



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

IN REPLY PLEASE
REFER TO OUR FILE

January 2, 2002

PENNSYLVANIA AMERICAN WATER COMPANY
ATTN SUSAN SIMMS MARSH
800 WEST HERSHEY PARK DRIVE
HERSHEY PA 17033

Re: Pennsylvania-American Water Company compliance wastewater tariff filing for
Coatesville Division, relating to Application docketed at A-230073F0002.

Dear Ms. Marsh:

In order for us to complete our review of Pennsylvania-American's compliance tariff filing, answers to the enclosed data requests are required by the Water/Wastewater Industry Group.

A conclusion of this review process 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

REP

Attention: Robert Horensky- (717) 783-6181
Office 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

JKC:rdh

Enclosure

Cc: Paul Diskin, PAWC

Kerry Klinefelter, PA PUC -Tariffs

DOCUMENT
FOLDER

**BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
DOCKET NO. A-230073F0002 (Compliance Tariff)**

January 2, 2002

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

COMPLIANCE TARIFF

FUS-T-18 In response to FUS-T-8, Wayne G. "Ted" Reed, Operations manager, stated that there is a "one-time fee of \$35 at the time of individual residential connection to the sewer system."

- a. State if this fee is a connection fee, inspection fee, application fee or permit fee. If it is none of the above, define and justify this fee.
- b. It does not appear that this fee is present in the tariff. If this fee is not present in the tariff, provide an explanation as to why it is not. If the fee is present, provide the page number.
- c. State if all new customers, regardless of customer classes and locations in the service territory, are charged this fee. If no, state which customer classes and/ or locations are charged this fee, justify the charge and explain why the fee is not charged to other customer classes.
- d. If this fee is a connection fee, state if PAWC charges this fee when PAWC personnel make the connection.

FUS-T-19 Regarding Original Page 9, Section D, Parkesburg Area Wastewater Service District, the Treatment Tapping Fee per EDU is listed at \$525.00.

- a. State if the Company is treating these fees as Contributions-In-Aid of-Construction. If no, provide an explanation as to why these fees should not be treated as contributions. In response to FUS-T-2 (a), PAWC stated that "this fee is charged to new customers to pay their fair share of the costs of the infrastructure that were put in place by past and current customers who have been paying rates and fees over the years to provide the infrastructure which otherwise may not have been in place to allow the new customers to connect." It seems that capitalized plant is being paid for through customer Tapping fees.
- b. Provide the amount of capacity being used. Also provide the reserved capacity.
- c. Since existing customers paid for the plant over the past years, explain why new customers tapping fees are not used to reimburse the existing customers.
- d. PAWC's response to FUS-T-2 (a) states that "new customers purchase capacity ownership in the sewer system that was built and paid for from rates charged to existing customers over the years which is similar to the purchase of stock ownership in an investor owned company." State if these customers which have "purchased capacity ownership in the sewer system" are paid dividends.
- e. State if the capacity fees are charged to all new customers within the entire service territory covered by this Application. If no, explain which customer groups are charged these fees and why these groups are charged and others are not charged.
- f. Explain, in detail, how PAWC accounts for the monies collected through these Treatment Tapping/Reserve Capacity Fees.

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FUS-T-20 Regarding Original Page 9, Section D, Parkesburg Area Wastewater Service District, the Lateral Inspection Fee of \$50.00,

- a. State if PAWC charges this fee if PAWC personnel make the lateral connection.
- b. Explain why the fee mentioned question FUS-T-18 for \$35.00 differs from the fee in this section for \$50.00 and from the fee on Original page 8, Connection Fee for \$50.00.

FUS-T-21 Regarding Original Page 9, Section D, Parkesburg Area Wastewater Service District, Special Purpose Conveyance Tapping Fees per EDU for \$264.63 (PAWC) and \$1,292 (Parkesburg), state if these fees collected are considered Contributions-In-Aid of Construction. If no provide an explanation as to why these should not be treated as Contributions.

FUS-T-22 Provide a copy of a monthly bill sent to a typical Parkesburg Service District customer.

FUS-T-23 Provide a schedule, or chart, showing the debt associated with Parkesburg Service District customers. The chart should clearly explain which debt and/or expenses each charge listed in the tariff is allocated toward.

FUS-T-24 Provide a copy of the most recent Bond Debt Service Schedule for Parkesburg.

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JAN 04 2002

ORIGINAL

Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888
(717) 533-5000 • Fax: (717) 531-3314 • E-mail: ssimms@pawc.com

Susan Simms Marsh
Associate Corporate Counsel

RECEIVED

2002 MAR 19 AM 9:45

PA PUC
SECRETARY'S BUREAU

March 18, 2002

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
PO Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Re: Pennsylvania-American Water Company Compliance Wastewater Tariff Filing
for Coatesville Division, Relating to Application Docketed at A-230073F0002

Dear Mr. McNulty:

In response to Judy A. Koch Carlson's letter dated May 30, 2001, regarding the above captioned matter, I am forwarding to you three (3) copies of the Company's revised response to question T-8 which was originally submitted on August 6, 2001, to the attention of:

Robert Horensky
Office of Fixed Utility Services
Water/Wastewater Industry Group

Sincerely,

Susan Simms Marsh
Susan Simms Marsh

Enclosures

cc: Robert Freeston
Paul Diskin
Wayne "Ted" Reed



FUS-T-08 Q Regarding Original Page 20 of the Tariff, Section 5.01, state if the Company requires residential customers to receive a permit for sewer service. Include any explanation of the application and permitting process and any associated fees.

Revised Response:

PAWC requires the owner or tenant of any new residential sewer connection to complete and submit an application for service after which a discharge permit will be issued for new sewer service for a new home or for a new subdivision. The main reasons for the application and permit are to assure sewer capacity is available for the single connection or development, and to provide PAWC with the name(s) of the responsible party or parties that will be connecting to the PAWC main or extending a PAWC main to serve the property. From this information, PAWC is able to determine the responsible party or parties for payment of the bills and for the maintenance of the customer's sewer lateral. There are no associated fees.

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MAR 22 2002

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2002 MAR 19 AM 9:46
PA PUC
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RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager



Pennsylvania-American Water Company

ORIGINAL

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888
(717) 533-5000 • Fax: (717) 531-3314 • E-mail: ssimms@pawc.com

Susan Simms Marsh
Associate Corporate Counsel

March 18, 2002

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
PO Box 3265
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

Re: Pennsylvania-American Water Company Compliance Wastewater Tariff Filing
for Coatesville Division, Relating to Application Docketed at A-230073F0002

Dear Mr. McNulty:

In response to Judy A. Koch Carlson's letter dated January 2, 2002, regarding the above captioned matter, I am forwarding to you three (3) copies of the data request to the attention of:

Robert Horensky
Office of Fixed Utility Services
Water/Wastewater Industry Group

**DOCUMENT
FOLDER**

Sincerely,

Susan Simms Marsh
Susan Simms Marsh

Enclosures

cc: Robert Freeston
Paul Diskin
Wayne "Ted" Reed



BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

FUS-T-18 Q In response to FUS-T-8, Wayne G. "Ted" Reed, Operations manager, stated that there is a "one-time" fee of \$35 at the time of individual residential connection to the sewer system."

- a. State if this fee is a connection fee, inspection fee, application fee or permit fee. If it is none of the above, define and justify this fee.
- b. It does not appear that this fee is present in the tariff. If this fee is not present in the tariff, provide an explanation as to why it is not. If the fee is present, provide the page number.
- c. State if all new customers, regardless of customer classes and location in the service territory, are charged this fee. If no, state which customer classes and/or locations are charged this fee, justify the charge and explain why the fee is not charged to other customer classes.
- d. IF this fee is a connection fee, state if PAWC charges this fee when PAWC personnel make the connection.

FUS-T-18 A The response to FUS-T-8 is revised to reflect that there is no "one time" fee. I incorrectly looked at a draft of proposed fees for Coatesville, which had been prepared for discussion purposes only prior to PAWC's purchase of the City of Coatesville Authority assets.

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MAR 26 2002

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RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

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- FUS-T-19 Q Regarding Original Page 9, Section D, Parkesburg Area Wastewater Service District, Treatment Tapping Fee per EDU is listed at \$525.00.
- a. State if the Company is treating these fees as Contributions-In-Aid-of-Construction. If no, provide an explanation as to why these fees should not be treated as contributions. In response to FUS-T-2(a), PAWC stated that "this fee is charged to new customers to pay their share of the costs of the infrastructure that were put in place by past and current customers who have been paying rates and fees over the years to provide the infrastructure which otherwise may not have been in place to allow the new customers to connect." It seems that capitalized plant is being paid for through customer Tapping fees.
 - b. Provide the amount of capacity being used. Also provide the reserved capacity.
 - c. Since existing customers paid for the plant over the past years, explain why new customers tapping fees are not used to reimburse the existing customers.
 - d. PAWC's response to FUS-T-2(a) state that "new customers purchase capacity ownership in the sewer system that was built and paid for from rates charged to existing customers over the years which is similar to the purchase of stocking ownership in an inventory owned company." State if these customers which have "purchased capacity ownership in the sewer system" are paid dividends.
 - e. State if the capacity fees are charged to all new customers within the entire service territory covered by this Application. If no, explain which customer groups are charged these fees and why these groups are charged and others are not charged.
 - f. Explain, in detail, how PAWC accounts for the monies collected through these Treatment Tapping/Reserve Capacity Fees.
- FUS-19-T A
- a. No. The Company is not treating the fees as Contributions-In-Aid-of-Construction. This fee is considered Other Wastewater Revenue and recorded as such.
 - b. Parkesburg's current sewer usage is approximately 230,000 gallons per day. The total sewer capacity reserved for Parkesburg is 600,000 gallons per day leaving an unpaid capacity of approximately 370,000 gallons per day.

- c. The amounts collected for the capacity fee and connection fee are recorded as Other Wastewater Revenues. This will reduce the revenue requirement necessary from customers when a rate increase is requested since the revenue requirement amount required for customers is the difference between the total revenue request and the dollars associated with Other Wastewater Revenues.
- d. No, the customers are not paid dividends.
- e. A capacity fee of \$525 and a connection fee of \$50 (a total charge of \$575) is charged for each new connection to the wastewater system. This amount is charged in most cases to the developer of the new property.
- f. The amounts collected for the capacity fee and connection fee are recorded as Other Wastewater Revenues. This will reduce the revenue requirement necessary from customers when a rate increase is requested since the revenue requirement amount required for customers is the difference between the total revenue request and the dollars associated with Other Wastewater Revenues.

RESPONSIBLE WITNESSES: Paul T. Diskin, Director of Rates and Planning
Wayne G. "Ted" Reed, Manager

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

- FUS-T-20 Q Regarding Original Page 9, Section D, Parkesburg Area Wastewater Service District, the Lateral Inspection Fee of \$50.00,
- a. State if PAWC charges this fee if PAWC personnel make the lateral connection.
 - b. Explain why the fee mentioned question FUS-T-18 for \$35.00 differs from the fee in this section for \$50.00 and from the fee on Original Page 8, Connection Fee for \$50.00
- FUS-T-20 A
- a. PAWC does not make the sewer lateral connections in Coatesville. The developers or individual new customers constructing a new building that will be connected to the sewer system, for the first time, are required to make the actual sewer lateral connection. PAWC's inspections to connection insure the connection is made properly for the protection of the customer as well as PAWC.
 - b. As stated in the response to FUS-T-18, there is no fee for the service activation.

