the official Commonwealth of Pennsylvania Directory. Upon

notification that the address listed in the Commonwealth Directory was incorrect, PAWC hand-delivered a copy of the application to an official of Sadsbury on April 3, 2000.

7. a. Sadsbury's ordinances are written documents that speak for themselves. Their contents are a matter of law that require no responsive pleading. After reasonable investigation, PAWC has no information sufficient to form a belief as to whether or not Sadsbury is "working to implement Chester County's *Landscapes* comprehensive planning policies." Whether or not Sadsbury has an interest in this proceeding is a matter of law that requires no responsive pleading.

b. Denied. Sadsbury's pleading lacks the specificity required for PAWC to identify any "agreements and understandings" existing between CCA and Sadsbury that might be affected by the instant Application. To the extent that Sadsbury has legally enforceable contracts with CCA, a Protest at the PUC is not the appropriate mechanism for assuring compliance with these agreements and understandings. Whether or not Sadsbury has an interest in this proceeding is a matter of law to which no responsive pleading is required.

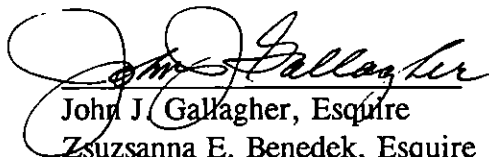
c. Denied. PAWC does not have any information sufficient to form a belief as to the truth of the allegation by Sadsbury concerning a sewage facilities plan. By way of further answer, PAWC asserts that whether or not "the granting of any franchise area to PAWC within Sadsbury to provide sewer service to individual connections or customers would not be consistent with the approved Sadsbury Act 537 Official Sewage Facilities Plan, and therefore unlawful" is a matter of law to which no responsive pleading is required.

Whether or not Sadsbury has an interest in this proceeding is a matter of law to which no responsive pleading is required.

d. Sadsbury was provided with a copy of the Application on April 3, 2000. It has filed no supplement to its Protest. PAWC denies that Sadsbury may raise additional objections to the Application.

WHEREFORE, for the reasons set forth above, Pennsylvania-American Water Company prays that the relief requested by Sadsbury Township be denied and that its Protest be dismissed.

Respectfully submitted,



John J. Gallagher, Esquire
Zsuzsanna E. Benedek, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

**Counsel for Pennsylvania-American Water
Company**

**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 the City of
Coatesville Authority'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 the City of Coatesville,
Parkesburg Borough, Chester County, Pennsylvania
and Portions of Caln Township, East Fallowfield
Township, Valley Township, Sadsbury Township,
and West Sadsbury Township, Chester County
Pennsylvania; and (3) Certain Additional Regulatory
Approvals

Docket No.

~~A-22373-F002~~

A-23 0073 F0002

CERTIFICATE OF SERVICE

I hereby certify that I have this 24th day of April, 2000, served a true and correct copy of Pennsylvania-American Water Company's Answer to the Protest filed by Sadsbury Township, Chester County, upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 and § 5.41(b):

John E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
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Bernard A. Ryan, Jr.
Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
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Chester Water Authority
5th & Welsh Streets
Chester, PA 19016

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
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Senior Assistant Consumer Advocate
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Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

Wayne G. Reed, Executive Director
City of Coatesville Authority
114 East Lincoln Highway
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Coatesville, PA 19320

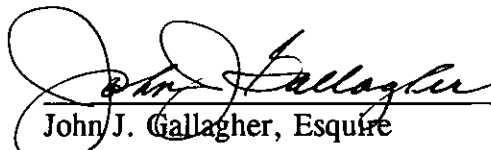
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Harrisburg, PA 17101
(*Counsel for Philadelphia Suburban Water Company*)

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104 Lakeview Drive
Coatesville, PA 19320

William David Shrader
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Vincent M. Pompo
24 East Market Street
P.O. Box 565
West Chester, PA 19381-0565
(*Sadsbury Township*)

William H. Fulton AICP
Planning Commission
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601 Westtown Road
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West Chester, PA 19380-0990


John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: April 24, 2000

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

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200 NORTH THIRD STREET
SUITE 300
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HARRISBURG, PA 17108-2105

(717) 232-8199

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ORIGINAL

April 26, 2000

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RIYADH
(AFFILIATED OFFICE)

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VIA HAND DELIVERY

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RE: In Re: Application of Pennsylvania-American Water Company For Approval of (1) The Transfer, By Sale Of Substantially All of the Wastewater System Property and Rights of The City of Coatesville Authority Wastewater 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 The City Of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) Certain Additional Regulatory Approvals Docket No. A-22373-F0002

A-230073 F0002

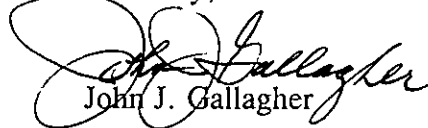
Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of Pennsylvania-American Water Company's Answer to the Protest filed by Ernest E. Campos, Sr.

A certificate of service is also enclosed.

Please do not hesitate to contact me if you have any questions regarding the above.

Sincerely,


John J. Gallagher

Enclosures

cc: All parties on service list

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

In Re: Application of Pennsylvania-American Water
Company For Approval of (1) The Transfer, By Sale
Of Substantially All of the Wastewater System Property
and Rights of The City of Coatesville Authority
Wastewater 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 The City Of Coatesville,
Parkesburg Borough, Chester County, Pennsylvania
and Portions of Caln Township, East Fallowfield
Township, Valley Township, Sadsbury Township, and
West Sadsbury Township, Chester County, Pennsylvania;
and (3) Certain Additional Regulatory Approvals

Docket No.
A-22373-F0002
A-220073F0002

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SECRETARY'S BUREAU

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APR 27 2000

PENNSYLVANIA-AMERICAN WATER COMPANY'S
ANSWER TO THE PROTEST FILED BY
ERNEST E. CAMPOS, SR.

COMES NOW, Pennsylvania-American Water Company ("PAWC"), by and
through its counsel, and submits this Answer to the Protest filed by Ernest E. Campos, Sr.
("Campos"). In support thereof, PAWC submits as follow:

1. ADMITTED.
2. DENIED. PAWC is without information and knowledge to form a belief as to the
statements of paragraph 2 and, accordingly, the same are DENIED.
3. ADMITTED IN PART; DENIED IN PART. It is ADMITTED that Campos "has
been following" the proposed acquisition. By way of further answer, PAWC states that Campos
has participated in public meetings and hearings relevant to this acquisition. PAWC is without
information and knowledge to form a belief as to the remaining statements of paragraph 3 and,
accordingly, the same are DENIED.

4. DENIED. PAWC is without information and knowledge to form a belief as to the remaining statements of paragraph 4 and, accordingly, the same are DENIED.

5. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. By way of further answer, PAWC states that the approval of the Application is in the public interest.

6. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. By way of further answer, PAWC states that the approval of the Application is in the public interest.

A. ADMITTED IN PART; DENIED IN PART. It is ADMITTED that Paragraph 23 of the Application states, in part, that "the acquisition will expand the customer base over which existing and future costs are recovered and thereby, stabilize or reduce per-customer costs." It is DENIED that Paragraph 23 of the Application infers that the Applicant proposes to improperly recover existing and future costs from its customer base.

(1) ADMITTED IN PART; DENIED IN PART. It is ADMITTED that, as of the closing of the acquisition, the CCA System will not be connected to the Applicant's System. It is DENIED that lack of an interconnection precludes benefits to CCA's customers. It is DENIED that Paragraph 23 of the Application infers that the Applicant proposes to improperly recover existing and future costs from its customer base. Additionally, the Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED.

(2) DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED.

a. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. By way of further Answer, it is also DENIED that the approval of the Application will cause an adverse and negative impact to CCA customers.

B. ADMITTED IN PART; DENIED IN PART. It is ADMITTED that Paragraph 23(b) of the Application states, in part, that "The acquisition will further the Commission's goal of regionalization." By way of further answer, PAWC states that the approval of the Application will further the Commission's goal of regionalization. PAWC denies any suggestion or implication that the approval of the Application will not further the Commission's goal of regionalization.

(1) ADMITTED IN PART; DENIED IN PART. It is ADMITTED that, as of the closing of the acquisition, the CCA System will not be connected to the Applicant's System. It is DENIED that lack of an interconnection precludes benefits to CCA's customers. By way of further Answer, PAWC incorporates its Response to paragraph 6A(1) of the Protest.

It is ADMITTED that PAWC, in accordance with Paragraph 3.6(A) the Agreement, has agreed to offer employment to the regular and full-time equivalent employees of CCA. It is also ADMITTED that, in accordance with the Paragraph 3.6(a) Agreement, the minimum term of any such employment shall be twelve (12) months, excluding voluntary terminations and discharges for misconduct. It is DENIED that "much needed jobs will be lost after the one year period."

Additionally, the Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations concerning this "belief" are DENIED.

a. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. By way of further answer, PAWC states that there is clarity as to how the users of the CCA System will benefit from economies of scale.

b. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. By way of further answer, PAWC states that there is clarity as to the future plans for CCA's employees.

(2) ADMITTED IN PART AND DENIED IN PART. It is ADMITTED that Protestant attended several public meetings concerning the acquisition. It is also ADMITTED that Applicant refused to answer some of Protestant's questions (including questions related to future management structures). By way of further answer, Applicant states that it answered other questions and/or addressed other issues raised by the Protestant. It is DENIED that the refusal to answer Protestant's management questions was improper.

- a. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. It is also DENIED that there any uncertainty, impropriety or undisclosed management plans for CCA.
- C. ADMITTED IN PART AND DENIED IN PART. It is ADMITTED that Paragraph 23(e) of the Application states, in part, that "The geographic proximity between CCA's service area and Pennsylvania-American's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings." PAWC denies any suggestion or implication that its existing operations are located too far from CCA's service area to create the opportunities enumerated in Paragraph 23(e) of the Application.
- (1) ADMITTED IN PART; DENIED IN PART. It is ADMITTED that, as of the closing of the acquisition, the CCA System will not be connected to the Applicant's System. By way of further Answer, PAWC incorporates its Response to paragraph 6A(1) and 6B(1) of the Protest. It is also ADMITTED that PAWC's closest system is in Norristown. By way of further answer, PAWC states that is has facilities located within 25 miles of CCA's System.
 - (2) DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. It is also DENIED that (a) there will be "minimal or no" benefits from economies of scale for the users of the CCA System; (b) PAWC will seek "grossly higher rates after the three (3) year freeze or delay."; and, (c) PAWC will seek to "eliminate much need system improvements in order to try and remain profitable." PAWC also incorporates its Response to paragraph 6B(1)a of the Protest.
 - (3) DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. By way of further answer, PAWC submits that it is legally fit.
 - a. DENIED. It is DENIED that the Applicant should submit further information. By way of further answer, PAWC incorporates its Responses to paragraphs 6A(1), 6B(1), 6C(1) and 6C(2) of the Protest.

7. DENIED. The Protestant's "concern" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. By way of further answer, PAWC submits that it is legally fit.

A. ADMITTED IN PART; DENIED IN PART. It is ADMITTED that Paragraph 25 of the Application reads, in part, that "In fulfillment of the contract provision which requires that the City shall not pay public fire hydrant charges, Pennsylvania-American proposes to continue to recover the costs of providing public fire service through customer water rates and not to impose a separate public fire hydrant charge on any municipality within CCA's current service area." PAWC denies the remaining suggestions or implications of this paragraph.

(1) DENIED. The Protestant's "concern" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. It is also DENIED that the Application does not define the rights of the municipalities within CCA's current service area.

a. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED.

b. DENIED. The Protestant's request for relief (or question to the Commission) is essentially a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED.

c. DENIED. The Protestant's request for relief (or question to the Commission) is essentially a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED.

8. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. It is also DENIED that the Application does not define the rights of the municipalities within CCA's current service area. By way of further answer, PAWC incorporates its Responses to paragraphs 7A(1) of the Protest.

A. DENIED. The Protestant's "belief" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this

paragraph are DENIED. It is also DENIED that (a) PAWC relied upon a defective report; and, (b) that reliance on a defective report is grounds to declare the Applicant unfit to proceed with the Application.

- (1) DENIED. PAWC is without information and knowledge to form a belief as to the remaining statements of paragraph 4 and, accordingly, the same are DENIED.
 - a. DENIED. It is denied that there needs to be more clarity and justification as to cost recovery. By way of further answer, PAWC incorporates its Responses to paragraphs 6A(1), 6C(2) and 7A(1) of the Protest.
 - b. DENIED. It is DENIED that there needs to be more clarity as to the accuracy of the cost study.
 - c. DENIED. The Protestant's "question" is a conclusion to which no response is necessary. To the extent any response is necessary, the allegations of this paragraph are DENIED. It is also DENIED that PAWC relied upon the cost study determine capital improvements.

9. ADMITTED IN PART; DENIED IN PART. It is ADMITTED that Paragraph 24 of the Application reads, in part, that "... Pennsylvania-American has agreed to adopt rates in the service territory equal to the current rates of CCA ... " By way of further Answer, PAWC submits that Paragraph 24 of the Application further states that "Pennsylvania-American will apply the rules and regulations regarding conditions of service contained in Pennsylvania-American's tariff in effect on the date of Closing and as amended from time to time." PAWC denies the remaining suggestions or implications of this paragraph.

- A. DENIED. The Protestant's lack of "understanding" is a conclusion to which no response is necessary. To the extent any response is necessary, PAWC is without information and knowledge to form a belief as to the statements of this paragraph and, accordingly, the same are DENIED.

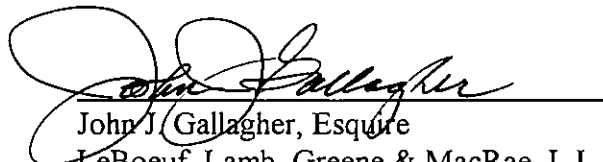
- (1) ADMITTED IN PART AND DENIED IN PART. It is ADMITTED that CCA's tariff contains tapping fees and charges for street openings. It is DENIED that tapping fees and charges for street openings are a part of the "rates for service" to be charged by PAWC.