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RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

- FUS-T-21 Q Regarding Original Page 9, Section D, Parkesburg Area Wastewater Service District, Special Purpose Conveyance Tapping Fees per EDU for \$264.63 (PAWC) and \$1,292 (Parkesburg), state if these fees collected are considered Contributions-In-Aid-of-Construction. If no provide an explanation as to why these should not be treated as Contributions.
- FUS-T-21 A PAWC acquired, under the terms of the Asset Purchase Agreement, all of the assets of the City of Coatesville Authority which included a receivable from the Parkesburg Wastewater Service District. Under the terms of the note receivable, PAWC receives special purpose conveyance tapping fees. These fees are deposited in an escrow account of the City of Parkesburg. Payments are made out of the escrow account twice a year to pay down the receivable on the books of PAWC. These payments are in no way related to Contributions-In-Aid-Of-Construction, but instead are used to extinguish Parkesburg's debt to PAWC.

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RESPONSIBLE WITNESS: Robert Freeston, Vice President and Treasurer

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

- FUS-T-22 Q Provide a copy of a monthly bill sent to a typical Parkesburg Service District customer.
- FUS-T-22 A See Attachment A

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RESPONSIBLE WITNESS: Paul T. Diskin, Director of Rates and Planning

Pennsylvania - American
Water Company
PO BOX 578
LTON, IL 62002-0578
or Service To: 416 6th Ave

Account Number: 24-1274595-8
Amount Due \$167.54
Due Date Apr 02, 2002

Kenneth T Fisher
16 6th Ave
Parkesburg PA 19365-1447

Pennsylvania-American Water Co
PO Box 371412
Pittsburgh, Pa. 15250-7412

Customer Account Information
Service To: Kenneth T Fisher
416 6th Ave
Account #: 24-1274595-8
Remise #: 24-0617168

Billing Summary	
----Prior Balance-----	
Balance from last bill	165.58
Payments prior to Mar 13, 200	-165.58
Total prior balance, Mar 13,	
----Current Water Charges----	
Service Charge	5.85
Water Volume (\$.005490 x 14,0	76.86
Total water charges, Mar 13,	82.71
----Current Wastewater Charge	
Wastewater	5.59
Wastewater (\$.003020 x 14,000	42.28
Total wastewater charges Mar	47.87
----Other Current Charges----	
Parkesburg Debt Serv Chrg Qtr	35.00
Late Payment Charge	1.96
Total other charges, Mar 13,	36.96
----AMOUNT DUE -----	167.54

Billing Period & Meter Information
Billing Date: Mar 13, 2002
Billing Period: Dec 07 to Mar 08
Next reading: Jun 07, 2002
Rate Type: Residential

Meter reads in current period:
Meter Number S005658339
Present-actual 249000
Last-actual 235000
Gallons used 14000

* Any portion of this water bill which is not paid as of 4/08/02 will be subject to a 1.50% penalty.

* Pennsylvania-American is sponsoring a "Protect Our Watershed Art Contest" for fifth-grade students.

Deadline for entries is March 20. For more information, contact our customer service representative.

* Pennsylvania-American reminds its customers to use water wisely.

* Please note, the above bill reflects new rates approved by the PA Public Utility Commission for services rendered on or after January 25, 2002.

* At Pennsylvania-American, our customers are our top priority. Please let us know how we can serve you better.

** OUR CUSTOMER

CHARTER **

We are dedicated to service excellence; focused on personalized solutions; and committed to the health and welfare of our customers. Therefore, we will partner with our customers; treat them with dignity and respect; enhance their quality of life; earn their loyalty; and exceed

** DUPLICATE BILL **

Date Printed
Time Printed
Printed By

3/15/02
9:35 am
DISKINPT

their expectations.

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

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SECRETARY'S BUREAU

- FUS-T-23 Q Provide a schedule, or chart, showing the debt associated with Parkesburg Service District customers. The chart should clearly explain which debt and/or expenses each charge listed in the tariff is allocated toward.
- FUS-T-23 A The response to this query is rather involved and requires a detailed explanation. It is important to keep in mind that PAWC was required to assume the agreement and addendums to the agreement between the Borough of Parkesburg and the City of Coatesville Authority ("CCA") as provided in the CCA/PAWC sales agreement. The PUC has a copy of these agreements and addendums; however, a copy of pertinent sections of the agreements and addendums are provided as Exhibits.

CCA and Parkesburg entered into an agreement dated June 21, 1994, for the extension of a sewer main from Parkesburg five miles to Coatesville to be connected to the Coatesville sewer system. This agreement required that Parkesburg pay \$2.4 million dollars as its share of the costs for this extension. Parkesburg paid \$500,000 in cash upon the completion of the project. In 1996 CCA borrowed 43.7 million through a Revenue Bond for the total construction project, which included a sewer pump station and was designed to serve other connections beside those emanating from Parkesburg. Parkesburg's share of that bond was an agreed maximum of \$1.9 million (\$2.4 million less \$500,00 cash). (See Exhibit 1, Parkesburg/CCA Agreement, Article V, Paragraphs 5.01, 5.02 and 5.03, pages 28 and 29 of the Agreement).

The method of repayment by the customers of Parkesburg for its share of the bonded indebtedness was set forth in the Agreement. (See Exhibit 2, Parkesburg/CCA Agreement, Article XIV, Paragraphs 14.01 and 14.02, page 54 and 55 of the Agreement). Paragraph 14.02 C., provided that the customers discharging sewage effluent into the Collector system would be involved quarterly by CCA:

An incremental amount attributable to the Borough's \$1.9 Million Debt Service Participation Increment (per Article V, paragraph 5.02.A) calculated annually by dividing the then outstanding Debt Service increment (consisting of principal and interest) by the then-existing SSM (Sanitary Sewer Main) users within the municipal limits of the Borough.

In addition, Exhibit 2, Paragraph 14.03 B provided that CCA was to collect a

"Tap-in fee" for any new connections to the Parkesburg sewer system which would be placed into the escrow account to "...be applied to reduce the balance of any then-remaining principal of the \$1.9 Million financing for which the Borough is responsible..."

Therefore, the Debt Service fees collected through the quarterly billing and tap-in fees collected from new sewer connections were to be placed into an escrow, interest-bearing account until the bond payments were to be made at which time CCA could transfer Parkesburg's portion of the semi-annual bond payment to its account to pay Parkesburg's portion of the debt service.

At the closing of the project, in the final Settlement Agreement dated September 2, 1998, CCA and Parkesburg agreed to change the original method of assessment for the Debt Service Fee in that there would be a quarterly Debt Service Fee of \$35 charged to each existing and future Parkesburg Equivalent Dwelling Unit ("EDU") until such time as the \$1.9 million debt was paid in accordance with the Parkesburg Debt Service Schedule. (See Exhibit 3, paragraph 12, pages 6 and 7). The total annual fees were estimated to equal or be greater than the annual debt payments on the Parkesburg bond schedule. Any excess amount not needed for the semi-annual bond payments was to remain in the escrow, interest-bearing account for use in the future if there was a shortage or to be used at a certain point in time when the funds in the escrow account would be sufficient to pay off the bond in advance. The Settlement Agreement as well as the original CCA/Parkesburg Agreement recognized the right for CCA to collect a tap-in fee from new construction in order to collect its share of the costs for the sewer main extension project in addition to its normal fees.

On December 14, 1998, CCA and Parkesburg approved a "Consent to Assignment and Novation" (See Exhibit 5) which, in paragraph 2, provided that any Assignee purchasing the CCA assets would accept, agree and/or acknowledge that it would assume and perform all the duties and obligations which were to be performed by CCA under the June 21, 1994 agreement and the addendums to the agreement. This language was to assure Parkesburg that any entity purchasing the CCA assets would continue to execute the agreements in the same form as required of CCA including the assessment and collection of Debt Service fees and tap-in fees for use in paying Parkesburg's share of the debt incurred for the construction of the sewer main from Parkesburg to Coatesville.

Through its bond financial consultant, CCA developed an individualized "Net Debt Service Schedule" (See Exhibit 6) showing Parkesburg's semi-annual bond payments. (Note: CCA refinanced the 1996 Sewer Bond in 1999. Exhibit 6 reflects the bond schedule of the 1999 Sewer Bond now in effect.) In April of each year interest payments were to be made and in October of each principal and interest payments were to be made. Parkesburg's share of the bond payments, in accordance with the Parkesburg escrow account to CCA's account and then CCA

would make the total bond payment.

In order to determine the new customer tap-in fees provided for in the CCA/ Parkesburg Agreement, CCA developed an annual schedule of fees based upon the cost of the project, annual interest on the principal of the bond and projected cost per gallon of low using one EDU equaling 262.5 gallons per day. (See Exhibit 7.) This schedule which was approved by Parkesburg, bases Parkesburg's share of the CCA/Parkesburg combined share of the project cost at 83% and CCA's share at 17% as provided in the Agreement. Parkesburg's tap-in fee and CCA's tap-in fee are show on the right side of Exhibit 7 and changed annually according to the principal and interest accumulation. These are the fees charged to any new customer connecting to the Parkesburg sewer system. Parkesburg's tap-in fee was to be placed into the escrow account as required and used with the Debt Service Fees to pay the semi-annual debt service. CCA's share was to be used to repay CCA for its cost of the Parkesburg/CCA combined construction costs and was to help pay the total semi-annual bond payments.

At the time of signing the Settlement Agreement (Exhibit 3), the total CCA and Parkesburg tap-in fee (called "Conveyance Capacity Fee Component" in the agreement") was established at \$1,432.84 (\$1,189.26 for Parkesburg and \$243.58 for CCA) in accordance with the Annual Schedule of Fees (Exhibit 7) as of 1999. At the time of the sale of the CCA assets to PAWC the total tap-in fee was \$1,556.63 (\$1,292.00 for Parkesburg and \$264.63 for CCA) for 2001. In its Tariff, PAWC kept these same tap-in fees as set forth in paragraph D entitled Parkesburg Area Wastewater Service District of the Schedule of Miscellaneous Fees and Charges.

It is imperative for the PUC to understand that CCA provided all interested parties for the purchase of its assets with copies of the CCA/Parkesburg Agreement as well as, of course, with all other municipal and developer agreements. It was understood that any entity purchasing the assets would not only be required to assume the responsibility for enforcement of the Parkesburg Agreement but also would be able to collect the Parkesburg Debt Service Fees and tap-in fees to recover the remaining payments on CCA's debt service on the 1999 bonds. There was approximately \$1.7 million remaining to be paid to the successful bidder for te Parkesburg debt, which PAWC took into account when it submitted its bid for the purchase of the CCA assets. PAWC had every expectation that it would receive the \$1.7 million plus interest over the remainder of the Parkesburg Debt Service Schedule when it submitted its winning bid for the purchase of the CCA assets.

RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

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FUS-T-23 Q Provide a schedule, or chart, showing the debt associated with Parkesburg Service District customers. The chart should clearly explain which debt and/or expenses each charge listed in the tariff is allocated toward.

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CCA and Parkesburg entered into an agreement dated June 21, 1994, for the extension of a sewer main from Parkesburg five miles to Coatesville to be connected to the Coatesville sewer system. This agreement required that Parkesburg pay \$2.4 million dollars as its share of the costs for this extension. Parkesburg paid \$500,000 in cash upon the completion of the project. In 1996 CCA borrowed 43.7 million through a Revenue Bond for the total construction project, which included a sewer pump station and was designed to serve other connections beside those emanating from Parkesburg. Parkesburg's share of that bond was an agreed maximum of \$1.9 million (\$2.4 million less \$500,00 cash). (See Exhibit 1, Parkesburg/CCA Agreement, Article V, Paragraphs 5.01, 5.02 and 5.03, pages 28 and 29 of the Agreement).

The method of repayment by the customers of Parkesburg for its share of the bonded indebtedness was set forth in the Agreement. (See Exhibit 2, Parkesburg/CCA Agreement, Article XIV, Paragraphs 14.01 and 14.02, page 54 and 55 of the Agreement). Paragraph 14.02 C., provided that the customers discharging sewage effluent into the Collector system would be involved quarterly by CCA:

An incremental amount attributable to the Borough's \$1.9 Million Debt Service Participation Increment (per Article V, paragraph 5.02.A) calculated annually by dividing the then outstanding Debt Service increment (consisting of principal and interest) by the then-existing SSM (Sanitary Sewer Main) users within the municipal limits of the Borough.

In addition, Exhibit 2, Paragraph 14.03 B provided that CCA was to collect a

“Tap-in fee” for any new connections to the Parkesburg sewer system which would be placed into the escrow account to “...be applied to reduce the balance of any then-remaining principal of the \$1.9 Million financing for which the Borough is responsible...”

Therefore, the Debt Service fees collected through the quarterly billing and tap-in fees collected from new sewer connections were to be placed into an escrow, interest-bearing account until the bond payments were to be made at which time CCA could transfer Parkesburg’s portion of the semi-annual bond payment to its account to pay Parkesburg’s portion of the debt service.

At the closing of the project, in the final Settlement Agreement dated September 2, 1998, CCA and Parkesburg agreed to change the original method of assessment for the Debt Service Fee in that there would be a quarterly Debt Service Fee of \$35 charged to each existing and future Parkesburg Equivalent Dwelling Unit (“EDU”) until such time as the \$1.9 million debt was paid in accordance with the Parkesburg Debt Service Schedule. (See Exhibit 3, paragraph 12, pages 6 and 7). The total annual fees were estimated to equal or be greater than the annual debt payments on the Parkesburg bond schedule. Any excess amount not needed for the semi-annual bond payments was to remain in the escrow, interest-bearing account for use in the future if there was a shortage or to be used at a certain point in time when the funds in the escrow account would be sufficient to pay off the bond in advance. The Settlement Agreement as well as the original CCA/Parkesburg Agreement recognized the right for CCA to collect a tap-in fee from new construction in order to collect its share of the costs for the sewer main extension project in addition to its normal fees.

On December 14, 1998, CCA and Parkesburg approved a “Consent to Assignment and Novation” (See Exhibit 5) which, in paragraph 2, provided that any Assignee purchasing the CCA assets would accept, agree and/or acknowledge that it would assume and perform all the duties and obligations which were to be performed by CCA under the June 21, 1994 agreement and the addendums to the agreement. This language was to assure Parkesburg that any entity purchasing the CCA assets would continue to execute the agreements in the same form as required of CCA including the assessment and collection of Debt Service fees and tap-in fees for use in paying Parkesburg’s share of the debt incurred for the construction of the sewer main from Parkesburg to Coatesville.

Through its bond financial consultant, CCA developed an individualized “Net Debt Service Schedule” (See Exhibit 6) showing Parkesburg’s semi-annual bond payments. (Note: CCA refinanced the 1996 Sewer Bond in 1999. Exhibit 6 reflects the bond schedule of the 1999 Sewer Bond now in effect.) In April of each year interest payments were to be made and in October of each principal and interest payments were to be made. Parkesburg’s share of the bond payments, in accordance with the Parkesburg escrow account to CCA’s account and then CCA

would make the total bond payment.

In order to determine the new customer tap-in fees provided for in the CCA/ Parkesburg Agreement, CCA developed an annual schedule of fees based upon the cost of the project, annual interest on the principal of the bond and projected cost per gallon of low using one EDU equaling 262.5 gallons per day. (See Exhibit 7.) This schedule which was approved by Parkesburg, bases Parkesburg's share of the CCA/Parkesburg combined share of the project cost at 83% and CCA's share at 17% as provided in the Agreement. Parkesburg's tap-in fee and CCA's tap-in fee are show on the right side of Exhibit 7 and changed annually according to the principal and interest accumulation. These are the fees charged to any new customer connecting to the Parkesburg sewer system. Parkesburg's tap-in fee was to be placed into the escrow account as required and used with the Debt Service Fees to pay the semi-annual debt service. CCA's share was to be used to repay CCA for its cost of the Parkesburg/CCA combined construction costs and was to help pay the total semi-annual bond payments.

At the time of signing the Settlement Agreement (Exhibit 3), the total CCA and Parkesburg tap-in fee (called "Conveyance Capacity Fee Component" in the agreement") was established at \$1,432.84 (\$1,189.26 for Parkesburg and \$243.58 for CCA) in accordance with the Annual Schedule of Fees (Exhibit 7) as of 1999. At the time of the sale of the CCA assets to PAWC the total tap-in fee was \$1,556.63 (\$1,292.00 for Parkesburg and \$264.63 for CCA) for 2001. In its Tariff, PAWC kept these same tap-in fees as set forth in paragraph D entitled Parkesburg Area Wastewater Service District of the Schedule of Miscellaneous Fees and Charges.

It is imperative for the PUC to understand that CCA provided all interested parties for the purchase of its assets with copies of the CCA/Parkesburg Agreement as well as, of course, with all other municipal and developer agreements. It was understood that any entity purchasing the assets would not only be required to assume the responsibility for enforcement of the Parkesburg Agreement but also would be able to collect the Parkesburg Debt Service Fees and tap-in fees to recover the remaining payments on CCA's debt service on the 1999 bonds. There was approximately \$1.7 million remaining to be paid to the successful bidder for te Parkesburg debt, which PAWC took into account when it submitted its bid for the purchase of the CCA assets. PAWC had every expectation that it would receive the \$1.7 million plus interest over the remainder of the Parkesburg Debt Service Schedule when it submitted its winning bid for the purchase of the CCA assets.

RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

ARTICLE V**PROJECT COST AND CCA PROJECT RESPONSIBILITIES**

5.01

The CCA shall procure all general Contractors, Subcontractors, Materialmen and Suppliers necessary to furnish all labor, superintendents, materials, necessary equipment and other utilities and facilities for, perform all work necessary for or incidental to, and perform all other obligations required by this Agreement for the completion of the Project.

5.02

The CCA will complete (or cause to be completed) the Project and in consideration thereof the Borough shall be responsible for a total of Two Million Four Hundred Thousand Dollars (\$2,400,000.00) of the Project Costs, allocated as follows:

A. The financing of 1.9 Million Dollars (\$1,900,000.00) in accordance with Article X.

B. Three Hundred Thousand Dollars (\$300,000.00) payable to the CCA for anticipated Project Costs, advanced as set forth below:

1. Advance #1: \$200,000.00 payable upon execution of this Agreement.

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2. Advance #2: \$50,000.00 payable on or before January 1, 1995.

3. Advance #3: \$50,000.00 payable on or before June 1, 1995.

C. Two Hundred Thousand Dollars (\$200,000.00) payable to the CCA on the Closing Date for Project Closure Costs.

5.03 CCA and the Borough agree that under no circumstances shall the Borough's Total Maximum Debt Service Obligation for purposes of securing exceed \$1.9 Million.

5.04 In order to induce the Borough to enter into this Agreement, the CCA makes the following representations:

A. The CCA has studied each and every provision of this Agreement, reviewed, and understands the nature and extent of the work required of it in order to complete the Project, has familiarized itself with the work locality, local conditions, any and all Federal, Commonwealth of Pennsylvania and local acts, laws, statutes, ordinances and regulations that in any manner affect cost,

ARTICLE XIV**POST CLOSING DATE CUSTOMER CHARGES, TAP-IN FEES, ETC.**

14.01 As of 12:00 A.M., prevailing time on the Closing Date, all existing and future users of the SSM located within the municipal limits of the Borough discharging sewage effluent into the Collector System formerly owned by the Borough shall become Retail Customers of the CCA.

14.02 When the users identified in Paragraph 14.01, above, become "Retail Customers" of the CCA, they shall, commencing 12:00 A.M. prevailing time the day after Closing and from that point forward, be invoiced quarterly by CCA the following monetary amounts:

- A. CCA's then-prevailing standard retail charge for the treatment of sewage effluent, based on actual usage; and
- B. CCA's then-prevailing standard billing charge; and
- C. An incremental amount attributable to the Borough's \$1.9 Million Debt Service Participation Increment (per Article V, §5.02.A) calculated annually by dividing the then outstanding Debt Service increment (consisting of principal and interest) by the then-existing SSM users within the municipal limits of the Borough.

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14.03

Effective 12:00 A.M., prevailing time, on the Closing Date, any customer connecting to the SSM shall pay the following "tap-in" fees:

- A. The then prevailing tap-in fee charged by CCA to any new customer;
- B. A tap-in fee for the Borough, the amount of which shall be the maximum amount permitted to be charged in accordance with the provisions of the Act of December 19, 1990, P.L. 1227, No. 203, §1, et seq, as amended (53 P.S. §301, et seq). All such funds received by the CCA under the provisions of this sub-paragraph shall be deposited into an interest bearing Escrow Account established by the CCA for the benefit of the Borough and shall -- at the beginning of the next calendar year or as frequently in the existing calendar year as may be permitted under the terms of any operative lending instrument -- be applied to reduce the balance of any then-remaining principal of the \$1.9 Million financing for which the Borough is responsible pursuant to Article V, §5.02.A.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, covenants and conditions of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Parkesburg and the CCA hereby agree as follows:

1. On the Closing Date (as that term is defined in Article I, §1.05 of the Agreement), Parkesburg will make a final payment of Two Hundred Thousand Dollars (\$200,000.00) to the CCA as required by the Agreement.

2. On the Closing Date, Parkesburg will reimburse the CCA the sum of One Hundred Fifty-Eight Thousand Six Hundred Forty-Eight and 10/100 (\$158,648.10). This amount represents Parkesburg's portion of the Debt Service on the Bond between July 1, 1997 and the Closing Date. In addition, if the Debt Service collected between the Closing Date and July 1, 1999 will not total at least ^{\$158,754.15} ~~\$158,648.10~~, on June 30, 1999 Parkesburg will pay to the CCA an amount as is necessary in order that the total amount of the Debt Service paid will be ^{\$158,754.15} ~~\$158,648.10~~ on July 1, 1999.

3. On the Closing Date, Parkesburg will pay to the CCA any balance which it owes to the CCA for Treatment Costs for the treatment of sewage effluent. The amount of money to be paid by Parkesburg to the CCA on the Closing Date will be the difference between the amounts charged by CCA to Parkesburg for the treatment by CCA of the effluent running through the Pump Station

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between July 1, 1997 and the Closing Date, less any amounts paid by Parkesburg to CCA prior to the Closing Date.

4. On the Closing Date, Parkesburg will reimburse the CCA the sum of Thirty Thousand Dollars (\$30,000.00) in full and final satisfaction of any amounts due by Parkesburg to the CCA and/or the Commonwealth of Pennsylvania Department of Environmental Protection; CCA will be responsible for the payment to the Commonwealth of Pennsylvania Department of Environmental Protection for any interest on this amount.