- a. DENIED. It is DENIED that there is a lack of clarity as to the fees to be adopted by PAWC. By way of further answer, PAWC submits that it will adopt the CCA rates as shown on Exhibit K of the Application for water service.
- b. DENIED. The Protestant's "question" is a conclusion to which no response is necessary. To the extent any response is necessary, it is DENIED that there is a lack of clarity as to the fees to be adopted by PAWC. By way of further answer, PAWC submits that it will adopt the CCA rates as shown on Exhibit K of the Application for water service.

WHEREFORE, PAWC requests that this Honorable Commission undertake the following:

- a. Assign the above-captioned proceeding to the Office of Administrative Law Judge for the preparation of a Recommended Decision without an evidentiary hearing.
- b. Concurrent with the filing of the above-captioned proceeding, PAWC also filed an application relating to CCA's wastewater system, which has been docketed at A-230073-F0002. Accordingly, PAWC requests that the Commission simultaneously address both applications for purposes of final disposition by the Commission. And,
- c. Dismiss the protest of Philadelphia Suburban Water Company for the foregoing reasons.

Respectfully Submitted,



John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199
Fax: (717) 232-8720

Counsel for Pennsylvania-American Water Company

Dated: April 26, 2000

**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 the City of
Coatesville Authority'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 the City of Coatesville,
Parkesburg Borough, Chester County, Pennsylvania
and Portions of Caln Township, East Fallowfield
Township, Valley Township, Sadsbury Township,
and West Sadsbury Township, Chester County
Pennsylvania; and (3) Certain Additional Regulatory
Approvals

Docket No.
A-22373-F0002
A-230073F0002

RECEIVED
00 APR 26 PM 2:42
PA.P.U.C. BUREAU
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this 26th day of April, 2000, served a true and correct copy of Pennsylvania-American Water Company's Answer to the Protest filed by Ernest E. Campos, Sr., upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 and § 5.41(b):

Johnnie E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Bernard A. Ryan, Jr.
Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Robert W. Nael, Executive Director
Chester Water Authority
5th & Welsh Streets
Chester, PA 19016

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320

Irwin A. Popowsky, Esq.
Diane E. Dusman, Esq.
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

Wayne G. Reed, Executive Director
City of Coatesville Authority
114 East Lincoln Highway
P.O. Box 791
Coatesville, PA 19320

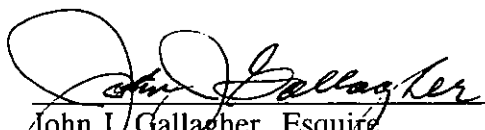
Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101

Milton Allen
104 Lakeview Drive
Coatesville, PA 19320

William David Shrader
Bureau of Fixed Utility Services
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Vincent M. Pompo
24 East Market Street
P.O. Box 565
West Chester, PA 19381-0565

William H. Fulton AICP
Planning Commission
Government Service Center
Suite 270
601 Westtown Road
P.O. Box 2747
West Chester, PA 19380-0990



John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: April 26, 2000

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

NEW YORK
WASHINGTON, D.C.
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HARTFORD
HOUSTON
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SALT LAKE CITY
SAN FRANCISCO

200 NORTH THIRD STREET
SUITE 300
P.O. Box 12105
HARRISBURG, PA 17108-2105
(717) 232-8199
FACSIMILE: (717) 232-8720

LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)
PARIS
BRUSSELS
MOSCOW
RIYADH
(AFFILIATED OFFICE)
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VIA HAND DELIVERY

April 28, 2000

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCKETED
MAY 07 2000

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00 APR 28 PM 2:44
PA.P.U.C.
SECRETARY'S BUREAU

RE: In Re: Application of Pennsylvania-American Water Company For Approval of (1) The Transfer, By Sale Of Substantially All of the Wastewater System Property and Rights of The City of Coatesville Authority Wastewater 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 The City Of Coatesville, Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) Certain Additional Regulatory Approvals Docket No. A-~~22373~~-F0002

230073

Dear Secretary McNulty:

On April 26, 2000 Pennsylvania-American Water Company ("PAWC") filed and Answer to the Protest of Ernest E. Campos, Sr., in the above-referenced matter. It has come to our attention that the "Wherefore clause" of this Answer contains an inadvertent error. Subpart "c" of that clause should read as follows:

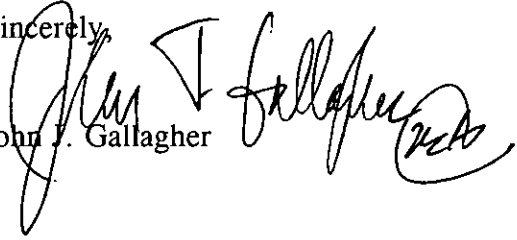
"Dismiss the protest of Ernest E. Campos, Sr. for the foregoing reasons."

James J. McNulty
April 26, 2000
Page 2

We request that the Answer of PAWC be modified accordingly.

Please do not hesitate to contact me if you have any questions regarding the
above.

Sincerely,


John J. Gallagher

Enclosures

cc: All parties on service list

**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 the City of
Coatesville Authority'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 the City of Coatesville,
Parkesburg Borough, Chester County, Pennsylvania
and Portions of Caln Township, East Fallowfield
Township, Valley Township, Sadsbury Township,
and West Sadsbury Township, Chester County
Pennsylvania; and (3) Certain Additional Regulatory
Approvals

Docket No.
A-230073-F00072

RECEIVED
00 APR 28 PM 2:45
PA P.U.C. BUREAU
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this 28th day of April, 2000, served a true and correct copy of the foregoing letter, upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 and § 5.41(b):

John E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Bernard A. Ryan, Jr.
Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Robert W. Nael, Executive Director
Chester Water Authority
5th & Welsh Streets
Chester, PA 19016

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320

Irwin A. Popowsky, Esq.
Diane E. Dusman, Esq.
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

Wayne G. Reed, Executive Director
City of Coatesville Authority
114 East Lincoln Highway
P.O. Box 791
Coatesville, PA 19320

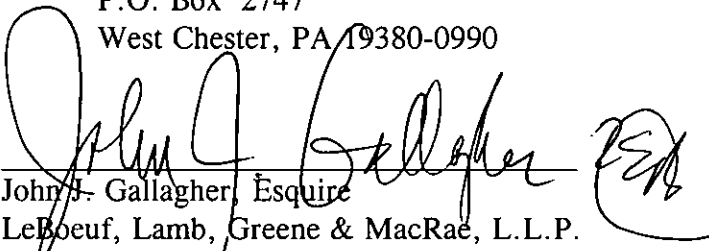
Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101

Milton Allen
104 Lakeview Drive
Coatesville, PA 19320

William David Shrader
Bureau of Fixed Utility Services
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Vincent M. Pompo
24 East Market Street
P.O. Box 565
West Chester, PA 19381-0565

William H. Fulton AICP
Planning Commission
Government Service Center
Suite 270
601 Westtown Road
P.O. Box 2747
West Chester, PA 19380-0990


John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: April 28, 2000



LAMB, WINDLE & McERLANE, P.C.

24 EAST MARKET STREET, BOX 565, WEST CHESTER, PA 19381-0565

Vincent M. Pompo
Voice 610-430-8000
Fax 610-692-6210
vpompo@chescolaw.com

ORIGINAL

May 16, 2000

VIA FEDERAL EXPRESS

RECEIVED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room 206, North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

MAY 16 2000

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Docket No. A-230073F0002 (sewer)

Dear Secretary McNulty:

Kindly enclosed for filing please find the Withdrawal of Protest of Sadsbury Township, Chester County in the above application docket.

**DOCUMENT
FOLDER**

Very truly yours,

LAMB, WINDLE & McERLANE, P.C.

By: 
Vincent M. Pompo

Enclosure
VMP/jn

cc: Board of Supervisors, Sadsbury Township
Wayne G. Reed
Velma A. Redmond, Esquire
Louis G. Cocheres, Administrative Law Judge (via fax (717) 787-0481)

37

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re:

: Application Docket
: No. A-230073F0002 (sewer)

:
: APPLICATION OF PENNSYLVANIA-
: AMERICAN WATER COMPANY FOR
: APPROVAL OF THE TRANSFER, BY SALE,
: OF SUBSTANTIALLY ALL THE WATER-
: WORKS PROPERTY AND RIGHTS OF THE
: COATESVILLE AUTHORITY WATER
: SYSTEM TO PENNSYLVANIA-AMERICAN
: WATER CO., ETC.

RECEIVED

MAY 16 2000

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

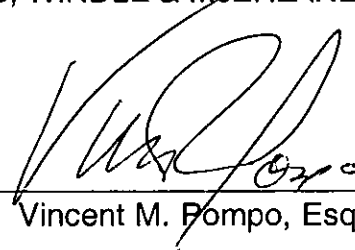
NOTICE OF WITHDRAWAL OF PROTEST OF SADBURY TOWNSHIP,
CHESTER COUNTY

Kindly withdraw the protest filed on behalf of Sadsbury Township, Chester County in the Application captioned above of Pennsylvania-American Water Company.

DOCUMENT
FOLDER

Respectfully submitted,

LAMB, WINDLE & McERLANE, P.C.

By: 
Vincent M. Pompo, Esquire

Dated: May 16, 2000

DOCKETED
MAY 17 2000

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water Company for Approval of the Transfer, By Sale of Substantially All the Water Works Assets, Property And Rights of The City of Coatesville Authority Water System to Pennsylvania-American Water Company :

Docket No. *[Handwritten Signature]*
A-212285-F0071

Application of Pennsylvania-American Water Company for Approval of the Transfer, By Sale of Substantially All the Wastewater Assets, Property And Rights of The City of Coatesville Authority's Wastewater System to Pennsylvania-American Water Company :

Docket No. 513087
A-230073-F0002

**PREHEARING CONFERENCE MEMORANDUM
OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

I. HISTORY OF THE PROCEEDING

On February 29, 2000 Pennsylvania-American Water Company ("PACW") filed separate applications with the Commission seeking approval of the transfer by sale of substantially all of the water works assets and wastewater assets for the City of Coatesville Authority ("CCA"). Protests to one, or both, of the applications were filed by the Office of Small Business Advocate¹ ("OSBA"), the Office of Consumer Advocate² ("OCA"), the Office

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MAY 30 2000
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SECRETARY'S OFFICE
DOCUMENT FOLDER

¹ OSBA protest filed March 28, 2000 to the water works application A-212285-F0071.

² OCA protest filed March 29, 2000 to the water works application A-212285-F0071.

of Trial Staff³ ("OTS"), Philadelphia Suburban Water Company⁴ ("PSW"), Mr. Ernest Campos, Sr.⁵ ("Campos"), and Sadsbury Township⁶ ("Sadsbury"). Timely answers to the protests were filed by PAWC. On April 7, 2000 PAWC filed an amendment to the waterworks application which identified portions of East Fallowfield and West Caln Township which are within CCA's service territory and which limited PAWC's request for service to the specific areas identified in the amendment. PAWC expects to file a similar amendment to the wastewater application in anticipation of a proposed settlement of the protest of Sadsbury Township. On April 12, 2000 the Office of Administrative Law Judge notified all the parties to this proceeding that a prehearing conference had been scheduled for May 17, 2000 before Administrative Law Judge Louis G. Cocheres. Consistent with the Commission's rules and regulations and in accordance with Judge Cocheres' letter dated April 28, 2000, PAWC submits this prehearing memorandum.

II. BACKGROUND

In June, 1998, CCA and the City of Coatesville, Pennsylvania ("the City"), entered into an agreement to jointly investigate the possible sale and/or lease of the water and wastewater assets of CCA. On October 22, 1998, CCA, in cooperation with the City, issued an Information Memorandum inviting interested parties to submit proposals to purchase and/or

³ OTS protest filed March 31, 2000 to the water works application A-212285-F0071.

⁴ PSW protest filed March 31, 2000 to the water works application A-212285-F0071.

⁵ Earnest Campos Sr. protest filed April 3, 2000 to the water works application A-212285-F0071 and the wastewater application A-230073-F0002.

⁶ Sadsbury Township protest filed April 3, 2000 to the wastewater application A-230073-F0002.

lease the water and wastewater assets. CCA and the City established a proposal process whereby interested parties submitted their qualifications to CCA for a determination by CCA as to their capability to adequately and dependably serve the City and CCA's customers in the long term. Once the pool of qualified proposers was established, CCA and the City would negotiate to achieve the best available transaction.

In the Information Memorandum, CCA identified eight "non-negotiable terms," including the following:

- Rates - Proposer shall implement, at closing, CCA's water and sewer rates then in effect. Proposer shall freeze said rates for a minimum of 3 years following closing during which time no other rates shall be charged in the CCA service area. Proposer shall have the option, at any time, to charge rates lower than CCA's water and sewer rates in effect at closing.
- Municipal Service Credit - The Proposer shall provide the City with a one-time Ten Thousand (\$10,000) Dollar credit for future water service. The city shall not, at any time, be required to pay charges for public fire hydrants.

Five entities qualified to submit proposals. The final proposal process provided that sealed proposals from qualified proposers for either or both assets would be publicly opened and announced and a process was established to submit a higher bid until there were no further bids. Only two entities participated in the final bid process: PAWC and Chester Water Authority. As a result of the bid process, CCA entered into negotiations with PAWC, and on December 16, 1999, CCA and PAWC entered into Letters of Intent for the purchase of the water system for a purchase price of Thirty-Seven Million (\$37,000,000) Dollars and the wastewater system for a purchase price of Eleven Million Two Hundred Twenty-Five Thousand (\$11,225,00) Dollars. Final approvals were given by CCA and the City, and the

Asset Purchase Agreement for the Acquisition of the Assets of the Water System and the Wastewater System of the CCA ("Agreement") was executed February 15, 2000.

Prior to the execution of the Agreement between PAWC and CCA, PSW filed a Petition for Declaratory Order⁷ with the Commission in which PSW sought to have the Commission determine the question of whether it was a violation of the provisions of the Public Utility Code for PAWC as a regulated public utility as a condition of acquiring a municipal water system to agree to a requirement that PAWC provide fire hydrant service to the municipality in perpetuity.⁸

By Order entered October 1, 1999 the Commission stated:

" That a public utility can always structure the provisions of any offer or argument for the purchase of another system as that utility sees fit bearing in mind that the Commission must review and approve any acquisition or transfer application for compliance with the relevant provisions of the Public Utility Code. Moreover, the regulated utility must also charge rates that are consistent with its approved tariff rate."