5. Commencing the day after the Closing Date, the CCA will collect a Tapping Fee from:

- A. New customers who connect to the system, provided such new connections result in effluent running through the Pump Station constructed by the CCA in Parkesburg; and
- B. Existing customers who increase their EDU's, if the effluent of those existing customers flows through the Pump Station constructed by the CCA in Parkesburg.

The Tapping Fees collected by the CCA will be collected from the new connecting customers on a per EDU basis, and when any such connection is made, or when an existing customer increases its EDU's, the CCA will send an invoice to the customer so connecting or increasing. The invoice sent

by the CCA to the new customer on a per EDU basis (or to the existing customer for an increase in EDU's) will be substantially in the format of the sample invoice attached hereto as Exhibit "A". The invoice for the Tapping Fee on a per EDU basis which will be sent by the CCA to the new customer will include the following identified "line items":

- A. Conveyance Capacity Fee Component.
- B. Treatment Capacity Component.
- C. Lateral Connection Fee.

6. When the CCA collects the Tapping Fees, the "Conveyance Capacity Fee Component" of the Tapping Fee referenced in Paragraph 5 above will be divided between Parkesburg and the CCA on an 83%-17% basis, with 83% inuring to the benefit of Parkesburg and 17% inuring to the benefit of CCA.

7. Parkesburg's 83% of the "Conveyance Capacity Fee Component" of the Tapping Fee collected by the CCA pursuant to Paragraphs 5 and 6 above will be put into the interest bearing Escrow Account described in and pursuant to Article XIV, §14.03.B of the Agreement. The monies in that Escrow Account will be applied by the CCA to Parkesburg's \$1.9 Million ("\$1.9M") Debt Service at the times and in the manner specified by §14.03.B of the Agreement until Parkesburg's portion of the \$1.9M Debt Service is retired.

8. The "Treatment Capacity Component" of any Tapping Fee collected by the CCA pursuant to Paragraph 5 above shall inure completely to the benefit of the CCA.

9. Commencing the day after the Closing Date, all CCA customers whose effluent runs through the Pump Station built by the CCA in the Borough (as referenced in Paragraph 5 above), will receive Monthly or Quarterly Invoices from the CCA as appropriate for the particular customer, e.g. "Quarterly Invoices" in the case of residential customers, "Monthly Invoices", in the case of certain Industrial Users, etc. These Invoices will be for the treatment of sewage effluent, and shall include the following "line item" components:

- A. CCA's standard retail charge for the treatment of sewage effluent.
- B. CCA's then-prevailing standard billing charge.
- C. A "Quarterly Debt Service Charge", assessed on a per EDU basis; the amount charged for the Quarterly Debt Service shall be used for the purposes of retiring Parkesburg's \$1.9M Debt Service.
- D. An Industrial Surcharge Component, if applicable to the particular customer.

E. The format of the Monthly or Quarterly Invoice to be sent by the CCA pursuant to this paragraph shall be substantially in the format of the Invoice attached hereto as Exhibit "A".

10. The Invoices to be sent by the CCA to the customers referenced in Paragraph 9 above may - if appropriate - also include any CCA charges for Water Usage.

11. Parkesburg will reimburse to the CCA the sum of Eighty-Four Thousand Four ^{f.N. ∞} ~~Hundred Ninety-Two Dollars and Ninety Cents (\$84,492.90)~~ ^{Eighty} ~~0 of f.N.~~ ^{0 of f.N.} this amount represents Parkesburg's share of the Debt Service paid by CCA between October, 1996 and April, 1997. Parkesburg will pay this amount in equal annual payments over a seven (7) year period (commencing the date of Closing) with the annual payment therefor to be deducted from the interest bearing Escrow Account described

in and established pursuant to Article XIV, §14.03.B of the Agreement. [∞] *on July 1, 1999 and each succeeding July 1st for a total of seven (7) years. To the extent that the escrow account is insufficient to pay any of the seven annual payments, Parkesburg shall pay the amount in excess of the escrow balances directly to CCA on said July 1 date.*

12. After the Closing Date, all CCA customers whose effluent runs through the Pump Station constructed by the CCA in the Borough of Parkesburg will receive a Monthly or Quarterly Invoice from the CCA, in accordance with Paragraph 9 above. CCA shall charge Thirty Five Dollars (\$35.00) for the "Quarterly Debt Service Charge" increment on a per EDU basis on each such Invoice until Parkesburg's \$1.9 Million Debt Service Participation has been reduced to \$-0-. Further, the parties agree that the monies received by CCA for Tapping Fees on a per EDU basis (per Paragraphs 5, 6, 7 and 8 above) and the monies received by CCA for the Debt Service Charge from new or

existing "increased EDU" customers (per Paragraph 9 above) will be applied periodically to reduce the then-existing principal balance of Parkesburg's \$1.9 Million Debt Service.

13. Parkesburg, at its sole cost and expense, shall have the periodic right to conduct an audit of the Escrow Account established by the CCA pursuant to Article XIV, §14.03.B. of the Agreement, and shall also have the right, during such audit, to verify applications made to the CCA for new connections, "increased" EDU applications, Tapping Fees, approvals of applications and Tapping Fees, EDU's, and Invoices for Tapping Fees, etc. Parkesburg shall give at least ten (10) days notification to the CCA of its intent to conduct any such audit.

14. On the Closing Date, Parkesburg will give CCA Thirty Six Hundred Dollars (\$3,600.00) for the Flush Truck.

15. The parties acknowledge that no "Tapping Fee" will be assessed against Quebecor. The parties agree that the Borough will not seek a "credit" based on an EDU basis from Quebecor for a Tapping Fee, but when Quebecor is connected to the system, and if Quebecor's effluent runs through the Pump Station constructed by the CCA in the Borough, Quebecor will participate in the "Quarterly Debt Service charge" assessed on a per EDU basis in accordance with Paragraph 9 above.

16. The parties hereto acknowledge and agree that the "Debt Service" as referenced in this Addendum means the Debt Service on CCA's existing \$3.735 Million Dollar Bond Issue. If the CCA elects to retire, replace, substitute or otherwise refinance the existing \$3.735 Million Dollar

Bond, CCA agrees that any such replacement or refinancing, etc., shall not affect any element of Parkesburg's obligation to repay its \$1.9M Debt Service under the existing Bond, including, but not limited to Bond yield and/or interest rate, termination date, etc.

17. Effective the Closing Date, CCA will give Parkesburg a Sewer Usage Credit ("Credit") in the total amount of One Hundred and Thirteen Thousand Seven Hundred and Ten Dollars and Sixty-Five Cents (\$113,7⁰10.65). ^{OT f.N.} This Credit shall be applied against sewer bills to Parkesburg municipal facilities including by way of example and not by way of limitation the Parkesburg Borough Hall, the Parkesburg Borough Police Department, the Fire Department, and the Parkesburg Free Library. The parties agree that this Credit consists of the following dollar amounts:

- A. 1996-1997 Debt Service.....\$84,4⁸92.90 ^{OT f.N.}
- B. One-half (1/2) DEP Fine.....\$15,000.00
- C. Sewer charges between 7/1/97 & 7/24/97.....\$14,217.75

18. The provisions of this Addendum shall survive settlement and shall be binding upon the successors or assigns of the parties hereto.

19. Except as modified by this Addendum, all other terms, covenants, conditions and provisions of the June 21, 1994 Agreement between Parkesburg and CCA shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Borough of Parkesburg and the City of Coatesville Authority, through their duly authorized officials, have caused this Addendum #1 to be executed the dates set forth below.

BOROUGH OF PARKESBURG:

By:

James B. Norton
JAMES B. NORTON, III, PRESIDENT
Parkesburg Borough Council

DATE OF BOROUGH'S EXECUTION:

September 2, 1998

CITY OF COATESVILLE AUTHORITY:

By:

Orlando A. Leticia
VICE Chairman

**DATE OF CITY OF COATESVILLE
AUTHORITY'S EXECUTION:**

SEPTEMBER 2, 1998

**INVOICE TO BE ISSUED TO NEW CUSTOMERS ON AN EDU BASIS
CONNECTING TO THE SYSTEM**

(Routine Monthly and/or Quarterly Bill, depending upon nature of customer)

INVOICE

A.	Conveyance Capacity Fee Component*:	\$1,432.84
B.	Treatment Capacity Component	\$ 525.00
C.	<u>Lateral Connection Fee</u>	\$ 50.00
	FOR THE TOTAL AMOUNT	\$2,007.84

***NOTE:** Parkesburg would be credited 83% of the Conveyance Capacity Fee Component; this 83% will be placed in the interest bearing Escrow Account per Article XIV, §14.03-B of the 6/21/94 Agreement and disbursed per the terms of that paragraph.

**SAMPLE QUARTERLY INVOICE TO CUSTOMERS
BASED ON AN EDU BASIS**

INVOICE

Water Meter Usage: 15,000 gallons

A.	Sewer Treatment Charge @ \$3.02/1000 + \$5.59 Service Charge	\$ 50.89
B.	<u>Quarterly Debt Service Charge</u>	<u>\$ 35.00</u>
	Total Sewer Charge*	\$ 85.89
C.	<u>Water User Charge @ \$5.49/1000 + \$5.85 Service Charge</u>	<u>\$ 88.20</u>
	Total Water Charge	\$ 88.20
	 <i>Combined Water & Sewer Charge</i>	 \$174.09

***NOTE:** Does not include "Surcharge" amount, if any, for Industrial Users.

ADDENDUM #2 TO JUNE 21, 1994 AGREEMENT

THIS ADDENDUM #2 ("Addendum") is made between the **BOROUGH OF PARKESBURG**, Chester County, Pennsylvania ("Parkesburg") and the **CITY OF COATESVILLE AUTHORITY** ("CCA"). This Addendum is dated and to be effective as of the 10th day of January 2001, although it has been executed and delivered on the date of the latest execution at the end hereof.

BACKGROUND OF ADDENDUM

On June 21, 1994, Parkesburg and the CCA signed an "**Agreement for the Transfer of a Sanitary Sewer System and the Construction of a Sanitary Sewer Main**" (the "Agreement"). The completion of the transaction described in the Agreement took place on September 2, 1998 (the "Closing Date"). Prior to the Closing Date, Parkesburg and the CCA signed "**Addendum #1 to June 21, 1994 Agreement**" ("Addendum #1").

After the Closing Date, some differences in the interpretation and application of paragraph #12 of Addendum #1 have arisen between Parkesburg and the CCA. Through negotiations, Parkesburg and the CCA have resolved these differences in interpretation and, by signing this Addendum, wish to provide clarity and certainty as to the meaning and effect of paragraph #12 of Addendum #1.

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This Addendum #2 has been signed by the parties in accordance with Article XVI, §16.07 of the Agreement, which provides that the Agreement may not be varied, altered, modified, etc., except by a written instrument signed by all parties to the Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, covenants and conditions of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Parkesburg and the CCA hereby agree as follows:

1. The "Background" of this Addendum is incorporated by reference.

2. Paragraph #12 of Addendum #1 is hereby deleted in its entirety and replaced with the following:
 12. A. For purposes of this Addendum and the Agreement, an "EDU" shall equal three hundred fifty (350) gallons per day of sewage effluent, as measured by either metered sewage effluent or metered water consumption.

 - B. After the Closing Date, all CCA customers whose sewage effluent runs through the Pump Station constructed by the CCA in the Borough of Parkesburg will receive a Monthly or Quarterly Invoice from the CCA, in accordance with paragraph #9, above. CCA shall charge Thirty-Five Dollars (\$35.00) for the "Quarterly Debt Service Charge" increment on a per EDU basis on each such Invoice until

Parkesburg's \$1.9 Million Debt Service Participation has been reduced to \$-0-. Provided, however:

- (i) For purposes of this paragraph 12.B., each individual residential dwelling unit shall be classified as one (1) EDU, regardless of the amount of sewage effluent generated; and
- (ii) In no event shall any customer be charged for more than twenty-five (25) EDU's.

C. The parties agree that the monies received by CCA for the Tapping Fees on a per EDU basis (per paragraphs 5, 6, 7 and 8 above) and the monies received by the CCA for the Debt Service Charge from new or existing "increased EDU" customers (per paragraph 9 above) will be applied periodically to reduce the then-existing principal balance of Parkesburg's \$1.9 Million Debt Service.

3. If any Court of competent jurisdiction, governmental authority or agency with jurisdiction over the CCA's Waste Water System, or the CCA, imposes any "moratorium" (or its functional equivalent), on any additional future connections to the Sanitary Sewer Main either within the municipal limits of the Borough of Parkesburg or outside of the municipal limits of the Borough of Parkesburg then, in that event:

A. Upon the imposition of any such moratorium, the provisions of paragraph 12.B., above, shall automatically be null, void and of no force and effect; and

B. Paragraph 12 of the "Addendum #1 to June 21, 1994 Agreement" shall, without further action of the CCA or Parkesburg, be automatically and immediately substituted for paragraph 12.B. hereof.

4. The provisions of this Addendum shall be binding upon the successors or assigns of the parties hereto.

5. This Addendum shall be effective as of and retroactive to January 1, 2001.

6. Except as modified by this Addendum, all other terms, covenants, conditions and provisions of the June 21, 1994 Agreement and Addendum #1 to that Agreement between Parkesburg and the CCA shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Borough of Parkesburg and the City of Coatesville Authority through their duly authorized officials have caused this Addendum #2 to be executed the date set forth on the following page.

BOROUGH OF PARKESBURG

BY: James B. Norton III
JAMES B. NORTON, III, President
Parkesburg Borough Council

DATE OF PARKESBURG BOROUGH'S EXECUTION: 1/16/01

CONSENT TO ASSIGNMENT AND NOVATION

EXHIBIT 5

The Borough of Parkesburg ("Parkesburg") acknowledges that the City of Coatesville Authority ("Authority") is contemplating a prospective sale and/or lease and/or transfer and/or assignment of its assets (hereinafter collectively the "Assignment"), including the former Parkesburg Wastewater System. In connection with the prospective Assignment, Parkesburg hereby consents to the prospective Assignment by the Authority of the June 21, 1994 Agreement between Parkesburg and the Authority for the transfer of a Sanitary Sewer System and the construction of a Sanitary Sewer Main, as such Agreement has been amended by Addendum #1 dated September 2, 1998. This Consent to the prospective Assignment is under and subject to the following conditions:

1. Any prospective Assignee is determined by the Authority to be qualified to provide satisfactory services and perform all outstanding obligations; and
2. That Parkesburg, the Authority, and the prospective Assignee execute the "Assignment and Novation" Agreement attached hereto as Exhibit "A", through which the prospective Assignee accepts, agrees, and/or acknowledges that, *inter alia*, it will assume and perform all of the duties and obligations which were to have been performed by CCA under the June 21, 1994 Agreement and Addendum #1 thereto.

BOROUGH OF PARKESBURG

Date: 12/14/98

By: James B. Norton III
JAMES B. NORTON, III, President
Parkesburg Borough Council

ATTEST:

Brian C. Sheller
BRIAN C. SHELLER, Secretary
Parkesburg Borough

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CITY OF COATESVILLE AUTHORITY
SERIES OF 1999 ←
TO REFUND THE SERIES OF 1996
PARKSBURG'S PORTION OF REFUNDED 1999 DEBT SERVICE
NET DEBT SERVICE SCHEDULE

DATE	DEBT SERVICE	REDUCTIONS	NEW NET D/S	FISCAL TOTAL
4/15/1999	25,769.17	12,626.89	13,142.28	-
9/30/1999	-	-	-	13,142.28
10/15/1999	92,307.50	45,230.67	47,076.83	-
4/15/2000	77,082.50	37,770.43	39,312.08	-
9/30/2000	-	-	-	86,388.90
10/15/2000	237,082.50	116,170.43	120,912.08	-
4/15/2001	74,362.50	36,437.63	37,924.88	-
9/30/2001	-	-	-	158,836.95
10/15/2001	239,362.50	117,287.63	122,074.88	-
4/15/2002	71,433.75	35,802.54	35,631.21	-
9/30/2002	-	-	-	158,506.09
10/15/2002	246,433.75	120,752.54	125,681.21	-
4/15/2003	68,240.00	33,437.60	34,802.40	-
9/30/2003	-	-	-	160,483.61
10/15/2003	243,240.00	119,187.60	124,052.40	-
4/15/2004	64,958.75	31,829.79	33,128.96	-
9/30/2004	-	-	-	157,181.36
10/15/2004	244,958.75	120,029.79	124,928.96	-
4/15/2005	61,493.75	30,131.94	31,361.81	-
9/30/2005	-	-	-	156,290.78
10/15/2005	251,493.75	123,231.94	128,261.81	-
4/15/2006	57,693.75	28,269.94	29,423.81	-
9/30/2006	-	-	-	157,685.63
10/15/2006	257,693.75	126,269.94	131,423.81	-
4/15/2007	53,693.75	26,309.94	27,383.81	-
9/30/2007	-	-	-	158,807.63
10/15/2007	258,693.75	126,759.94	131,933.81	-
4/15/2008	49,491.25	24,250.71	25,240.54	-
9/30/2008	-	-	-	157,174.35
10/15/2008	244,491.25	120,400.71	124,090.54	-
4/15/2009	45,030.00	22,064.70	22,965.30	-
9/30/2009	-	-	-	157,855.84
10/15/2009	265,030.00	129,864.70	135,165.30	-
4/15/2010	40,410.00	19,800.90	20,609.10	-
9/30/2010	-	-	-	155,774.40
10/15/2010	275,410.00	134,950.90	140,459.10	-
4/15/2011	35,533.75	17,411.54	18,122.21	-
9/30/2011	-	-	-	158,581.31
10/15/2011	280,533.75	137,461.54	143,072.21	-
4/15/2012	30,388.75	14,899.49	15,489.26	-
9/30/2012	-	-	-	158,570.48
10/15/2012	280,388.75	137,390.49	142,998.26	-
4/15/2013	25,076.25	12,287.36	12,788.89	-
9/30/2013	-	-	-	155,787.15
10/15/2013	285,076.25	139,687.36	145,388.89	-

Janney Montgomery Scott Inc.
 Public Finance Department

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PAGE 2

CITY OF COATESVILLE AUTHORITY
 SERIES OF 1999 ←
 TO REFUND THE SERIES OF 1996
 PARKSBURG'S PORTION OF REFUNDED 1999 DEBT SERVICE
 NET DEBT SERVICE SCHEDULE

DATE	DEBT SERVICE	REDUCTIONS	NEW NET D/S	FISCAL TOTAL
4/15/2014	19,356.25	9,484.56	9,871.69	-
9/30/2014	-	-	-	155,260.58
10/15/2014	294,356.25	144,234.56	150,121.69	-
4/15/2015	13,237.90	6,486.38	6,751.13	-
9/30/2015	-	-	-	156,872.81
10/15/2015	298,237.50	146,136.38	152,101.13	-
4/15/2016	6,825.00	3,344.25	3,480.75	-
9/30/2016	-	-	-	155,581.88
10/15/2016	306,825.00	150,344.25	156,480.75	-
4/15/2017	-	-	-	-
9/30/2017	-	-	-	156,480.75
TOTAL	5,441,691.67	2,666,428.92	2,775,262.75	2,775,262.75

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Summary	P'burg	S'bury	CCA	Total		
Preliminary Eng'r & Misc. Costs	\$ 203,749	\$ 285,452	\$ 57,007	\$ 546,208		
Construction Costs	\$ 1,829,715	\$ 718,677	\$ 364,841	\$ 2,913,233		
Construction Engineering	\$ 433,962	\$ 90,382	\$ 51,933	\$ 576,277		
Actual Total	\$ 2,467,426	\$ 1,094,511	\$ 473,781	\$ 4,035,718		
	61.1%	27.1%	11.7%			
Negotiated Cost Sharing	\$ 2,400,000	\$ 1,094,511	\$ 541,207	\$ 4,035,718		
	59.5%	27.1%	13.4%			
Total CCA+P'burg Cost	\$ 2,941,207	\$ 1,094,511				
Cost/Gallon	\$ 4.90	\$ 2.66				
Gallons/EDU	262.5	262.5			CCA Share	P'burg Share
Cost/EDU	\$ 1,286.78	\$ 699.47			\$ 218.75	\$ 1,068.03
1996 Interest	\$ 48,167.46	\$ 17,919.49		\$ 66,073.33		
1997 Interest	\$ 144,502.38	\$ 53,758.46		\$ 198,220.00		
1998 Cost (w/ '96&'97 interest)	\$ 3,133,877	\$ 1,166,189				
Cost/Gallon	\$ 5.22	\$ 2.84				
Gallons/EDU	262.5	262.5			CCA Share	P'burg Share
Cost/EDU	\$ 1,371.07	\$ 745.28			\$ 233.08	\$ 1,137.99
1998 Interest	\$ 141,190.90	\$ 52,526.51		\$ 193,677.50		
1999 Cost (w/ '96-'98 interest)	\$ 3,275,068	\$ 1,218,716				
Cost/Gallon	\$ 5.46	\$ 2.97				
Gallons/EDU	262.5	262.5			CCA Share	P'burg Share
Cost/EDU	\$ 1,432.84	\$ 778.85			\$ 243.58	\$ 1,189.26

1999 Interest 22,181.23 26,060.21 77,042.09
 2000 Interest (2/21/00) 53,457.39 19,893.10 13,350.49
 2000 Cost (w/ '96-'98 interest) 3,400,704 1,265,470
 Cost/Gallon 5.67 3.08
 Gallons/EDU 262.5 262.5
 Cost/EDU 1,488.37 808.50

CCA Share P'burg Share
 \$ 257.02 \$ 1,235.35

EXHIBIT 7

Parkebury Sewer Bond Debt Service Payment Schedule

03 Interest	\$ 94,101.05	\$ 35,017.80	\$ 129,118.85		
03 Cost	\$ 3,753,235.11	\$ 1,396,482.35			
Cost/Gal	\$ 6.25	\$ 3.40			
Millions/EDU	262.5	262.5			
03 Cost/EDU	\$ 1,659.37	\$ 892.50		\$ 282.09	\$ 1,377.28
04 Interest	\$ 88,739.76	\$ 33,022.71	\$ 121,762.47		
04 Cost	\$ 3,841,974.87	\$ 1,429,505.01			
Cost/Gal	\$ 6.40	\$ 3.51			
Millions/EDU	262.5	262.5			
04 Cost/EDU	\$ 1,680.00	\$ 921.38		\$ 285.60	\$ 1,394.40
05 Interest	\$ 83,023.81	\$ 30,895.63	\$ 113,919.44		
05 Cost	\$ 3,924,998.68	\$ 1,460,400.64			
Cost/Gal	\$ 6.54	\$ 3.55			
Millions/EDU	262.5	262.5			
05 Cost/EDU	\$ 1,717.19	\$ 931.87		\$ 291.92	\$ 1,425.27
06 Interest	\$ 76,791.89	\$ 28,576.55	\$ 105,368.44		
06 Cost	\$ 4,001,790.57	\$ 1,488,977.19			
Cost/Gal	\$ 6.67	\$ 3.63			
Millions/EDU	262.5	262.5			
06 Cost/EDU	\$ 1,750.88	\$ 952.88		\$ 297.65	\$ 1,453.23