In the current waterworks application PAWC proposes to adopt the current rates of CCA and will file a tariff supplement to become effective as of the date of closing to reflect the adoption of CC's rates.⁹

III. ISSUES

Both Applications submitted for approval by PAWC which are the core of this proceeding were filed pursuant to 66 Pa C.S. 1102(a) of the Public Utility Code.

⁷ Docket No. P-00991732.

⁸ The OSBA, and OCA filed Answers in support of PSW's Petition.

⁹ CCA does not charge any municipality for public fire hydrant service. All public fire hydrant charges were eliminated from CCA's rate in 1993. The cost of providing public fire hydrant service are recovered through customer water rates.

Traditionally, the Commission acts upon such requests for approvals focusing on issues of the applicant's financial and operational fitness. The Commission has never addressed rate issues, i.e. public fire hydrant rates in an application proceeding such as the present proceeding. Such issues are reserved for general base rate filings under Chapter 13 of the Public Utility Code. More specifically, rate issues concerning public fire hydrant rates are addressed in Section 1328 of the Public Utility Code. 66 Pa C.S. §1328. Section 1328 is specific regarding the appropriate proceeding to determine public fire hydrant rates:

(1) In determining the rates to be charged for public fire hydrants by a public utility that furnishes water to or for the public, the Commission shall as part of a utility's general rate proceeding provide for the recovery of cost of public fire hydrants . . . (emphasis added)

It is PAWC's position that the issues regarding public fire hydrant rates be addressed in PAWC's next base rate filing and not in this proceeding. PAWC therefore requests the Administrative Law Judge to submit to the Commission for interlocutory review the material question as to whether Section 1328 permits the adjudication by the Commission of public fire hydrant rates for a municipality outside of a general base rate proceeding under Chapter 13 of the Public Utility Code. Any remaining issues concerning issues of fitness can be addressed expeditiously by stipulation or hearings.

IV. WITNESSES

PAWC will present the following witnesses together with sworn written testimony:

1. Mr. James E. Harrison
Vice President and Treasurer
Issue: financial fitness

2. Mr. Richard C. Neubauer
Vice President - Operations (East)
Issue: operational fitness

3. Mr. Charles Johnston
Vice President - Business Development
Issue: territorial and boundary issues

PAWC reserves the right to present additional witness as may be necessary or appropriate in response to any claims or issues raised in this proceeding.

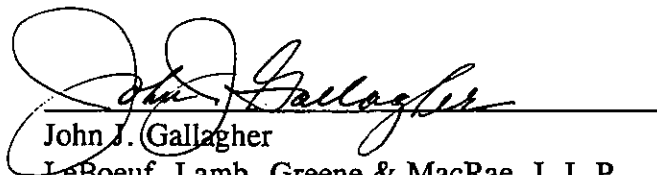
V. PROPOSED SCHEDULE

PAWC proposes that any factual issues concerning issues of fitness be addressed either by stipulation or hearings scheduled in the following manner:

- June 18, 2000 - PAWC submits Direct Written Testimony of Messrs. Harrison, Neubauer and Johnston

- July 2, 2000 - Protestants submit Direct Written Testimony

- July 2, 2000 - Hearings



John J. Gallagher
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

(717) 232-8199

Counsel for Pennsylvania-American Water
Company

Dated: May 15, 2000

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE:
APPLICATION OF PENNSYLVANIA-AMERICAN
WATER COMPANY

: APPLICATION DOCKET NOS.

513707

A-212285F0071

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: A-230073F0002

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SECRETARY'S BUREAU

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JUN 6 2000

PETITION TO INTERVENE FILED
ON BEHALF OF CALN TOWNSHIP

**DOCUMENT
FOLDER**

AND NOW, comes the Petitioner, Caln Township, (hereinafter "Petitioner"), by and through its solicitor, Buckley, Nagle, Gentry, Brion, McGuire & Morris, LLP, and Ronald C. Nagle and files this Petition to Intervene in the above-captioned matters averring as follows:

1. Respondent, Pennsylvania-American Water Company, (hereinafter "Respondent"), is a Pennsylvania corporation with an address of 800 West Hersheypark Drive, Hershey, Pennsylvania 17033.
2. Respondent is a regulated public utility company which is 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.
3. Petitioner, Caln Township (hereinafter "Petitioner"), is a Second Class Township organized and existing under the laws of the Commonwealth of Pennsylvania with an address of 253 Municipal Drive, Post Office Box 149, Thorndale, Pennsylvania 19372.
4. A portion of Caln Township, which is highlighted in orange on a map which is attached hereto, marked Exhibit "A" and incorporated herein by reference, is serviced

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May 31, 2000 (9:30AM)

40

by a sanitary sewage and collection and treatment system owned and operated by the City of Coatesville Authority pursuant to the terms and conditions of a Sewage Treatment Agreement dated April 15, 1965, between the City of Coatesville, the Coatesville Sewage Plant Authority, Caln Township and Caln Township, Chester County, Municipal Authority ("the Sewage Treatment Agreement").

5. The City of Coatesville Authority is obligated to receive and treat up to a maximum of 10,000,000 gallons per quarter of domestic sewage and industrial wastes discharged from the Caln Authority collection system pursuant to the terms of the Sewage Treatment Agreement. Petitioner also has the option to increase the amount of domestic sewage and industrial wastes that it transports to the sanitary sewage and collection and treatment system owned and operated by the City of Coatesville Authority provided that Petitioner constructs and pays for the estimated cost of sewer lines to carry the sewage flows in excess of 10,000,000 gallons per quarter.

6. A portion of Caln Township, which is highlighted in green on a map which is attached hereto, marked Exhibit "B" and incorporated herein by reference, is serviced by a water system owned and operated by the City of Coatesville Authority.

7. On or about February 29, 2000, Respondent filed an Application for a Certificate of Public Convenience, which was docketed at No. A-2300073F0002, seeking approval of the following: (i) transfer by sale of substantially all of the City of Coatesville Authority's assets, properties and rights related to its wastewater system to Respondent; and (ii) the right to begin to offer or furnish wastewater service to the public in various municipalities in Chester County, including a portion of Caln Township.

8. On or about February 29, 2000, Respondent filed an application for a Certificate of Public Convenience, which was docketed at No. A-212285F0071, seeking approval of the following: (i) transfer by sale of substantially all of the City of Coatesville Authority's assets, properties and rights related to its water system to Respondent; and (ii) the right to begin to offer or furnish water service to the public in various municipalities in Chester County, including a portion of Cain Township (collectively the two applications for a certificate of public convenience filed by Respondent shall be referred to hereinafter as "the Applications").

9. Respondent requested the Pennsylvania Public Utility Commission ("PUC") to issue certificates of public convenience enabling it to do the acts described in paragraphs 7 and 8 above and more fully described in the Applications.

10. Respondent did not send a copy of the Applications referenced above to Petitioner "at the time of filing" as required by 52 Pa.Code § 3.501(d). Petitioner did not receive the two Applications until March 20, 2000.

11. Respondent was not advised that petitions to intervene in the two Applications had to be filed with the PUC on or before April 3, 2000 pursuant to a scheduling order entered by the PUC Secretary, James McNulty.

12. The first time that Petitioner became aware of the deadline for filing a petition to intervene was on May 17, 2000 at the prehearing conference before the Administrative Law Judge, Louis Cocheres.

13. Petitioner seeks permission to intervene in Respondent's Applications before the PUC pursuant to 52 Pa.Code § 5.71 et al., in order to protect its residents' interests and needs in obtaining adequate sewage treatment service and water service from the

wastewater and water systems that Respondent may purchase and acquire pursuant to an Asset Purchase Agreement for the Acquisition of the Assets of the Water System and the Watewater System of the City of Coatesville Authority which was attached to Respondent's Applications as Exhibit "B".

14. Petitioner will be adversely affected if Respondent's applications are approved without the PUC considering Petitioner's concerns regarding the proposed transfer of the City of Coatesville Authority's assets, properties and rights related to its wastewater and water system to Respondent.

15. Petitioner is at or near its sewage treatment capacity and is thus concerned with Respondent's ability to effectively treat the sewage which is currently being treated and disposed of by the City of Coatesville Authority and Respondent's plans to expand the areas where it will provide wastewater service.

16. If the PUC grants a certificate of public convenience to Respondent allowing it to expand the area where it provides wastewater service to include other areas within the territorial boundaries of Petitioner, Petitioner must prepare and file an amended Act 537 Plan with the Pennsylvania Department of Environmental Protection.

17. No other party to this proceeding will adequately represent and protect Petitioner's interests in the pending applications.

18. Respondent will not be prejudiced if this Petition to intervene is granted since Petitioner will comply with all other scheduling orders issued by the PUC or the administrative law judge assigned to the pending Applications.

19. 1 Pa.Code § 35.30 permits late filing of a petition to intervene in the discretion of the Commissioner of the PUC for good cause shown.

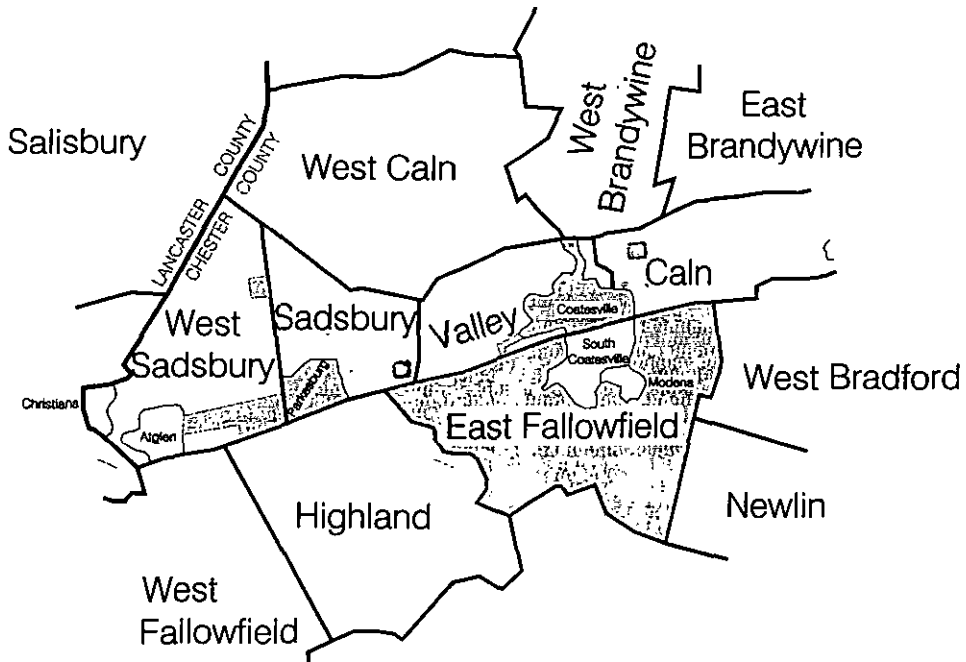
20. Petitioner's lack of notice of the deadline for submission of a petition to intervene due to Respondent's failure to timely serve the Applications as required by 52 Pa.Code § 3.501(d) constitutes good cause shown.

WHEREFORE, Petitioner respectfully requests this Commission to grant it leave to intervene in the above-captioned applications.

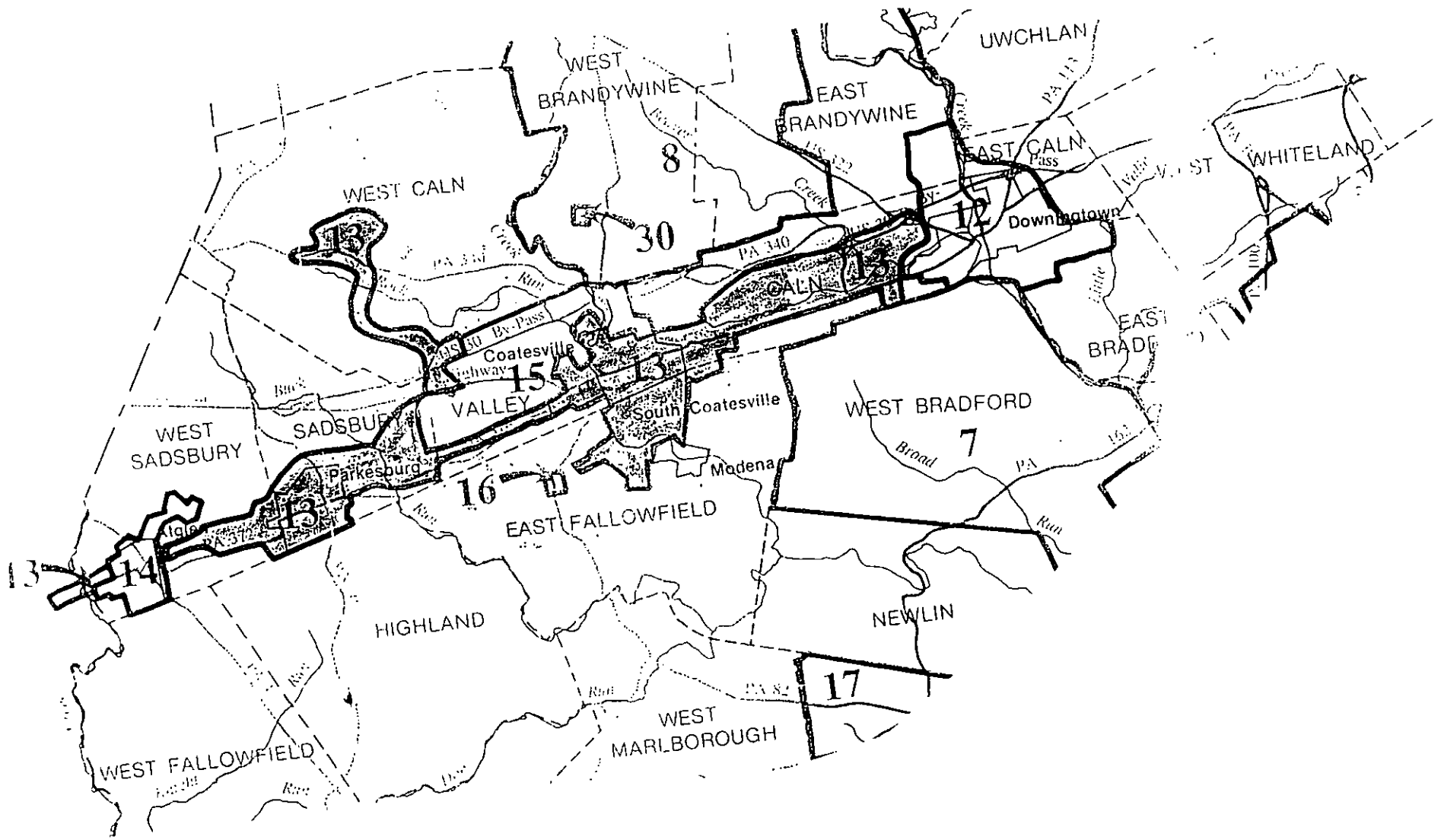
Respectfully submitted,

By: Kristin S. Camp
Kristin S. Camp
Attorney I.D. 74593
BUCKLEY, NAGLE, GENTRY
BRION, McGUIRE & MORRIS LLP
304 North High Street
West Chester, PA 1 9380-2688
(610) 436-4400

City of Coatesville Authority Wastewater Service Area



 City of Coatesville Authority Wastewater Service Territory



BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE: : APPLICATION DOCKET NOS.
APPLICATION OF PENNSYLVANIA-AMERICAN :
WATER COMPANY : A-212285F0071
: A-230073F0002

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the Petition to Intervene filed on behalf of Caln Township, in the above action, the 31st day of May, 2000, by First Class United States Mail, postage prepaid, addressed to:

Lancaster County Commissioners
Lancaster County Courthouse
50 North Duke Street
Lancaster, PA 17602

City of Coatesville
Planning Commission
One City Hall
Coatesville, PA 19320

Quarryville Borough
Board of Supervisors
300 St. Catherine Street
Quarryville, PA 17566

City of Coatesville
City Council
One City Hall
Coatesville, PA 19320

South Coatesville Borough
Planning Commission
136 Modena Road
South Coatesville, PA 19320

Caln Township
Board of Supervisors
P.O. Box 149
Thorndale, PA 19372

South Coatesville Borough
Board of Supervisors
136 Modena Road
South Coatesville, PA 19320

Atglen Borough
Planning Commission
P.O. Box 250
Atglen, PA 19310

Valley Township
Board of Supervisors
890 W. Lincoln Highway
Post Office Box 467
Coatesville, PA 19320

Atglen Borough
Board of Supervisors
Post Office Box 250
Atglen, PA 19310

East Fallowfield Township
Planning Commission
2264 Strasburg Road
East Fallowfield, PA 19320

West Sadsbury Township
Planning Commission
6400 N. Moscow Road
Parkesburg, PA 19365-9044

East Fallowfield Township
Board of Supervisors
2264 Strasburg Road
East Fallowfield, PA 19320

Sadsbury Township
Board of Supervisors
Post Office Box 261
Sadsburyville, PA 19369

Bart Township
Planning Commission
46 Quarry Road
Quarryville, PA 17566

Sadsbury Township
Planning Commission
Post Office Box 261
Sadsburyville, PA 19369

West Caln Township
Board of Supervisors
721 W. Kings Highway
Post Office Box 175
Wagontown, PA 19376

Eden Township
Planning Commission
98 Loop Road
Quarryville, PA 19566

West Caln Township
Planning Commission
721 W. Kings Highway
Post Office Box 175
Wagontown, PA 19376

Colerain Township
Board of Supervisors
62258 Street Road
Kirkwood, PA 19566

Chester County Planning Commission
Chester County Courthouse
2 North High Street
West Chester, PA 19380

Colerain Township
Planning Commission
62258 Street Road
Kirkwood, PA 19566

Chester County Commissioners
Chester County Courthouse
2 North High Street
West Chester, PA 19380

Parkesburg Borough
Planning Commission
329 West First Avenue
Parkesburg, PA 19365

Lancaster County Planning
Commission
Lancaster County Courthouse
50 North Duke Street
Lancaster, PA 17602

Parkesburg Borough
Board of Supervisors
329 West First Avenue
Parkesburg, PA 19365

Quarryville Borough
Planning Commission
300 St. Catherine Street
Quarryville, PA 17566

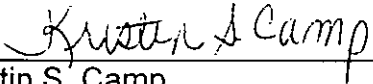
Valley Township
Planning Commission
890 W. Lincoln Highway
Post Office Box 467
Coatesville, PA 19320

West Sadsbury Township
Board of Supervisors
6400 N. Moscow Road
Parkesburg, PA 19365-9044

Bart Township
Board of Supervisors
46 Quarry Road
Quarryville, PA 17566

Eden Township
Board of Supervisors
98 Loop Road
Quarryville, PA 19566

By:



Kristin S. Camp
Attorney I.D. 74593
BUCKLEY, NAGLE, GENTRY
BRION, McGUIRE & MORRIS LLP
304 North High Street
West Chester, PA 19380-2688
(610) 436-4400

Ernest E. Campos Sr.

803 Merchant Street P.O. Box 495 Coatesville, PA 19320 Phone: 610-383-0800 Fax: 610-383-7931

Monday, June 5, 2000

Mr. Craig Milus
Commonwealth Reporting Service
700 Lisburn Road
Camp Hill, PA 17011

DOCUMENT
FOLDER

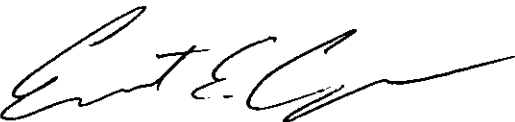
Re: Prehearing Conference on May 17, 2000 presided by the Honorable Judge Louis G. Cocheres.

Dear Mr. Milus,

Enclosed please find two copies each of my Prehearing Memorandas that I neglected to give to your court reporter on the day of the above referenced hearing for your records/files.

I apologize if this has caused you an inconvenience.

Sincerely,



Ernest E. Campos

by way of regular mail on June 5, 2000

RECEIVED
00 JUN 13 AM 10:12
FA.P.U.C.
SECRETARY'S BUREAU

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

**IN RE: APPLICATION OF
PENNSYLVANIA-AMERICAN WATER COMPANY
FOR APPROVAL OF THE (1) THE TRANSFER, BY
SALE, OF SUBSTANTIALLY ALL OF THE
WASTEWATER SYSTEM PROPERTY AND RIGHTS
OF THE CITY OF COATESVILLE AUTHORITY 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 THE CITY OF
COATESVILLE...; AND (3) CERTAIN ADDITIONAL
REGULATORY APPROVALS.**

DOCKETED

JUN 13 2000

:Application Docket Number
:A-230073-F0002

PREHEARING MEMORANDA BY ERNEST E. CAMPOS, Sr., Secretary

Pursuant to the request from Honorable Judge Louis G. Cocheres, the Protestant
Ernest E. Campos, Sr. presents the following Prehearing Memoranda. The Protestant
intends to
raise the following issues at the Prehearing Conference scheduled for May 17, 2000:

RECEIVED
00 JUN 13 AM 10:22
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1. That the Applicant has relied on a defective engineering study,
2. That the Applicant be required to disclose what the management structure will be for the CCA territory and further, the intention for displacement of current CCA employees,
3. That the Applicant clarify and provide data indicating what economies of scale will occur to benefit CCA users,
4. That since the Applicant has disclosed its intent to run the CCA system at a financial loss, then what plans for recovery will occur creating possible hardship for the CCA system users,
5. That the Applicant present evidence to prove its ability and experience to operate a wastewater system.

WHEREFORE, The Protestant looks forward to participating in a professional process whereby he may ask relevant questions of the Applicant and other parties present on May 17, 2000. The Protestant is requesting your honor to resolve all of the above issues before any approval of the Applicant's Application takes place. When the matter goes to hearing, the Protestant anticipates the need to call other witnesses and to obtain other material through discovery pursuant to administrative procedures.

Respectfully Submitted

A handwritten signature in cursive script, reading "Ernest E. Campos, Sr.", written in black ink. The signature is fluid and somewhat stylized, with a prominent initial "E".

Ernest E. Campos, Sr.

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320
Phone: 610-383-0800
Fax: 610-383-7931

CERTIFICATE OF SERVICE

IN RE: APPLICATION OF PENNSYLVANIA-AMERICAN WATER COMPANY FOR APPROVAL OF THE (1) THE TRANSFER, BY SALE, OF SUBSTANTIALLY ALL OF THE WASTEWATER SYSTEM PROPERTY AND RIGHTS OF THE CITY OF COATESVILLE AUTHORITY 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 THE CITY OF COATESVILLE...; AND (3) CERTAIN ADDITIONAL REGULATORY APPROVALS. APPLICATION DOCKET NUMBER A-230073-F0002.

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memoranda of Ernest E. Campos Sr. as requested by the honorable Judge Louis G. Cocheres upon the parties listed below.

Dated this 15th day of May, 2000.

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Johnnie E. Simms, Esq.
Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear North 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Robert W. Nael
Executive Director
Chester Water Authority
5th and Welsh Streets
Chester, PA 19016

Bernard A. Ryan, Jr.
Carol F. Pennington, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Dianne E. Dusman, Esq.
Senior Assistant Consumer Advocate
Irwin A. Popowsky, Esq.
Office of Consumer Advocate
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Harrisburg, PA 17101-1921

Wayne G. Reed
Executive Director
City of Coatesville Authority
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Coatesville, PA 19320

Milton Allen
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Coatesville, PA 19320

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West Chester, PA 19381-0565

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
P.O. Box 888
Hershey, PA 17033

Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen L.L.P.
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Harrisburg, PA 17101

William D. Shrader
Bureau of Fixed Utility Services
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

William H. Fulton AICP
Planning Commission
Government Service Center
Suite 270
601 Westtown Road
P.O. Box 2747
West Chester, PA 19380-0990

John J. Gallagher, Esq.
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street
Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

DATE: June 5, 2000

SUBJECT: A-212285F0071; A-230073F0002

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

DOCKETED
JUN 6 2000

LAF

**DOCUMENT
FOLDER**

A-212285F0071: Application of Pennsylvania-American Water Company for (1) Approval of the Transfer by Sale of Substantially all the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, etc.

A-230073F0002: Application of Pennsylvania-American Water Company for (1) Approval of the Transfer by Sale of Substantially all of the City of Coatesville Authority's Assets, Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company, etc.

Attached is copy of a Petition to Intervene filed by Caln Township in connection with the above docketed proceedings.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS

laf





COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

June 8, 2000

James J. McNulty, Secretary
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Re: Application of Pennsylvania American Water Company For
Approval Of The Transfer, By Sale, Of Substantially All
Of the Water Works and Wastewater System Property and
Rights of the City of Coatesville Authority Water System to
Pennsylvania-American Water Company
Docket Nos. A-212285F0071 and A-230073F0002

PA.P.U.C.
SECRETARY'S BUREAU

00 JUN - 8 PM 2:46

RECEIVED

Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the **Office of Trial Staff's Response to Pennsylvania-American Water Company's Memorandum of Law** in the above-captioned proceeding.

Copies are being served on active parties of record.

Sincerely,

Johnnie E. Simms
Senior Prosecutor
Office of Trial Staff

JES:alb

c: Parties of Record
Honorable Louis G. Cocheres

51

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 the Water Works :
Property and Rights of the City of :
Coatesville Authority Water System to :
Pennsylvania-American Water Company, :
And (2) The Rights of Pennsylvania- :
American Water Company to Begin to :
Offer or Furnish Water Service to the :
Public in all of the City of Coatesville, :
Parkesburg Borough, and South Coatesville :
Borough, Chester County, Pennsylvania :
And Portions of Sadsbury Township, Cain :
Township, East Fallowfield Township, :
Valley Township, Atglen Borough, West :
Sadsbury Township and West Cain :
Township, Chester County, Pennsylvania :
And Quarryville Borough, Bart Township, :
Colerain Township, Eden Township And :
Sadsbury Township, Lancaster County, :
Pennsylvania; and (3) Certain Additional :
Regulatory Approvals :

Docket No.
A-212285F0071

In Re: Application of :
Pennsylvania-American Water Company :
For approval of (1) the Transfer, by Sale, :
Of Substantial All of the City of :
Coatesville Authority's Assets, Properties :
And Rights Related to its Wastewater :
System to Pennsylvania-American Water :
Company; and (2) The Right of :
Pennsylvania-American Water Company :
To Begin to Offer or Furnish Wastewater :
Service to the Public in the City of :
Coatesville, Parkesburg Borough, Chester :
County, Pennsylvania and in Portions :
Of Cain Township, East Fallowfield :
Township, Valley Township, Sadsbury :
Township and West Sadsbury Township, :
Chester County, Pennsylvania; and (3) :
Certain Additional Regulatory Approvals :

Docket No.
A-230073F0002

PA.P.U.C.
SECRETARY'S BUREAU

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DOCKETED
JUN 12 2000

**The Office of Trial Staff's
Response
To Pennsylvania-American Water Company's
Memorandum of Law**

NOW COMES, the Office of Trial Staff ("OTS"), by and through its counsel, to file this response to Pennsylvania-American Water Company's ("PAWC") Memorandum of Law filed on May 30, 2000. By way of further background, PAWC's Memorandum of Law was filed because its counsel expressed at the prehearing conference, his belief that 66 Pa. C. S. § 507 did not apply to the contract between PAWC and the City of Coatesville Authority ("CCA"). Tr. 60.¹ In its Memorandum of Law, PAWC by implication acknowledges that 66 Pa. C. S. § 507 does apply to the contract between PAWC and the CCA but now, as opposed to the position taken at the prehearing conference, PAWC argues that review under Section 507 is discretionary. Such a change in arguments does not alter the conclusion that Section 507 is applicable in this case.