Parkesbury Sewer Bond Debt Service Payment Schedule

07 Interest	\$ 70,340.02	\$ 25,175.62	\$ 95,515.64		
07 Cost	\$ 4,072,130.59	\$ 1,514,152.81			
Cost/Gal	\$ 6.79	\$ 3.69			
allons/EDU	262.5	262.5			
07 Cost/EDU	\$ 1,782.38	\$ 968.63		\$ 303.01	\$ 1,479.37
08 Interest	\$ 63,501.41	\$ 23,630.77	\$ 87,132.18		
08 Cost	\$ 4,135,632.00	\$ 1,537,783.58			
Cost/Gal	\$ 6.90	\$ 3.74			
allons/EDU	262.5	262.5			
08 Cost/EDU	\$ 1,811.25	\$ 981.75		\$ 307.92	\$ 1,503.33
09 Interest	\$ 56,275.14	\$ 20,941.65	\$ 77,216.79		
09 Cost	\$ 4,191,907.14	\$ 1,558,725.23			
Cost/Gal	\$ 6.99	\$ 3.80			
allons/EDU	262.5	262.5			
09 Cost/EDU	\$ 1,834.88	\$ 997.50		\$ 311.93	\$ 1,522.95
10 Interest	\$ 48,655.71	\$ 18,106.23	\$ 66,761.94		
10 Cost	\$ 4,240,562.85	\$ 1,576,831.46			
Cost/Gal	\$ 7.07	\$ 3.84			
allons/EDU	262.5	262.5			
10 Cost/EDU	\$ 1,855.88	\$ 1,008.00		\$ 315.50	\$ 1,540.38

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

FUS-T-24 Q Provide a copy of the most recent Bond Debt Service Schedule for Parkesburg.

FUS-T-24 A See Exhibit 6.

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RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

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DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

- FUS-T-21 Q Regarding Original Page 9, Section D, Parkesburg Area Wastewater Service District, Special Purpose Conveyance Tapping Fees per EDU for \$264.63 (PAWC) and \$1,292 (Parkesburg), state if these fees collected are considered Contributions-In-Aid-of-Construction. If no provide an explanation as to why these should not be treated as Contributions.
- FUS-T-21 A PAWC acquired, under the terms of the Asset Purchase Agreement, all of the assets of the City of Coatesville Authority which included a receivable from the Parkesburg Wastewater Service District. Under the terms of the note receivable, PAWC receives special purpose conveyance tapping fees. These fees are deposited in an escrow account of the City of Parkesburg. Payments are made out of the escrow account twice a year to pay down the receivable on the books of PAWC. These payments are in no way related to Contributions-In-Aid-Of-Construction, but instead are used to extinguish Parkesburg's debt to PAWC.

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RESPONSIBLE WITNESS: Robert Freeston, Vice President and Treasurer

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DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

- FUS-T-22 Q Provide a copy of a monthly bill sent to a typical Parkesburg Service District customer.
- FUS-T-22 A See Attachment A

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RESPONSIBLE WITNESS: Paul T. Diskin, Director of Rates and Planning

Pennsylvania - American
Water Company
PO BOX 578
LTON, IL 62002-0578
or Service To: 416 6th Ave

Account Number: 24-1274595-8
Amount Due \$167.54
Due Date Apr 02, 2002

Kenneth T Fisher
16 6th Ave
Pittsburgh PA 15250-7412

Pennsylvania-American Water Co
PO Box 371412
Pittsburgh, Pa. 15250-7412

Customer Account Information
Service To: Kenneth T Fisher
416 6th Ave
Account #: 24-1274595-8
Remise #: 24-0617168

Billing Summary	
----Prior Balance-----	
Balance from last bill	165.58
Payments prior to Mar 13, 200	-165.58
Total prior balance, Mar 13,	
----Current Water Charges----	
Service Charge	5.85
Water Volume (\$.005490 x 14,0	76.86
Total water charges, Mar 13,	82.71
----Current Wastewater Charge	
Wastewater	5.59
Wastewater (\$.003020 x 14,000	42.28
Total wastewater charges Mar	47.87
----Other Current Charges----	
Parksborg Debt Serv Chrg Qtr	35.00
Late Payment Charge	1.96
Total other charges, Mar 13,	36.96
-----AMOUNT DUE -----	167.54

Billing Period & Meter Information
Billing Date: Mar 13, 2002
Billing Period: Dec 07 to Mar 08
Ext reading: Jun 07, 2002
Rate Type: Residential

Meter reads in current period:
Meter Number S005658339
Present-actual 249000
Last-actual 235000
Gallons used 14000

* Any portion of this water bill which is not paid as of 4/08/02 will be subject to a 1.50% penalty.

* Pennsylvania-American is sponsoring a "Protect Our Watershed Art Contest" for fifth-grade students. Deadline for entries is March 20. For more information, contact our customer service representative.

* Pennsylvania-American reminds its customers to use water wisely.

* Please note, the above bill reflects new rates approved by the PA Public Utility Commission for services rendered on or after January 25, 2002.

* At Pennsylvania-American, our customers are our top priority. Please let us know how we can serve you better.

** OUR CUSTOMER

CHARTER **

We are dedicated to service excellence; focused on personalized solutions; and committed to the health and welfare of our customers. Therefore, we will partner with our customers; treat them with dignity and respect; enhance their quality of life; earn their loyalty; and exceed

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** DUPLICATE BILL

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their expectations.

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Pa. P.U.C. Docket No. A-230073F0002

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FUS-T-23 Q Provide a schedule, or chart, showing the debt associated with Parkesburg Service District customers. The chart should clearly explain which debt and/or expenses each charge listed in the tariff is allocated toward.

FUS-T-23 A The response to this query is rather involved and requires a detailed explanation. It is important to keep in mind that PAWC was required to assume the agreement and addendums to the agreement between the Borough of Parkesburg and the City of Coatesville Authority ("CCA") as provided in the CCA/PAWC sales agreement. The PUC has a copy of these agreements and addendums; however, a copy of pertinent sections of the agreements and addendums are provided as Exhibits.

CCA and Parkesburg entered into an agreement dated June 21, 1994, for the extension of a sewer main from Parkesburg five miles to Coatesville to be connected to the Coatesville sewer system. This agreement required that Parkesburg pay \$2.4 million dollars as its share of the costs for this extension. Parkesburg paid \$500,000 in cash upon the completion of the project. In 1996 CCA borrowed 43.7 million through a Revenue Bond for the total construction project, which included a sewer pump station and was designed to serve other connections beside those emanating from Parkesburg. Parkesburg's share of that bond was an agreed maximum of \$1.9 million (\$2.4 million less \$500,00 cash). (See Exhibit 1, Parkesburg/CCA Agreement, Article V, Paragraphs 5.01, 5.02 and 5.03, pages 28 and 29 of the Agreement).

The method of repayment by the customers of Parkesburg for its share of the bonded indebtedness was set forth in the Agreement. (See Exhibit 2, Parkesburg/CCA Agreement, Article XIV, Paragraphs 14.01 and 14.02, page 54 and 55 of the Agreement). Paragraph 14.02 C., provided that the customers discharging sewage effluent into the Collector system would be involved quarterly by CCA:

An incremental amount attributable to the Borough's \$1.9 Million Debt Service Participation Increment (per Article V, paragraph 5.02.A) calculated annually by dividing the then outstanding Debt Service increment (consisting of principal and interest) by the then-existing SSM (Sanitary Sewer Main) users within the municipal limits of the Borough.

In addition, Exhibit 2, Paragraph 14.03 B provided that CCA was to collect a

"Tap-in fee" for any new connections to the Parkesburg sewer system which would be placed into the escrow account to "...be applied to reduce the balance of any then-remaining principal of the \$1.9 Million financing for which the Borough is responsible..."

Therefore, the Debt Service fees collected through the quarterly billing and tap-in fees collected from new sewer connections were to be placed into an escrow, interest-bearing account until the bond payments were to be made at which time CCA could transfer Parkesburg's portion of the semi-annual bond payment to its account to pay Parkesburg's portion of the debt service.

At the closing of the project, in the final Settlement Agreement dated September 2, 1998, CCA and Parkesburg agreed to change the original method of assessment for the Debt Service Fee in that there would be a quarterly Debt Service Fee of \$35 charged to each existing and future Parkesburg Equivalent Dwelling Unit ("EDU") until such time as the \$1.9 million debt was paid in accordance with the Parkesburg Debt Service Schedule. (See Exhibit 3, paragraph 12, pages 6 and 7). The total annual fees were estimated to equal or be greater than the annual debt payments on the Parkesburg bond schedule. Any excess amount not needed for the semi-annual bond payments was to remain in the escrow, interest-bearing account for use in the future if there was a shortage or to be used at a certain point in time when the funds in the escrow account would be sufficient to pay off the bond in advance. The Settlement Agreement as well as the original CCA/Parkesburg Agreement recognized the right for CCA to collect a tap-in fee from new construction in order to collect its share of the costs for the sewer main extension project in addition to its normal fees.

On December 14, 1998, CCA and Parkesburg approved a "Consent to Assignment and Novation" (See Exhibit 5) which, in paragraph 2, provided that any Assignee purchasing the CCA assets would accept, agree and/or acknowledge that it would assume and perform all the duties and obligations which were to be performed by CCA under the June 21, 1994 agreement and the addendums to the agreement. This language was to assure Parkesburg that any entity purchasing the CCA assets would continue to execute the agreements in the same form as required of CCA including the assessment and collection of Debt Service fees and tap-in fees for use in paying Parkesburg's share of the debt incurred for the construction of the sewer main from Parkesburg to Coatesville.

Through its bond financial consultant, CCA developed an individualized "Net Debt Service Schedule" (See Exhibit 6) showing Parkesburg's semi-annual bond payments. (Note: CCA refinanced the 1996 Sewer Bond in 1999. Exhibit 6 reflects the bond schedule of the 1999 Sewer Bond now in effect.) In April of each year interest payments were to be made and in October of each principal and interest payments were to be made. Parkesburg's share of the bond payments, in accordance with the Parkesburg escrow account to CCA's account and then CCA

would make the total bond payment.

In order to determine the new customer tap-in fees provided for in the CCA/Parkesburg Agreement, CCA developed an annual schedule of fees based upon the cost of the project, annual interest on the principal of the bond and projected cost per gallon of low using one EDU equaling 262.5 gallons per day. (See Exhibit 7.) This schedule which was approved by Parkesburg, bases Parkesburg's share of the CCA/Parkesburg combined share of the project cost at 83% and CCA's share at 17% as provided in the Agreement. Parkesburg's tap-in fee and CCA's tap-in fee are show on the right side of Exhibit 7 and changed annually according to the principal and interest accumulation. These are the fees charged to any new customer connecting to the Parkesburg sewer system. Parkesburg's tap-in fee was to be placed into the escrow account as required and used with the Debt Service Fees to pay the semi-annual debt service. CCA's share was to be used to repay CCA for its cost of the Parkesburg/CCA combined construction costs and was to help pay the total semi-annual bond payments.