Accordingly, in order to advance its argument that "review under Section 507 is discretionary", PAWC framed the question to be answered as follows:

¹ It was the position of PAWC at the prehearing conference that Section 507 involved continuing contracts between a municipality and a utility for easements or whatever. Tr. 30.

Does the Public Utility Code require Public Utility Commission ("PUC" or "Commission") approval, under Section 507, of a contract by which a public utility agrees to purchase the water and wastewater systems of a municipal authority, when that same transaction must be considered by the Commission under Section 1102?

OTS respectfully submits that the question was not properly framed, due to PAWC's failure to include a reference that opposing parties in this case raised issues regarding certain provisions of the contract between PAWC and the CCA.

In the absence of any reference in the question that opposing parties have raised issues regarding the legality of the contract makes the question flawed, and thus the appropriate question was not properly addressed by PAWC in its Legal Memorandum.

Discussion

As previously noted, PAWC has prepared a Legal Memorandum regarding Section 507 of the Public Utility Code as if no protests were filed against PAWC's Application. OTS submits that it was the opposing parties' protests that raised the issues surrounding the legality of certain provisions of the contract between PAWC and CCA. The opposing parties raising the issues surrounding the legality of certain provisions of the contract makes Section 507 of the Public Utility Code relevant in this proceeding. In that regard, Section 507 provides in pertinent part that "the Commission may . . . institute proceedings to determine the reasonableness, legality or any other matter affecting the validity thereof."

Clearly, the fact that the opposing parties in this case are questioning the legality of Section 3.4 of the Contract, which provides that "the City shall not, at any time, be required to pay charges for public fire", makes Section 507 an important and relevant provision to be considered in this proceeding.

Additionally, in its Legal Memorandum, PAWC argues that since "the transaction between PAWC and CCA is already subject to extensive review by the Commission pursuant to Section 1102, and that the "public interest" is a key factor in that review, Section 507 review serves no purpose." OTS submits that while "public interest" is a key factor in a Section 1102 review, the same is equally true for a Section 507 review. PAWC failed to recognize that there are separate and distinct criteria that a public utility must present in order to satisfy the "public interest" requirement for both Section 1102 and Section 507 reviews. In a Section 1102 review, the Commission has concluded that a public utility is required to demonstrate public need for the proposed service, the inadequacy of existing service, and the financial and technical capacity of the public utility to meet the need in a satisfactory fashion.²

Consequently, PAWC operating solely under a Section 1102 review will simply present testimony regarding need, and financial and technical fitness, with no reference to the legality of the contract between itself and CCA, thus attempting to satisfy the public interest requirements for a Section 1102 review,

² See Re Evansburg Water Company, 81 Pa. PUC 152 (January 10, 1994).

but not Section 507.³ In contrast, under a Section 507 review, the Commission in Application of Rheem Water Company, (A-212540) 199 Pa. PUC Lexis 49 (June 9, 1992), concluded that "Section 507 of the Public Utility Code, 66 Pa. C. S. 507 empowers us with the authority to review any such agreement to ensure that the public interest is protected by the terms, conditions, reasonableness and legality of the agreement." Such criteria are absent in a Section 1102 review.

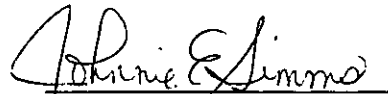
Consequently, under a Section 507 review, PAWC would have the burden of proof of presenting evidence that Section 3.4 of the contract between itself and CCA, which provides that "The City shall not, at any time, be required to pay charges for public fire is in the public interest." OTS submits that this burden of proof regarding the contract between PAWC and CCA is absent in a Section 1102 review. Accordingly, there should be no dispute that by having both Sections 1102 and 507 reviews is not "duplicative", nor "wasting the time and resources of the Commission and the parties."

³ PAWC was put on notice that the Administrative Law Judge had ruled that Section 507 was applicable to this proceeding. Tr. 60.

Conclusion

WHEREFORE, OTS respectfully submits that the Administrative Law Judge should affirm his ruling to consolidate the proceeding pursuant to both Sections 1102 and 507.

Respectfully submitted,



Johnnie E. Simms
Senior Prosecutor
The Office of Trial Staff
P.O. Box 3265
Harrisburg, Pa. 17105

Dated: June 8, 2000

A-212285F0071
A-230073F0002

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Pennsylvania-American :
Water Company : Docket No. A-212285F0071
: Docket No. A-230073F0002

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Office of Trial Staff's Response to Pennsylvania-American Water Company's Memorandum of Law**, dated June 8, 2000, either personally, by first class mail, electronic mail, or by fax upon the persons listed below:

Honorable Louis G. Cocheres
Administrative Law Judge
PA Public Utility Comm.
Room G-08A North Office Bldg.
Harrisburg, PA 17105

John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene
& MacRae, LLP
200 North Third Street, Suite 300
P. O. Box 12105
Harrisburg, PA 17108-2105

Velma A. Redmond, Esquire
VP Sec. Corp. Counsel
Pennsylvania-American Water
Company
800 West Hershey Park Drive
P.O. Box 888
Hershey, PA 17033

Dianne E. Dusman, Esquire
Office of Consumer Advocate
5th Floor Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923

Kevin Moody, Esquire
Wolf Block Schorr & Solis-Cohen
212 Locust Street Suite 300
Harrisburg, PA 17101

Ernest E. Campos Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19230

Carol F. Pennington, Esquire
Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

John S. Carnes Jr., Esquire
Solicitor, City of Coatesville
202 North Church Street
P.O. Box 3449
West Chester, PA 19380-3449



Johnnie E. Simms
Senior Prosecutor
Office of Trial Staff

Dated: June 8, 2000
Docket No. A-212285F0071
Docket No. A-230073F0002

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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200 NORTH THIRD STREET
SUITE 300
P.O. BOX 12105
HARRISBURG, PA 17108-2105

(717) 232-8199
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TASHKENT
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DOCUMENT
FOLDER

VIA HAND DELIVERY

June 19, 2000

Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101

Re: Application of Pennsylvania-American Water Company (CCA/Water)
Docket No.A-212285F0071
Application of Pennsylvania-American Water Company (CCA/Wastewater)
Docket No.A-230073F0002

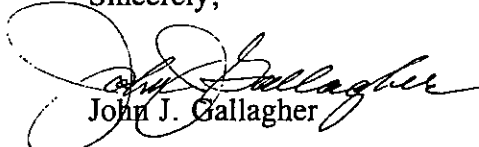
RECEIVED
NO JUN 19 PM 3:54
P.A.F.U.C. BUREAU
SECRETARY'S BUREAU

Dear Mr. Moody:

Enclosed please find four (4) copies of Pennsylvania-American Water Company's Interrogatories Set I, directed to Philadelphia Suburban Water Company.

A certificate of service is also enclosed. Please do not hesitate to contact me if you have any questions regarding the above.

Sincerely,


John J. Gallagher

JJG/jtk

Enclosures

cc: All parties on service list
James McNulty, Secretary (w/cert. of service only)
Susan Simms, Esq. (w/attachments)

EEF

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water Company for Approval of (1) The Transfer, By Sale, of Substantially All of the Water Works Property And Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in all of the City of Coatesville, Parkesburg Borough, and South Coatesville Borough, Chester County, Pennsylvania And Portions of Sadsbury Township, Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, and West Caln Township, Chester County, Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals

Docket No. A-212285F0071

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00 JUN 19 PM 3:54
PA.P.U.C.
SECRETARY'S BUREAU

Application of Pennsylvania-American Water Company for Approval of (1) the Transfer, by Sale, of Substantially All of the City of Coatesville Authority's Assets, Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company; and (2) The Right of Pennsylvania-American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) Certain Additional Regulatory Approvals

Docket No. A-230073F0002

:

CERTIFICATE OF SERVICE

I hereby certify that I have this 19th day of June, 2000, served a true and correct copy of Pennsylvania-American Water Company's Interrogatories directed to Philadelphia American Water Company, upon the participants, listed below, in accordance with the requirements of 52 Pa. Code §§ 1.54 and 5.41(b):

Johnnie E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265
(1 copies via U.S. Mail)

Bernard A. Ryan, Jr., Esq.
Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(1 copies via U.S. Mail)

Diane E. Dusman, Esq.
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921
(1 copies via U.S. Mail)

Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(4 copies via hand delivery)

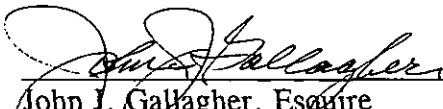
Mark Kropilak, Esq.
Philadelphia Suburban Water Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010-3489
(1 copies via U.S. Mail)

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(1 copies via U.S. Mail)

DOCUMENT
FOLDER

DOCKETED
JUN 21 2000

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320
(1 copies via U.S. Mail)



John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

Counsel for Pennsylvania-American Water Company

Dated: June 19, 2000

DOCUMENT
FOLDER

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Pennsylvania-American Water Company for Approval of (1) The Transfer, By Sale, of Substantially All of the Water Works Property and Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in all of the City of Coatesville, Parkesburg Borough, and South Coatesville Borough, Chester County, Pennsylvania And Portions of Sadsbury Township, Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, and West Caln Township, Chester County, Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals

Docket No. A-212285F0071

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JUN 26 2000

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SECRETARY'S BUREAU

Application of Pennsylvania-American Water Company for Approval of (1) The Transfer, By Sale, of Substantially All of the City of Coatesville Authority's Assets, Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company; and (2) The Right of Pennsylvania-American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) Certain Additional Regulatory Approvals

Docket No. A-230073F0002

EEF

**Addendum to the
Memorandum of Law of
Pennsylvania-American Water Company**

NOW COMES Pennsylvania-American Water Company ("PAWC") to file this Addendum to the Memorandum of Law it submitted on May 30, 2000. This Addendum responds to several misconceptions set forth in the Memorandum of Law submitted by Philadelphia Suburban Water Company ("PSW").

I. Applicability of Section 507 Review

In its Memorandum of Law, PSW argued that PAWC's Memorandum of Law was inconsistent with its Application because the Application requested Commission approval of certain contracts under Section 507. The contracts in question are agreements that PAWC will assume pursuant to the Asset Purchase Agreement between PAWC and the City of Coatesville Authority ("CCA").

PSW's assertion is based on a fundamental misunderstanding of PAWC's Memorandum of Law. PAWC submits that, when viewed in context, its positions are entirely consistent.

PAWC's Memorandum of Law responded to the comments of the Administrative Law Judge at the hearing of May 17, 2000. Those comments suggested that the Asset Purchase Agreement between PAWC and CCA is subject to review pursuant to Section 507. Transcript, page 31. PAWC's Memorandum of Law was therefore concerned solely with the applicability of Section 507 to the Asset Purchase Agreement. It was never

intended to discuss the procedures that apply or do not apply to other contracts involved in the transaction between PAWC and CCA.¹

All parties to this litigation agree that the Asset Purchase Agreement is subject to Section 1102 review. The only question is whether or not the PUC should also review this agreement pursuant to its discretionary authority under Section 507. PAWC continues to maintain that the PUC should not review a contract under Section 507 where the PUC will review that very agreement pursuant to the standards set forth in Section 1102.

The contracts for which PAWC requested Section 507 review, in contrast to the Asset Purchase Agreement, are contracts that are not subject to Section 1102 review. They are existing contracts between CCA and neighboring municipalities, which will be assumed by PAWC pursuant to the Asset Purchase Agreement. PAWC Application ¶ 38. If these other contracts would not be reviewed pursuant to Section 507, they would not be subject to PUC review at all. As PAWC argued previously, this is precisely the situation that Section 507 was intended to address. PAWC Memorandum of Law, page 5. Section 507 review of the contracts to be assigned to PAWC is therefore appropriate for the very reasons set forth in PAWC's Memorandum of Law. When viewed in the context of the several distinct contracts involved in this transaction, PAWC's position is entirely consistent.

It is ironic that PSW argues that PAWC is being inconsistent, given PSW's own change of position with regard to the applicability of Section 507 review. PAWC has identified at least five instances in the last seven years in which PSW acquired the utility assets of a municipal corporation and applied for a certificate of public convenience under Section

¹ Section 507 is phrased in terms of the PUC's review of contracts, not transactions. If, as here, a single transaction involves multiple contracts, the PUC must determine the process that applies to each contract on a contract-by-contract basis.

1102 -- without requesting or obtaining Section 507 review.² There is no reason why PAWC's acquisition should be subject to Section 507 review when similar acquisitions by PSW were not.

Surely the contract between PAWC and CCA is not subject to Section 507 review because of the contract provision concerning the rate to be charged for public fire service. The rate to be charged for public fire service is obviously a rate-making issue, and the PUC has already decided that such issues belong in a rate-making case. Joint Application of Philadelphia Suburban Water Company and the Borough of Media for approval of: (1) the transfer by sale, of the water system assets of Media to Philadelphia Suburban Water Company; (2) the right of Philadelphia Suburban Water Company to begin water service to the Media Service Territory; and (3) the abandonment by Media of water service to the public in its current service territory, Opinion and Order in A-212370, F.0018 (attached).

Moreover, other 1102 applications have included agreements for free public fire service to municipalities, without being subjected to Section 507 review. For example, the agreement by which PSW purchased the water system assets of the Bristol Borough Water and Sewer Authority included a provision that was summarized by the PUC as follows:

The Authority and PSW have agreed that PSW will wave [sic] the entire charge for public fire service in the Borough of Bristol in exchange for the continued use, at no cost to PSW, of the Authority's sewage treatment system for the disposal of the treatment plant wastewater and sedimentation basin water.

² These five instances were the acquisition of: the water system of the West Chester Area Municipal Authority, Docket Nos. A-212370F0041 and A-212370F0042 (1998); the water supply system of the Hatboro Borough Authority, Docket No. A-212370F0024 (1996); the water supply system of the Bristol Borough Water and Sewer Authority, Docket Nos. A-212370F0028 and A-212370F0029 (1996); the water system of the Borough of Media, Docket No. A-212370F0018 (1995); and the water supply system of the Borough of Malvern, Docket No. A-212370F0012 (1993).

Applications of Philadelphia Suburban Water Company for approval of: (1) the transfer, by sale, of the water system assets, properties and rights of the Bristol Borough Water and Sewer Authority to Philadelphia Suburban Water Company; (2) the right of Philadelphia Suburban Water Company to begin to offer, render, furnish or supply water service to the public in Bristol Borough and portions of Bristol Township and portions of Bensalem Township, Bucks County, Pennsylvania, Docket Nos. A-212370, F. 0028 and A-212370, F.0029 (attached).

In this regard, the base rate review process contemplated under Chapter 13, 66 Pa. C.S. §§ 1301 *et seq.*, would comprehensively encompass all "relevant" provisions of the Public Utility Code given the issues raised in this proceeding.³ This is yet another important reason why Commission review under the standards set forth at Section 507 of the Pennsylvania Public Utility Code are inapplicable to this proceeding.

Specifically, the disposition of the public fire hydrant rate issue in the context of a base rate proceeding is the most "relevant" and reasonable approach given the fact that CCA does not charge for public fire hydrant service and thus the costs associated with the provision of public fire hydrant service are already built into the existing rates paid by all existing CCA customers. In the underlying water application, PAWC proposes to maintain that status quo. Conversely, the situation of unbundling CCA's existing, embedded structure of cost recovery is tantamount to the development of an initial rate for all customer classes.⁴ After PAWC has had experience with this system and after PAWC's base rate case in which new tariff rates for the CCA system are proposed, the lack of payment from the City of Coatesville for fire

³ PUC Declaratory Order, entered October 1, 1999, Ordering ¶ 2.

⁴ It is inappropriate to rely upon the Commission's October 1, 1999 Declaratory Order for the proposition that these complex issues should be addressed in this application proceeding, particularly when CCA's existing, embedded structure of rates was not at issue.

hydrant service can be fully assessed and addressed *if recovery of those charges is sought and justified as an above-the-line item.*

Accordingly, not until a PAWC base rate case will the charges associated with the CCA system be fully addressed and incorporated into the PAWC system. Only at that time will all base rate items (*e.g.*, test year expenses and revenue levels and cost of service) be available for review. Only at that time will enough experience with the system be developed to determine whether these public fire hydrant charges should be treated as a below-the-line or an above-the-line base rate item on a going-forward basis. Moreover, in the context of a base rate proceeding, all parties to this proceeding would be given full opportunity to address the proposed recovery as a below-the line or an above-the-line item.⁵ There is no need to resort to Section 507 of the Pennsylvania Public Utility Code at this time.

II. Case Law

PSW's Memorandum of Law, at page 4, states:

Case law is also contrary to PAWC's position. In Application of West Penn Power Company, 39 PaPUC 204 (1961), the Commission reviewed both the utility/borough sale-and-purchase agreement (under the predecessor to Section 507) and the utility's application for approval to acquire the borough's electric facilities and to provide service to the public within the borough (under the predecessor to Section 1102).

Application of West Penn Power Company is distinguishable from the instant proceeding in that the parties to the contract requested PUC approval. The Commission did

⁵ The Office of Trial Staff, the Office of Small Business Advocate, and the Office of Consumer Advocate would be parties by virtue of their respective enabling statutes. Mr. Campos would be a customer of PAWC if the underlying acquisition is approved. Likewise, PSW is currently bulk customer of PAWC and could intervene on that basis if the customer relationship remains intact.

not, on its own motion, initiate a Section 507 review of a contract subject to Section 1102 review. PAWC's research has not located a single case in which the PUC, on its own initiative, instituted a 507 review of a contract that was submitted for review under Section 1102. No other party to this proceeding has cited such a case.

In contrast, PAWC has identified numerous cases in which the PUC did not institute a Section 507 review of a contract submitted to it for review under Section 1102.⁶ This fact indicates that the Commission should only exercise its discretion to institute such a proceeding in the most extraordinary of circumstances. This is not such a case.

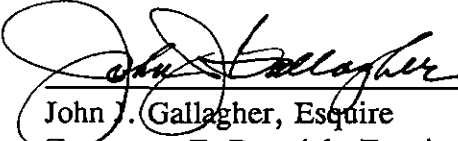
Other than the rate-making issues pertaining to public fire service, no party has alleged that there is anything unusual about the instant Section 1102 application. Rate-making issues, however, should be considered in a rate case rather than a Section 507 proceeding. There is simply no reason why the Commission should exercise its discretion to institute a Section 507 review in this proceeding.

⁶ In addition to the five acquisitions cited in note 2 *supra*, *see, e.g.*, Foster Township's acquisition of the property and rights of Ag-Mar Sewer, Inc., Docket No. A-230010F2000 (1998); Westtown Township's acquisition of the Westtown Water Treatment Company, d/b/a Westtown Sewer Company, Docket No. A-220006, A-220006F0002, A-230510F2000 and P-00950925 (1998); Chester Water Authority's acquisition of Landenberg Water Company, Docket No. A-211680F2000 (1997); and York Water Company's acquisition of the waterworks property of Jefferson Borough, Docket No. A-213440F0011 (1996).

III. Conclusion

WHEREFORE, PAWC continues to submit that the PUC should not review a contract, pursuant to Section 507, by which a public utility agrees to purchase the water and wastewater systems of a municipal authority, when that same transaction must be considered by the PUC pursuant to Section 1102.

Respectfully submitted,



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**Counsel for Pennsylvania-American
Water Company**

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17103-3269

Public Meeting held March 30, 1995

Commissioners Present:

John H. Quain, Chairman
Joseph Rhodes, Jr., Vice-Chairman
Lisa Crutchfield
John Hanger
David W. Rolka

DOCUMENT
FOLDER

A-212370, F.0018

Joint Application of Philadelphia Suburban Water Company and the Borough of Media for approval of: (1) the transfer by sale, of the water system assets of Media to Philadelphia Suburban Water Company; (2) the right of Philadelphia Suburban Water Company to begin water service to the Media Service Territory; and (3) the abandonment by Media of water service to the public in its current service territory

DOCKETED
MAY 25 1995

OPINION AND ORDER

BY THE COMMISSION:

Before the Commission is a Joint Application filed on January 18, 1995, by the Philadelphia Suburban Water Company ("PSW") and the Borough of Media/ ("Media") requesting a certificate of public convenience pursuant to Section 1102 of the Public Utility Code, 66 Pa. C.S. §1102, evidencing Commission approval of: (1) the transfer of the water system assets from Media to PSW; (2) the right of PSW to begin providing service to the service territory of Media; and (3) the abandonment of service by Media in its service territory. Applicants submitted proofs of service and publication.

- 1/ Media owns a water system which provides water service to residents in Media and to residents in two adjacent boroughs and five adjacent townships. The service provided and the rates charged outside the Borough of Media are subject to regulation by this Commission.

On February 21, 1995, Upper Providence Township, Nether Providence Township, and Middletown Township ("Townships") jointly filed a Protest to Application ("Protest"). On March 3, 1995, PSW and Media filed a Joint Motion to Dismiss or Reject Protest in response to the Township Protest ("Joint Motion.")

On March 16, 1995, the Townships filed an Amended Protest to Application ("Amended Protest"). On March 28, 1995, PSW and Media filed a Joint Motion to Dismiss or Reject "Amended" Protest to Application which had been filed by the Townships as their Amended Protest ("Joint Motion Re Amended Motion.")

Discussion

PSW is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania. PSW's existing service territory covers an area of approximately 380 square miles and is generally located to the north and west of the City of Philadelphia, including parts of Chester, Delaware, Montgomery and Bucks Counties. PSW obtains its water supply from seven surface water supplies, approximately 40 wells and through several interconnections with two neighboring suppliers. PSW currently furnishes service to over 70 townships and boroughs (or portions thereof) within its territory. PSW currently serves a total of approximately 250,000 customer accounts (representing a population of approximately 800,000 people).

Media provides water service to approximately 12,500 customer accounts representing a population of over 30,000 people. The service territory of Media comprises an area of approximately 26 square miles. Media obtains untreated water from Ridley and Chester Creeks, which is treated at Media's 8 mgd

water filtration plant. Media also obtains water from interconnections with Chester Water Authority and PSW. The average daily water demand for Media Service Territory is approximately 5 million gallons per day ("mgd"). The peak day water demand, which can vary considerably from year to year, is approximately 7.5 mgd and is expected to be above 8.0 mgd by the year 2000.

The combined service territory contains an area of approximately 406 square miles. As a combined system, PSW will continue the level of service provided by Media and will make additional improvements involving the upgrade and automation of the treatment plant, compliance with and acceleration of the capital improvement projects needed for Media, the use of in-house services for watershed patrol, laboratory services, and environmental monitoring and compliance, along with the overall benefits obtained from the economies of scale available from a large regional water supplier.

Media had requested proposals for the acquisition of its water system. Media had also held several public hearings to discuss the issue of selling its system which culminated in the meeting on November 17, 1994, at which Media voted in favor of the proposal made by PSW. On November 17, 1994, Media enacted an Ordinance which approved the sale of its waterworks system to PSW.

PSW proposes to obtain authority to serve the Media Service Territory as its franchise area in connection with this Joint Application. The purchase price to be paid by PSW for the Water Supply System Assets is approximately \$24.4 million. This payment is comprised of two parts: an amount to be specified by the Borough to defease (retire) their outstanding debt of \$18,850,000, plus an amount of \$5.5 million for Media's equity in the system. The amount needed from PSW to enable Media to

effectuate the defeasance will be approximately \$18.9 million. In addition, PSW will be leasing the land owned by Media over a long-term period for initial lease payments of \$300,000 per year. PSW will also be making offers of employment to approximately 25-28 employees of the Media water system.

PSW will not transfer any investment securities to Media to complete these transactions. PSW plans to use established short-term credit facilities to pay the purchase price for the Media water system assets. The short-term credit instruments may be replaced with long-term debt and equity securities. PSW and Media intend to complete the closing of the acquisition between May 20, 1995, and July 20, 1995.

Upon Commission approval of this Application and completion of the proposed transfer, PSW will begin to provide water service to those customers to be transferred and will implement its own rules and regulations within the Media service territory. PSW will initially adopt the general metered rates of Media currently in effect, along with Media's flat rates for sprinklers, building water, and certain unmetered residential customers pending conversion to metered status. PSW will also adopt the Media rates for private fire hydrants. For public fire hydrants, PSW will adopt the rate utilized by PSW, which is lower than the Media rate. Attachment Q to the Joint Application contains the initial rate schedule proposed by PSW to be applicable in the Media Service Territory, which, as stated above, is mainly derived from the current rates in effect for Media.

PSW will not propose a rate increase for the customers in the Media Service Territory in any base rate filing made prior to December 31, 1995, in light of the rate increase for Media that went into effect as of December 1, 1994. PSW will propose to equalize the rates in the Media Service Territory with the

rates applied by PSW in its main system as part of PSW's first two rate cases that are filed after January 1, 1996, subject to Commission approval.

We note that no corporation, partnership, or individual, other than Media, is now furnishing or has corporate or franchise rights to furnish service in the area to be transferred to PSW by this Application, and no competitive condition will be created.

In their Joint Motion Re Amended Protest, PSW and Media would have us dismiss the Amended Protest as untimely, citing Re: Louderback Transp. Co., 68 Pa. P.U.C. 291 (1988), ("Louderback"). Inasmuch as Louderback dealt with an interlocutory issue, we are not bound to apply it strictly herein. Accordingly, we will entertain the Townships' Protest as amended.

In their Protest of February 21, 1995, the Townships contend that the instant Joint Application of PSW and Media raised issues which were not adequately discussed in the Joint Application or which present areas of concern. The Townships contend this may warrant a finding that the Joint Application is not in the public interest. Specifically, the Townships contend, inter alia, as follows:

- (a) Media owns certain areas of watershed land on which Media's ratepayers have been paying a return. The exact disposition of those watershed areas is unclear in this application. It may be that Media's ratepayers should be considered to have standing to share any proceeds which may have accrued to Media as a result of the sale of this watershed land.
- (b) The protestants have a similar concern about the reversion of all reserve funds to Media. PSW is paying sufficient

proceeds to Media to extinguish all of Media outstanding bonds. Since Media's ratepayers paid carrying costs on the reserve funds, which reserve funds now apparently simply revert to Media, media's ratepayers wish an opportunity to examine the treatment of these reserve funds.

- (c) The Townships submit that accounting entries made with respect to this transaction should be reviewed by the Commission at this time so as to eliminate such redundant activities in PSW's next rate case.

(Protest, p. 2.)

PSW and Media, in their initial Joint Motion, contend that the first two areas of concern articulated by the Townships involve questions about Media's retention of the proceeds from an alleged sale of watershed land and the proceeds of reserve funds. PSW and Media rejoin that these concerns raise issues of a purely legal nature for which it is well settled in the law that customers have no legal or equitable interest in such proceeds.

Our review of the record indicates that Media owns 10 parcels of land which will be leased to PSW. The Joint Application clearly sets forth that the land in question is being leased and none of this land is being sold as part of the proposed acquisition. (Jt. Appl. p. 5 and Attachment L.) We note that the Townships, in their Amended Protest (Para. 3(b)), concede that Media's land is in fact being leased. The Townships assert that:

- b. With respect to the watershed being leased, the Townships ask the Commission to consider whether such a lease is in the public interest and, in any event, whether the watershed should be protested [sic] from development. (Emphasis Added)

The crux of the contention raised by the Townships in Paragraphs 3(a) and 3(b) of their Protest is that Media's customers should have standing to share in any proceeds resulting from the acquisition of Media's water system by PSW. In Paragraph No. 3(b), the Townships contend that Media's customers have a legal or equitable interest in property owned by Media. Specifically, the Townships assert that since Media's customer paid carrying costs on the reserve funds, Media's customers should have an opportunity to examine the treatment of these reserves.

PSW and Media rejoin at Paragraph No. 7 of their Joint Motion that:

The "reserve funds" consist of money that Media is required to maintain in restricted accounts as a reserve, or type of security deposit, for: (1) the payment of one year's principal and interest to bondholders; and (2) the annual cost to properly maintain its water facilities...