At the time of signing the Settlement Agreement (Exhibit 3), the total CCA and Parkesburg tap-in fee (called "Conveyance Capacity Fee Component" in the agreement") was established at \$1,432.84 (\$1,189.26 for Parkesburg and \$243.58 for CCA) in accordance with the Annual Schedule of Fees (Exhibit 7) as of 1999. At the time of the sale of the CCA assets to PAWC the total tap-in fee was \$1,556.63 (\$1,292.00 for Parkesburg and \$264.63 for CCA) for 2001. In its Tariff, PAWC kept these same tap-in fees as set forth in paragraph D entitled Parkesburg Area Wastewater Service District of the Schedule of Miscellaneous Fees and Charges.

It is imperative for the PUC to understand that CCA provided all interested parties for the purchase of its assets with copies of the CCA/Parkesburg Agreement as well as, of course, with all other municipal and developer agreements. It was understood that any entity purchasing the assets would not only be required to assume the responsibility for enforcement of the Parkesburg Agreement but also would be able to collect the Parkesburg Debt Service Fees and tap-in fees to recover the remaining payments on CCA's debt service on the 1999 bonds. There was approximately \$1.7 million remaining to be paid to the successful bidder for te Parkesburg debt, which PAWC took into account when it submitted its bid for the purchase of the CCA assets. PAWC had every expectation that it would receive the \$1.7 million plus interest over the remainder of the Parkesburg Debt Service Schedule when it submitted its winning bid for the purchase of the CCA assets.

RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

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RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

ARTICLE V**PROJECT COST AND CCA PROJECT RESPONSIBILITIES**

5.01 The CCA shall procure all general Contractors, Subcontractors, Materialmen and Suppliers necessary to furnish all labor, superintendents, materials, necessary equipment and other utilities and facilities for, perform all work necessary for or incidental to, and perform all other obligations required by this Agreement for the completion of the Project.

5.02 The CCA will complete (or cause to be completed) the Project and in consideration thereof the Borough shall be responsible for a total of Two Million Four Hundred Thousand Dollars (\$2,400,000.00) of the Project Costs, allocated as follows:

A. The financing of 1.9 Million Dollars (\$1,900,000.00) in accordance with Article X.

B. Three Hundred Thousand Dollars (\$300,000.00) payable to the CCA for anticipated Project Costs, advanced as set forth below:

1. Advance #1: \$200,000.00 payable upon execution of this Agreement.

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2. Advance #2: \$50,000.00 payable on or before January 1, 1995.

3. Advance #3: \$50,000.00 payable on or before June 1, 1995.

C. Two Hundred Thousand Dollars (\$200,000.00) payable to the CCA on the Closing Date for Project Closure Costs.

5.03 CCA and the Borough agree that under no circumstances shall the Borough's Total Maximum Debt Service Obligation for purposes of securing exceed \$1.9 Million.

5.04 In order to induce the Borough to enter into this Agreement, the CCA makes the following representations:

A. The CCA has studied each and every provision of this Agreement, reviewed, and understands the nature and extent of the work required of it in order to complete the Project, has familiarized itself with the work locality, local conditions, any and all Federal, Commonwealth of Pennsylvania and local acts, laws, statutes, ordinances and regulations that in any manner affect cost,

ARTICLE XIV**POST CLOSING DATE CUSTOMER CHARGES, TAP-IN FEES, ETC.**

14.01 As of 12:00 A.M., prevailing time on the Closing Date, all existing and future users of the SSM located within the municipal limits of the Borough discharging sewage effluent into the Collector System formerly owned by the Borough shall become Retail Customers of the CCA.

14.02 When the users identified in Paragraph 14.01, above, become "Retail Customers" of the CCA, they shall, commencing 12:00 A.M. prevailing time the day after Closing and from that point forward, be invoiced quarterly by CCA the following monetary amounts:

A. CCA's then-prevailing standard retail charge for the treatment of sewage effluent, based on actual usage; and

B. CCA's then-prevailing standard billing charge; and

C. An incremental amount attributable to the Borough's \$1.9 Million Debt Service Participation Increment (per Article V, §5.02.A) calculated annually by dividing the then outstanding Debt Service increment (consisting of principal and interest) by the then-existing SSM users within the municipal limits of the Borough.

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Effective 12:00 A.M., prevailing time, on the Closing Date, any customer connecting to the SSM shall pay the following "tap-in" fees:

- A. The then prevailing tap-in fee charged by CCA to any new customer;
- B. A tap-in fee for the Borough, the amount of which shall be the maximum amount permitted to be charged in accordance with the provisions of the Act of December 19, 1990, P.L. 1227, No. 203, §1, et seq, as amended (53 P.S. §301, et seq). All such funds received by the CCA under the provisions of this sub-paragraph shall be deposited into an interest bearing Escrow Account established by the CCA for the benefit of the Borough and shall -- at the beginning of the next calendar year or as frequently in the existing calendar year as may be permitted under the terms of any operative lending instrument -- be applied to reduce the balance of any then-remaining principal of the \$1.9 Million financing for which the Borough is responsible pursuant to Article V, §5.02.A.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, covenants and conditions of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Parkesburg and the CCA hereby agree as follows:

1. On the Closing Date (as that term is defined in Article I, §1.05 of the Agreement), Parkesburg will make a final payment of Two Hundred Thousand Dollars (\$200,000.00) to the CCA as required by the Agreement.

2. On the Closing Date, Parkesburg will reimburse the CCA the sum of One Hundred Fifty-Eight Thousand Six Hundred Forty-Eight and 10/100 (\$158,648.10). This amount represents Parkesburg's portion of the Debt Service on the Bond between July 1, 1997 and the Closing Date. In addition, if the Debt Service collected between the Closing Date and July 1, 1999 will not total at least ^{\$158,754.15} ~~\$158,648.10~~, on June 30, 1999 Parkesburg will pay to the CCA an amount as is necessary in order that the total amount of the Debt Service paid will be ^{\$158,754.15 OT} ~~\$158,648.10~~ on July 1, 1999. _{J.N.}

3. On the Closing Date, Parkesburg will pay to the CCA any balance which it owes to the CCA for Treatment Costs for the treatment of sewage effluent. The amount of money to be paid by Parkesburg to the CCA on the Closing Date will be the difference between the amounts charged by CCA to Parkesburg for the treatment by CCA of the effluent running through the Pump Station

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between July 1, 1997 and the Closing Date, less any amounts paid by Parkesburg to CCA prior to the Closing Date.

4. On the Closing Date, Parkesburg will reimburse the CCA the sum of Thirty Thousand Dollars (\$30,000.00) in full and final satisfaction of any amounts due by Parkesburg to the CCA and/or the Commonwealth of Pennsylvania Department of Environmental Protection; CCA will be responsible for the payment to the Commonwealth of Pennsylvania Department of Environmental Protection for any interest on this amount.

5. Commencing the day after the Closing Date, the CCA will collect a Tapping Fee from:

A. New customers who connect to the system, provided such new connections result in effluent running through the Pump Station constructed by the CCA in Parkesburg; and

B. Existing customers who increase their EDU's, if the effluent of those existing customers flows through the Pump Station constructed by the CCA in Parkesburg.

The Tapping Fees collected by the CCA will be collected from the new connecting customers on a per EDU basis, and when any such connection is made, or when an existing customer increases its EDU's, the CCA will send an invoice to the customer so connecting or increasing. The invoice sent

by the CCA to the new customer on a per EDU basis (or to the existing customer for an increase in EDU's) will be substantially in the format of the sample invoice attached hereto as Exhibit "A". The invoice for the Tapping Fee on a per EDU basis which will be sent by the CCA to the new customer will include the following identified "line items":

- A. Conveyance Capacity Fee Component.
- B. Treatment Capacity Component.
- C. Lateral Connection Fee.

6. When the CCA collects the Tapping Fees, the "Conveyance Capacity Fee Component" of the Tapping Fee referenced in Paragraph 5 above will be divided between Parkesburg and the CCA on an 83%-17% basis, with 83% inuring to the benefit of Parkesburg and 17% inuring to the benefit of CCA.

7. Parkesburg's 83% of the "Conveyance Capacity Fee Component" of the Tapping Fee collected by the CCA pursuant to Paragraphs 5 and 6 above will be put into the interest bearing Escrow Account described in and pursuant to Article XIV, §14.03.B of the Agreement. The monies in that Escrow Account will be applied by the CCA to Parkesburg's \$1.9 Million ("\$1.9M") Debt Service at the times and in the manner specified by §14.03.B of the Agreement until Parkesburg's portion of the \$1.9M Debt Service is retired.

8. The "Treatment Capacity Component" of any Tapping Fee collected by the CCA pursuant to Paragraph 5 above shall inure completely to the benefit of the CCA.

9. Commencing the day after the Closing Date, all CCA customers whose effluent runs through the Pump Station built by the CCA in the Borough (as referenced in Paragraph 5 above), will receive Monthly or Quarterly Invoices from the CCA as appropriate for the particular customer, e.g. "Quarterly Invoices" in the case of residential customers, "Monthly Invoices", in the case of certain Industrial Users, etc. These Invoices will be for the treatment of sewage effluent, and shall include the following "line item" components:

- A. CCA's standard retail charge for the treatment of sewage effluent.
- B. CCA's then-prevailing standard billing charge.
- C. A "Quarterly Debt Service Charge", assessed on a per EDU basis; the amount charged for the Quarterly Debt Service shall be used for the purposes of retiring Parkesburg's \$1.9M Debt Service.
- D. An Industrial Surcharge Component, if applicable to the particular customer.

E. The format of the Monthly or Quarterly Invoice to be sent by the CCA pursuant to this paragraph shall be substantially in the format of the Invoice attached hereto as Exhibit "A".

10. The Invoices to be sent by the CCA to the customers referenced in Paragraph 9 above may - if appropriate - also include any CCA charges for Water Usage.

11. Parkesburg will reimburse to the CCA the sum of Eighty-Four Thousand Four ^{f.N.} ~~Hundred~~ ^{Eighty} ~~Ninety~~-Two Dollars and Ninety Cents (~~\$84,492.90~~); ^{0 of f.N.} this amount represents Parkesburg's share of the Debt Service paid by CCA between October, 1996 and April, 1997. Parkesburg will pay this amount in equal annual payments over a seven (7) year period (commencing the date of Closing) with the annual payment therefor to be deducted from the interest bearing Escrow Account described

in and established pursuant to Article XIV, §14.03.B of the Agreement. ^{1.} on July 1, 1999 and each succeeding July 1st for a total of seven (7) years. To the extent that the escrow account is insufficient to pay any of the seven annual payments, Parkesburg shall pay the amount in excess of the escrow balances directly to CCA on said July 1 date.

12. After the Closing Date, all CCA customers whose effluent runs through the Pump Station constructed by the CCA in the Borough of Parkesburg will receive a Monthly or Quarterly Invoice from the CCA, in accordance with Paragraph 9 above. CCA shall charge Thirty Five Dollars (\$35.00) for the "Quarterly Debt Service Charge" increment on a per EDU basis on each such Invoice until Parkesburg's \$1.9 Million Debt Service Participation has been reduced to \$-0-. Further, the parties agree that the monies received by CCA for Tapping Fees on a per EDU basis (per Paragraphs 5, 6, 7 and 8 above) and the monies received by CCA for the Debt Service Charge from new or

existing "increased EDU" customers (per Paragraph 9 above) will be applied periodically to reduce the then-existing principal balance of Parkesburg's \$1.9 Million Debt Service.