Regarding the "carrying costs" on the reserve funds, PSW and Media point out that this Commission expressly excluded the reserve funds from Media's rate base in determining its revenue requirement for ratemaking purposes. (Pennsylvania Public Utility Commission v. Borough of Media, 72 Pa. P.U.C. 144, 166 (1990).)

We note that the Commonwealth Court in the case of Middletown Township v. Pennsylvania Public Utility Commission, 85 Pa. Commonwealth Ct. 191, 482 A.2d 674 (1984), enunciated that customers do not acquire any legal or equitable interest in the property used for their convenience or in the funds of the company. In Middletown, the Commonwealth Court stated, in pertinent part, that:

When public utility property is sold either in an arms-length transaction or a forced acquisition, the compensation received represents capital belonging to the utility and its stockholders, and not to the utility's customers, and not to be transferred to the remaining customers in the form of lower rates. . . . [C]ustomers pay for service, not for the property used to render it; by paying . . . bills for service they do not acquire any interest, legal or equitable in the property used for their convenience or in the funds of the company. . . . (citations omitted)

(Id. at 682.)

Therefore, we conclude that Media's customers do not have any cognizable right, title, or interest to the proceeds or to compensation resulting from the subject transfer of Media's water system to PSW. Thus, the Townships contentions regarding the sale/lease of Media's land, as well as the reserve funds, do not state a valid basis for protesting the instant Joint Application.

In Paragraph 3(c) of their Protest, the Townships contend that, with respect to the instant Joint Application, we should at this time, review the accounting entries in order to eliminate such redundant activities in PSW's next rate case.

This issue raised by the Townships is one of ratemaking. The subject transaction is governed by Section 1102 of the Public Utility Code, 66 Pa. C.S. §1102. In Joint Application of TCG Pittsburgh and Digital Direct of Pittsburgh, Inc., Docket No. A-310213, entered on October 4, 1994, at page 6, ("TCG"), we affirmed our long-standing position that proceedings under Section 1102, are primarily to focus upon considerations of public convenience and necessity and of financial and technical fitness. (Confirming Application of Penn Access Corp. and Digital Direct of Pennsylvania, Inc., Docket No. A-310006,

entered on May 1, 1992.) We further held in TCG, that "there are logical reasons for considering rate issues in a proceeding other than" one such as the matter currently before us. The Commonwealth Court, in Barensfeld v. Pa. PUC, 155 Pa. Commonwealth Ct. 225, 624 A.2d 809 (1993), similarly recognized that ratemaking issues could proceed along a separate procedural path.

Accordingly, we believe that the appropriate forum to review such accounting issues contemplated herein is a rate case proceeding. It is evident that accounting entries, to the extent that they are relevant, must be examined and dealt with in a rate case. Therefore, we conclude that it is inappropriate and premature to examine the accounting entries in the context of the instant Joint Application seeking approval of the transfer of Media's water assets to PSW.

In its Amended Protest, the Townships added the following additional basis for protest:

To the extent that Media shall receive proceeds in excess of the depreciated original cost of the facilities to be transferred to PSW, the Townships submit that the Commission should consider whether Media's ratepayers should receive all recaptured depreciation up to the original cost (i.e., the "basis" of the property) since depreciation represents a return on investment and any payments to Media in excess of the depreciated original costs also represent recovery of investment.

At its core, this argument rests on the same principles contained in the Township's Protest at paragraphs 3(a), and 3(b). The Townships claim that customers have an interest in the proceeds resulting from the sale of municipal utility facilities. As we noted earlier, the courts have definitively spoken on this

Matter in Middletown Township v. Pennsylvania Public Utility Commission, supra. Consistent with our conclusions on the previous Township arguments, we conclude that this matter is not a valid basis for protesting the instant Joint Application.

The Township's Amended Protest also raised, for the first time, the issues of whether the leasing of the watershed is in the public interest and whether the watershed should be protected from development.

The Amended Protest fails to provide any insight into why leasing or purchasing of the subject watershed area would alleviate PSW's duties to continue to provide adequate service to all of its customers under Section 1501 of the Public Utility Code, 66 Pa. C.S. §1501. Nor does the Amended Protest discuss why the Commission would lack the jurisdiction to require PSW to take the steps necessary to meet its obligations under the Public Utility Code.

Additionally, we note that the Townships did not strictly comply with Section 5.52(a) of our Regulations, 52 Pa. Code §5.52(a), which provides as follows:

§5.52. Content of a protest to an application.

- (a) A protest to an application shall on its face set out clearly and concisely the facts from which the alleged interest or right of the protestant can be determined, the grounds of the protest and the facts establishing protestant's standing to protest.

Consistent with the aforesaid provision, we conclude that the Townships' Protest and Amended Protest, when read in light of 52 Pa. Code §5.52, raise interests which are deficient as to form and substantively deficient for litigation in the instant

proceeding. Notably, there are no questions of fact asserted herein which would suggest a hearing. And, more importantly, the Townships raise no concerns which would cause them to be aggrieved as a result of our disposition of the application before us for consideration.

PSW and Media's Joint Motion and Joint Motion re Amended Protest, in challenging the sufficiency of the Townships' Protest and Amended Protest, are similar to a preliminary objection in the nature of a demurrer. We have previously adopted this analogy in Application of Paging Network of Philadelphia, Inc., Docket No. A-330644, F-0004, January 18, 1991, at pages 9 and 10, which became a Final Order of this Commission on February 27, 1991. (See also Jamieson v. Pa. Bd. of Probation and Parole, 83 Pa. Commonwealth Ct. 546, 547, 478 A.2d 152 (1984).)

Such a preliminary objection may be granted only if the other party's pleading is clearly insufficient to establish that other party's right to relief. For the purpose of testing the legal sufficiency of the challenged pleading, a preliminary objection in the nature of a demurrer admits as true all well-pleaded, material, and relevant facts, as well as every inference deducible from those facts. The other party's conclusions or averments of law are not, however, considered to be admitted as true by a demurrer. (County of Allegheny v. Commonwealth of Pennsylvania, 507 Pa. 360, 372, 490 A.2d 402 (1985); Rok v. Flaherty, 106 Pa. Commonwealth Ct. 570, 577, 527 A.2d 211 (1987); Jamieson, at 547-548; Keyser v. Blanchette, 50 Pa. P.U.C. 79, 81 (1976).) Since the sustaining of a demurrer results in the dismissal of the pleading, a preliminary objection in the nature of a demurrer should be sustained only in cases in which the other party has clearly and without a doubt failed to state a claim which relief may be granted. (County of Allegheny, at 372.)

In this proceeding as discussed supra, the Townships have neither complied with the requirements of Section 5.52 of our Regulations, supra, nor have they raised allegations which, even if proven, are sufficient to defeat approval of the Joint Application. The Townships simply have failed to state a claim upon which relief may be granted. Since proof of such allegations clearly would be insufficient to defeat the instant Joint Application, there is no need, therefore, to hold a hearing to permit the Townships to attempt such proof.

Accordingly, the Townships' Protest and Amended Protest are hereby dismissed for insufficiency as to form and substance. Having dismissed the Protest and the Amended Protest, there remain no further protests to the instant Joint Application. In our opinion, the facts and analysis set forth supra sufficiently support the approval of the Joint Application.

Accordingly, it is in the public interest to grant the Joint Application and to issue the appropriate certificates of public convenience to PSW and to Media. Consistent with the certificate to be issued to PSW, we hereby impose tariff constraints further enumerated in the Ordering Paragraphs, infra.

Conclusion

In light of the foregoing deficiencies in the Protest and the Amended Protest, we conclude that the Protest and the Amended Protest should be dismissed, consistent with our discussion herein. The contentions of the Townships raise issues of a purely legal nature, and on the face of the Protest and the Amended Protest, the Townships' arguments fail on their merits. Thus, we hereby approve the subject Joint Application; THEREFORE,

IT IS ORDERED:

1. That the Protest, filed on February 21, 1995, and the Amended Protest, filed on March 16, 1995, by the Townships of Upper Providence, Nether Providence, and Middletown be, and hereby are, dismissed.

2. That the Joint Motion to Dismiss or Reject Protest, filed on March 3, 1995, and the Joint Motion to Dismiss or Reject the "Amended" Protest, filed on March 28, 1995, by Philadelphia Suburban Water Company and the Borough of Media, be, and hereby are, granted, to the extent that they are consistent with this Opinion and Order.

3. That the Joint Application filed by Philadelphia Suburban Water Company and the Borough of Media on January 18, 1995, be, and hereby is approved, consistent with this Opinion and Order.

4. That a certificate of Public Convenience be issued, authorizing Philadelphia Suburban Water Company to acquire the water system assets of the Borough of Media.

5. That a Certificate of Public Convenience be issued authorizing Philadelphia Suburban Water Company to begin to offer, render, furnish, or supply water service to the public in the Media Service Territory.

6. That a Certificate of Public Convenience be issued authorizing the Borough of Media to abandon all water service to the public in its service territory.

7. That Philadelphia Suburban Water Company be, and hereby is, directed to file a Tariff Supplement with the

Commission's Secretary's Bureau and the Office of Special Assistants, Tariff Section, within 30 days of the date of closing. The Tariff should specify the following:

- (a) Inclusion of the additional service territory in the service territory of Philadelphia Suburban Water Company.
- (b) Immediate application of the Philadelphia Suburban Water Company rules and regulations to the customers within the additional Service Territory, with the exception of water main extensions proposed for developments in and adjacent to the Borough of Media service territory that shall continue to be handled under the main rules of the Borough of Media.
- (c) Continued application within the additional service territory, of the current rate schedule of the Borough of Media that is applicable to 3/4 inch meters and for public fire service and apply the rates of Philadelphia Suburban Water Company for meters other than 3/4 inch in size for private fire hydrant service until any or all such rates are changed by Commission order.

8. That Philadelphia Suburban Water Company be, and hereby is, directed to file, with its next general rate increase, all documents in support of the original and depreciated original cost of facilities acquired from the Borough of Media.

9. That approval of this Joint Application does not preclude the Commission from investigating the reasonableness of rate base claims relating to the acquisition of the assets of the Borough of Media during any formal proceeding.

10. That all records with respect to the Borough of Media be marked closed by the Commission's Secretary's Bureau

upon the issuance of the certificate contemplated in Ordering
Paragraph 6, SUPRA.

BY THE COMMISSION,



John G. Alford
Secretary

(SEAL)

ORDER ADOPTED: March 30, 1995

ORDER ENTERED: MAR 31 1995

DOCKETED

MAY 25 1995

**DOCUMENT
FOLDER**

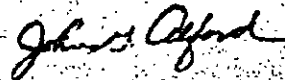
**PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

IN THE MATTER OF THE APPLICATION OF: A-212370F0015

Joint Application of Philadelphia Suburban Water Company and the Borough of Media for approval of: (1) the transfer by sale, of the water system assets of Media to Philadelphia Suburban Water Company; (2) the right of Philadelphia Suburban Water Company to begin water service to the Media Service Territory; and (3) the abandonment by Media of water service to the public in its current service territory.

The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing, it has, by its report and order made and entered, found and determined that the granting of the application is necessary or proper for the service, accommodation, convenience and safety of the public and hereby issues to the applicant this **CERTIFICATE OF PUBLIC CONVENIENCE** evidencing the Commission's approval.

In Witness Whereof, The PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 30th day of March 1995.



Secretary

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PA 17105-3259**

Public Meeting held December 5, 1996

Commissioners Present:

John M. Quain, Chairman
Lisa Crutchfield, Vice Chairman
John Hanger
David W. Rolka
Robert K. Bloom

**Applications of Philadelphia Suburban
Water Company for approval of:**

(1) the transfer, by sale, of the water system assets, properties and rights of the Bristol Borough Water and Sewer Authority to Philadelphia Suburban Water Company;

A-212370, P.0028

(2) the right of Philadelphia Suburban Water Company to begin to offer, render, furnish or supply water service to the public in Bristol Borough and portions of Bristol Township and portions of Bensalem Township, Bucks County, Pennsylvania.

A-212370, P.0029

OPINION AND ORDER

BY THE COMMISSION:

By these Applications filed on October 9, 1996, Philadelphia Suburban Water Company (PSW) or (Company) seeks a Certificate of Public Convenience pursuant to Section 1102 of the Pennsylvania Public Utility Code (66 Pa.C.S. §1102), evidencing Commission approval of (1) the transfer, by sale, of the Bristol Borough Water and Sewer Authority's water supply system assets, properties and rights (Authority Water Supply System Assets) from the Bristol Borough Water and Sewer Authority (Authority), Municipal Building, Bristol, PA to PSW; (2) the right of PSW to furnish water service to the public in the service territory of the Authority in its current water service territory which is located in Bristol Borough, and portions of Bristol and portions of Bensalem Townships, Bucks County, Pennsylvania.

DOCK

DEC 10 1996

**DOCUMENT
FOLDER**

Proof of service and publication were submitted by PSW. No protests were filed and no hearing was held. No motions or petitions were filed in this proceeding.

Discussion

Dockets No. A-212370, F.0028, and A-212370, F.0029 present related issues of fact and law. Accordingly, pursuant to our regulation at 52 Pa. Code §5.81, we shall consolidate these proceedings for purposes of this Opinion and Order.

PSW is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania. It currently furnishes water service to all or portions of more than 80 townships and boroughs within its existing service territory which covers an area of approximately 400 square miles. PSW's service territory is generally located to the north and west of the city of Philadelphia, including parts of Chester, Delaware, Montgomery, and Bucks counties. PSW currently has approximately 265,000 customer accounts.

The Authority is a municipal authority duly organized and validly existing under the Municipal Authorities Act of 1945, and therefore not subject to the jurisdiction of the Commission. The Authority currently provides water service to approximately 10,000 customer accounts in the Borough of Bristol, and portions of Bristol and portions of Bensalem Townships, Bucks County, Pennsylvania, as shown and described in Appendix "E" and "F", respectively, in the Applications filed by PSW and the Authority.

PSW states that the public interest and need will be better served by allowing PSW, in lieu of the smaller Authority, to provide water service in the additional territory and to address the issues of regulatory requirements, capital expenditures, future supply and demand.

The Authority and PSW have reached an understanding for PSW to purchase the Authority Water Supply System Assets from the Authority for a total purchase price of \$25,400,000. In addition, PSW has agreed to assume or reimburse the Authority for its closing costs up to \$50,000. The purchase price was determined as a result of arm's length negotiations. The Authority and PSW are not affiliated. PSW will use established credit arrangements to pay for the purchase of the Authority Water Supply System Assets. These credit arrangements will likely be replaced by medium-term debt under PSW's existing financing program. No investment securities will be transferred in the proposed transaction.

PSW requests Commission approval to begin to furnish water service to the area encompassing the Authority's water system. Upon completion of the proposed transfer, PSW will begin to provide water service to those customers to be transferred by the Authority and will also continue to charge the rates charged by the Authority until changed by Commission order. Currently, the average Authority residential customer using 60,000 gallons pays \$117 per year. The average PSW customer in the Main Division using 60,000 gallons pays \$289 per year. Over a period of ten (10) years, PSW will seek to equalize the metered water rates charged to the Authority customers with the metered water rates for the Main Division of PSW. PSW will initially employ those facilities it proposes to acquire from the Authority to furnish service to former Authority water system customers.

The Applicant states that the rates to be charged for meter sizes that are not presently served by the Authority shall be the same rates that are in effect for the PSW Main system. Since the Authority does not charge for public fire service PSW will utilize its existing rate schedule to establish a charge for public fire hydrants. The Authority and PSW have agreed that PSW will waive the entire charge for public fire service in the Borough of Bristol in exchange for the continued use, at no cost to PSW, of the Authority's sewage treatment system for the disposal of the treatment plant washwater and sedimentation basin water. The current value of this exchange is approximately \$68,000, based on 223 hydrants inside the Borough of Bristol that would be charged at the current PSW Main Division rate of \$303 per year. According to PSW, this agreement is in the interest of the Company and its customers.

PSW states that the expansion of its service territory through this acquisition will further the benefits of regionalization and economies of scale for water customers in southeastern Pennsylvania. PSW also states that the proposed acquisition will have no adverse effect on the service provided to existing customers of PSW.

Applicant also requests relief from multiple fee requirements under 52 Pa Code §1.43.

Upon full consideration of all the matters of record, it appears that the approval of these Applications is necessary and proper for the service, accommodation and convenience of the public;

THEREFORE,

IT IS ORDERED:

1. That the Petition of Applicant, in accordance with 52 Pa. Code §5.43, requesting relief from the multiple fee requirement under 52 Pa. §1.43 is granted.
2. That the Applications of the Philadelphia Suburban Water Company are hereby approved.
3. That a Certificate of Public Convenience be issued authorizing Philadelphia Suburban Water Company to acquire the water system assets of the Bristol Borough Water and Sewer Authority that constitutes the Bristol Borough Water and Sewer Authority's Water Supply System Assets.
4. That a Certificate of Public Convenience be issued authorizing Philadelphia Suburban Water Company to begin to offer, render, furnish or supply water service to the Bristol Borough Water and Sewer Authority's Water Supply System in the Boroughs of Bristol and portions of Bristol and portions of Bensalem Townships, Bucks County, Pennsylvania, as shown and described in Appendix "E" and Appendix "F", respectively, in the Applications filed by Philadelphia Suburban Water Company. This authorization for commencement of water service to the Authority's water system by the Philadelphia Suburban Water Company will not be effective until the legal transfer of the system at the closing of this transaction.
5. That Philadelphia Suburban Water Company file a tariff supplement with the Commission Secretary, and the Bureau of Fixed Utility Services' Tariff Section, within 30 days of the closing date. The tariff supplement should include the water service territory of the Bristol Borough Water and Sewer Authority in the service territory of Philadelphia Suburban Water Company, provide for the continuation of the current Bristol Borough Water and Sewer Authority's water rates, and apply the Philadelphia Suburban Water Company's rules and regulations to the customers within the Bristol Borough Water and Sewer Authority water system.
6. That approval of these Applications does not preclude the Commission from investigating during any formal proceeding the reasonableness of the terms of the acquisition and rate base claims, including Contributions-In-Aid of Construction, relating to the acquisition of the Bristol Borough Water and Sewer Authority Water Supply System Assets.

7. That Philadelphia Suburban Water Company notify the Commission's Office of Prothonotary and the Bureau of Fixed Utility Services within ten (10) days after said closing of the transaction, or provide the Commission with a written status report by March 5, 1997, if closing has not yet occurred.

BY THE COMMISSION

John G. Alford
John G. Alford
Secretary

(Seal)

ORDER ADOPTED: December 5, 1996

ORDER ENTERED: DEC - 6 1996

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

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VIA HAND DELIVERY

June 29, 2000

Johnnie E. Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED
00 JUN 29 PM 2:21
P.A.P.U.C.
SECRETARY'S BUREAU

Re: Application of Pennsylvania-American Water Company (CCA/Water)
Docket No. ~~A-212285-F0071~~

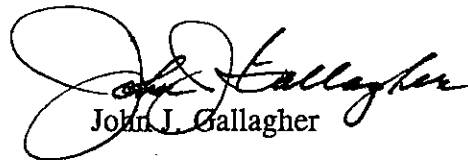
A-230073F0002

Dear Mr. Simms:

Enclosed please find two (2) copies of Pennsylvania-American Water Company's Responses to the following Office of Trial Staff Interrogatories: OTS-RR-1 through OTS-RR-2 and OTS-RS-11 through OTS-RS-12.

A certificate of service is also enclosed. Please do not hesitate to contact me if you have any questions regarding the above.

Sincerely,


John J. Gallagher

JJG/jtk

Enclosures

cc: All parties on service list
James McNulty, Secretary (w/out encl.)
Susan Simms, Esq. (w/encl.)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Pennsylvania-American Water Company for Approval of (1) The Transfer, By Sale, of Substantially All of the Water Works Property And Rights of the City of Coatesville Authority Water System to Pennsylvania-American Water Company, and (2) The Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Water Service to the Public in all of the City of Coatesville, Parkesburg Borough, and South Coatesville Borough, Chester County, Pennsylvania And Portions of Sadsbury Township, Caln Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, and West Caln Township, Chester County, Pennsylvania and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania; and (3) Certain Additional Regulatory Approvals

Docket No. A-212285F0071

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Application of Pennsylvania-American Water Company for Approval of (1) the Transfer, by Sale, of Substantially All of the City of Coatesville Authority's Assets, Properties and Rights Related to its Wastewater System to Pennsylvania-American Water Company; and (2) The Right of Pennsylvania-American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and Portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania; and (3) Certain Additional Regulatory Approvals

Docket No. A-230073F0002

DOCKETED
JUN 29 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this 29th day of June, 2000, served a true and correct copy of Pennsylvania-American Water Company's Responses to the Office of Trial Staff Interrogatories, upon the participants, listed below, in accordance with the requirements of 52 Pa. Code §§ 1.54 and 5.41(b):

Johnnie E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265
(2 copies via hand delivery)

Diane E. Dusman, Esq.
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921
(1 copy via U.S. Mail)

Mark Kropilak, Esq.
Philadelphia Suburban Water Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010-3489
(1 copy via U.S. Mail)

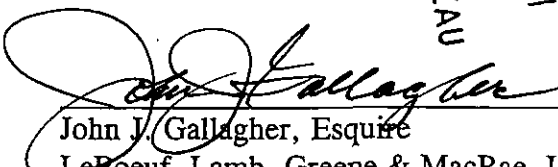
Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320
(1 copy via U.S. Mail)

Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(1 copy via U.S. Mail)

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(1 copy via U.S. Mail)

Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(1 copy via U.S. Mail)

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SECRETARY'S BUREAU


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LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

**Counsel for Pennsylvania-American
Water Company**

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

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(AFFILIATED OFFICE)
TASHKENT
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BEIJING

VIA FEDERAL EXPRESS

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320

July 20, 2000

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Re: Application of Pennsylvania-American Water Company (CCA/Water)

Docket No. A-212285F0071

Application of Pennsylvania-American Water Company (CCA/Wastewater)

Docket No. A-230073F0002

Dear Mr. Campos:

Enclosed please find two (2) copies of Pennsylvania-American Water Company Interrogatories Set II, numbered one (1) through five (5). Please restate each question before answering, and start each question and answer on a separate page. The answers to these interrogatories are due within twenty (20) calendar days pursuant to 52 Pa. Code Section 5.342(d).

A certificate of service is also enclosed. Please do not hesitate to contact me if you have any questions regarding the above.

Sincerely,


Zsuzsanna E. Benedek

ZEB/jtk

Enclosures

cc: All parties on service list

James McNulty, Secretary (w/cert. of service only)

Susan Simms, Esq. (w/encl.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water :
Company for Approval of (1) The Transfer, By :
Sale, of Substantially All of the Water Works :
Property And Rights of the City of Coatesville :
Authority Water System to :
Pennsylvania-American Water Company, and :
(2) The Rights of Pennsylvania-American :
Water Company to Begin to Offer or Furnish :
Water Service to the Public in all of the City of :
Coatesville, Parkesburg Borough, and South :
Coatesville Borough, Chester County, :
Pennsylvania And Portions of Sadsbury :
Township, Caln Township, East Fallowfield :
Township, Valley Township, Atglen Borough, :
West Sadsbury Township, and West Caln :
Township, Chester County, Pennsylvania and :
Quarryville Borough, Bart Township, Colerain :
Township, Eden Township and Sadsbury :
Township, Lancaster County, Pennsylvania; :
and (3) Certain Additional Regulatory :
Approvals :

Docket No. A-212285F0071

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SECRETARY'S BUREAU

Application of Pennsylvania-American Water :
Company for Approval of (1) the Transfer, by :
Sale, of Substantially All of the City of :
Coatesville Authority's Assets, Properties and :
Rights Related to its Wastewater System to :
Pennsylvania-American Water Company; and (2) :
The Right of Pennsylvania-American Water :
Company to Begin to Offer or Furnish :
Wastewater Service to the Public in the City of :
Coatesville and Parkesburg Borough, Chester :
County, Pennsylvania and Portions of Caln :
Township, East Fallowfield Township, Valley :
Township, Sadsbury Township, and West :
Sadsbury Township, Chester County, :
Pennsylvania; and (3) Certain Additional :
Regulatory Approvals :

Docket No. A-230073F0002

DOCKETED
JUL 21 2000

**DOCUMENT
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CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of July, 2000, served a true and correct copy of Pennsylvania-American Water Company's Interrogatories Set II directed to Ernest E. Campos, Sr., upon the participants, listed below, in accordance with the requirements of 52 Pa. Code §§ 1.54 and 5.41(b):

Johnnie E. Simms, Senior Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
901 Rear N. 7th Street, Pitnick Building
P.O. Box 3265
Harrisburg, PA 17105-3265
(1 copy via U.S. Mail)

Carol F. Pennington, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(1 copy via U.S. Mail)

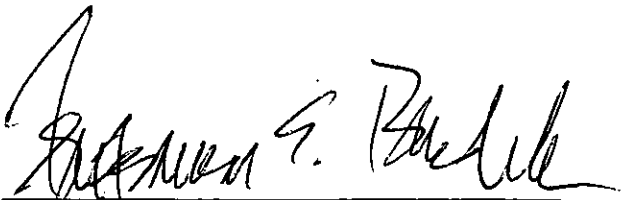
Diane E. Dusman, Esq.
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921
(1 copy via U.S. Mail)

Velma A. Redmond, Esq.
Corporate Counsel
Pennsylvania-American Water Company
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(1 copy via U.S. Mail)

Mark Kropilak, Esq.
Philadelphia Suburban Water Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010-3489
(1 copy via U.S. Mail)

Kevin Moody, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(1 copy via U.S. Mail)

Ernest E. Campos, Sr.
803 Merchant Street
P.O. Box 495
Coatesville, PA 19320
(2 copies via FedEx)



Zsuzsanna E. Benedek, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199

**Counsel for Pennsylvania-American
Water Company**



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office Of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

July 26, 2000

In Re: A-212285F0071
A-230073F0002

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To All Parties:

A-212285F0071

Application of Pennsylvania-American Water Company

For approval of 1) Transfer by Sale of Substantially All Water Works Property and Rights of City of Coatesville Authority Water System to Pennsylvania-American Water Company, and 2) Right of Pennsylvania-American Water Company to begin to Offer or Furnish Water Service to the Public in City of Coatesville, Parkesburg Borough, South Coatesville Borough, Sadsbury Township, and West Caln Township, and in Portions of Cain Township, East Fallowfield Township, Valley Township, Atglen Borough, West Sadsbury Township, Chester County, and Quarryville Borough, Bart Township, Colerain Township, Eden Township and Sadsbury Township, Lancaster County, Pennsylvania.

A-230073F0002

Application of Pennsylvania-American Water Company

For approval of 1) The transfer, by sale, of substantially all of the City of Coatesville Authority'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 the City of Coatesville and Parkesburg Borough, Chester County, Pennsylvania and portions of Caln Township, East Fallowfield Township, Valley Township, Sadsbury Township, and West Sadsbury Township, Chester County, Pennsylvania.

Hearing Notice

This is to inform you that the hearings on the above-captioned case will be held as follows:

Type: Initial and Further Hearings

Date: Wednesday, September 6, 2000 - Initial
Thursday, September 7, 2000 - Further

Time: 10:00 a.m. both days

Location: In an available hearing room
Ground Floor
North Office Building
North Street and Commonwealth Avenue
Harrisburg, Pennsylvania

Presiding: Administrative Law Judge Louis G. Cocheres
P.O. Box 3265
Harrisburg, PA 17105-3265
Telephone: (717) 783-5452
Fax: (717) 787-0481

Attention: You may lose the case if you do not come to this hearing and present facts on the issues raised.

If you intend to file exhibits, 2 copies of all hearing exhibits to be presented into evidence must be submitted to the reporter. An additional copy must be furnished to the Presiding Officer. A copy must also be provided to each party of record.

Except for those individuals representing themselves, the Commission's rules require that all parties have an attorney; therefore, you should have an attorney of your choice file an entry of appearance before the scheduled hearing.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call Norma Lewis at the Public Utility Commission:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing impaired: 1-800-654-5988.