13. Parkesburg, at its sole cost and expense, shall have the periodic right to conduct an audit of the Escrow Account established by the CCA pursuant to Article XIV, §14.03.B. of the Agreement, and shall also have the right, during such audit, to verify applications made to the CCA for new connections, "increased" EDU applications, Tapping Fees, approvals of applications and Tapping Fees, EDU's, and Invoices for Tapping Fees, etc. Parkesburg shall give at least ten (10) days notification to the CCA of its intent to conduct any such audit.

14. On the Closing Date, Parkesburg will give CCA Thirty Six Hundred Dollars (\$3,600.00) for the Flush Truck.

15. The parties acknowledge that no "Tapping Fee" will be assessed against Quebecor. The parties agree that the Borough will not seek a "credit" based on an EDU basis from Quebecor for a Tapping Fee, but when Quebecor is connected to the system, and if Quebecor's effluent runs through the Pump Station constructed by the CCA in the Borough, Quebecor will participate in the "Quarterly Debt Service charge" assessed on a per EDU basis in accordance with Paragraph 9 above.

16. The parties hereto acknowledge and agree that the "Debt Service" as referenced in this Addendum means the Debt Service on CCA's existing \$3.735 Million Dollar Bond Issue. If the CCA elects to retire, replace, substitute or otherwise refinance the existing \$3.735 Million Dollar

Bond, CCA agrees that any such replacement or refinancing, etc., shall not affect any element of Parkesburg's obligation to repay its \$1.9M Debt Service under the existing Bond, including, but not limited to Bond yield and/or interest rate, termination date, etc.

17. Effective the Closing Date, CCA will give Parkesburg a Sewer Usage Credit ("Credit") in the total amount of One Hundred and Thirteen Thousand Seven Hundred and Ten Dollars and Sixty-Five Cents (\$113,7⁰1⁰0.65). ^{OT f.N.} This Credit shall be applied against sewer bills to Parkesburg municipal facilities including by way of example and not by way of limitation the Parkesburg Borough Hall, the Parkesburg Borough Police Department, the Fire Department, and the Parkesburg Free Library. The parties agree that this Credit consists of the following dollar amounts:

- A. 1996-1997 Debt Service.....⁸\$84,4^{OT}92.90 ^{f.N.}
- B. One-half (1/2) DEP Fine.....\$15,000.00
- C. Sewer charges between 7/1/97 & 7/24/97.....\$14,217.75

18. The provisions of this Addendum shall survive settlement and shall be binding upon the successors or assigns of the parties hereto.

19. Except as modified by this Addendum, all other terms, covenants, conditions and provisions of the June 21, 1994 Agreement between Parkesburg and CCA shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Borough of Parkesburg and the City of Coatesville Authority, through their duly authorized officials, have caused this Addendum #1 to be executed the dates set forth below.

BOROUGH OF PARKESBURG:

By:

James B. Norton III
JAMES B. NORTON, III, PRESIDENT
Parkesburg Borough Council

DATE OF BOROUGH'S EXECUTION:

September 2, 1998

CITY OF COATESVILLE AUTHORITY:

By:

Orlando A. Litch
VICE Chairman

**DATE OF CITY OF COATESVILLE
AUTHORITY'S EXECUTION:**

SEPTEMBER 2, 1998

**INVOICE TO BE ISSUED TO NEW CUSTOMERS ON AN EDU BASIS
CONNECTING TO THE SYSTEM**

(Routine Monthly and/or Quarterly Bill, depending upon nature of customer)

INVOICE

A.	Conveyance Capacity Fee Component*:	\$1,432.84
B.	Treatment Capacity Component	\$ 525.00
C.	Lateral Connection Fee	\$ 50.00
	FOR THE TOTAL AMOUNT	\$2,007.84

***NOTE:** Parkesburg would be credited 83% of the Conveyance Capacity Fee Component; this 83% will be placed in the interest bearing Escrow Account per Article XIV, §14.03-B of the 6/21/94 Agreement and disbursed per the terms of that paragraph.

**SAMPLE QUARTERLY INVOICE TO CUSTOMERS
BASED ON AN EDU BASIS**

INVOICE

Water Meter Usage: 15,000 gallons

A.	Sewer Treatment Charge @ \$3.02/1000 + \$5.59 Service Charge	\$ 50.89
B.	<u>Quarterly Debt Service Charge</u>	<u>\$ 35.00</u>
	Total Sewer Charge*	\$ 85.89
C.	<u>Water User Charge @ \$5.49/1000 + \$5.85 Service Charge</u>	<u>\$ 88.20</u>
	Total Water Charge	\$ 88.20
	 <i>Combined Water & Sewer Charge</i>	 \$174.09

***NOTE:** Does not include "Surcharge" amount, if any, for Industrial Users.

ADDENDUM #2 TO JUNE 21, 1994 AGREEMENT

THIS ADDENDUM #2 ("Addendum") is made between the **BOROUGH OF PARKESBURG**, Chester County, Pennsylvania ("Parkesburg") and the **CITY OF COATESVILLE AUTHORITY ("CCA")**. This Addendum is dated and to be effective as of the 10th day of January 2001, although it has been executed and delivered on the date of the latest execution at the end hereof.

BACKGROUND OF ADDENDUM

On June 21, 1994, Parkesburg and the CCA signed an "Agreement for the Transfer of a Sanitary Sewer System and the Construction of a Sanitary Sewer Main" (the "Agreement"). The completion of the transaction described in the Agreement took place on September 2, 1998 (the "Closing Date"). Prior to the Closing Date, Parkesburg and the CCA signed "Addendum #1 to June 21, 1994 Agreement" ("Addendum #1").

After the Closing Date, some differences in the interpretation and application of paragraph #12 of Addendum #1 have arisen between Parkesburg and the CCA. Through negotiations, Parkesburg and the CCA have resolved these differences in interpretation and, by signing this Addendum, wish to provide clarity and certainty as to the meaning and effect of paragraph #12 of Addendum #1.

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This Addendum #2 has been signed by the parties in accordance with Article XVI, §16.07 of the Agreement, which provides that the Agreement may not be varied, altered, modified, etc., except by a written instrument signed by all parties to the Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, covenants and conditions of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Parkesburg and the CCA hereby agree as follows:

1. The "Background" of this Addendum is incorporated by reference.

2. Paragraph #12 of Addendum #1 is hereby deleted in its entirety and replaced with the following:
 12. A. For purposes of this Addendum and the Agreement, an "EDU" shall equal three hundred fifty (350) gallons per day of sewage effluent, as measured by either metered sewage effluent or metered water consumption.

 - B. After the Closing Date, all CCA customers whose sewage effluent runs through the Pump Station constructed by the CCA in the Borough of Parkesburg will receive a Monthly or Quarterly Invoice from the CCA, in accordance with paragraph #9, above. CCA shall charge Thirty-Five Dollars (\$35.00) for the "Quarterly Debt Service Charge" increment on a per EDU basis on each such Invoice until

Parkesburg's \$1.9 Million Debt Service Participation has been reduced to \$-0-. Provided, however:

- (I) For purposes of this paragraph 12.B., each individual residential dwelling unit shall be classified as one (1) EDU, regardless of the amount of sewage effluent generated; and
- (II) In no event shall any customer be charged for more than twenty-five (25) EDU's.

C. The parties agree that the monies received by CCA for the Tapping Fees on a per EDU basis (per paragraphs 5, 6, 7 and 8 above) and the monies received by the CCA for the Debt Service Charge from new or existing "increased EDU" customers (per paragraph 9 above) will be applied periodically to reduce the then-existing principal balance of Parkesburg's \$1.9 Million Debt Service.

3. If any Court of competent jurisdiction, governmental authority or agency with jurisdiction over the CCA's Waste Water System, or the CCA, imposes any "moratorium" (or its functional equivalent), on any additional future connections to the Sanitary Sewer Main either within the municipal limits of the Borough of Parkesburg or outside of the municipal limits of the Borough of Parkesburg then, in that event:

- A. Upon the imposition of any such moratorium, the provisions of paragraph 12.B., above, shall automatically be null, void and of no force and effect; and

B. Paragraph 12 of the "Addendum #1 to June 21, 1994 Agreement" shall, without further action of the CCA or Parkesburg, be automatically and immediately substituted for paragraph 12.B. hereof.

4. The provisions of this Addendum shall be binding upon the successors or assigns of the parties hereto.

5. This Addendum shall be effective as of and retroactive to January 1, 2001.

6. Except as modified by this Addendum, all other terms, covenants, conditions and provisions of the June 21, 1994 Agreement and Addendum #1 to that Agreement between Parkesburg and the CCA shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Borough of Parkesburg and the City of Coatesville Authority through their duly authorized officials have caused this Addendum #2 to be executed the date set forth on the following page.

BOROUGH OF PARKESBURG

BY:



JAMES B. NORTON, III, President
Parkesburg Borough Council

DATE OF PARKESBURG BOROUGH'S EXECUTION:

1/16/01

CONSENT TO ASSIGNMENT AND NOVATION

EXHIBIT 5

The Borough of Parkesburg ("Parkesburg") acknowledges that the City of Coatesville Authority ("Authority") is contemplating a prospective sale and/or lease and/or transfer and/or assignment of its assets (hereinafter collectively the "Assignment"), including the former Parkesburg Wastewater System. In connection with the prospective Assignment, Parkesburg hereby consents to the prospective Assignment by the Authority of the June 21, 1994 Agreement between Parkesburg and the Authority for the transfer of a Sanitary Sewer System and the construction of a Sanitary Sewer Main, as such Agreement has been amended by Addendum #1 dated September 2, 1998. This Consent to the prospective Assignment is under and subject to the following conditions:

1. Any prospective Assignee is determined by the Authority to be qualified to provide satisfactory services and perform all outstanding obligations; and
2. That Parkesburg, the Authority, and the prospective Assignee execute the "Assignment and Novation" Agreement attached hereto as Exhibit "A", through which the prospective Assignee accepts, agrees, and/or acknowledges that, *inter alia*, it will assume and perform all of the duties and obligations which were to have been performed by CCA under the June 21, 1994 Agreement and Addendum #1 thereto.

BOROUGH OF PARKESBURG

Date: 12/14/98

By: James B. Norton III
JAMES B. NORTON, III, President
Parkesburg Borough Council

ATTEST:

Brian C. Sheller
BRIAN C. SHELLER, Secretary
Parkesburg Borough

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CITY OF COATESVILLE AUTHORITY
 SERIES OF 1999 ←
 TO REFUND THE SERIES OF 1996
 PARKSBURG'S PORTION OF REFUNDED 1999 DEBT SERVICE
 NET DEBT SERVICE SCHEDULE

DATE	DEBT SERVICE	REDUCTIONS	NEW NET D/S	FISCAL TOTAL
4/15/1999	25,769.17	12,626.89	13,142.28	-
9/30/1999	-	-	-	13,142.28
10/15/1999	92,307.50	45,230.67	47,076.83	-
4/15/2000	77,082.50	37,770.43	39,312.08	-
9/30/2000	-	-	-	66,368.90
10/15/2000	237,082.50	116,170.43	120,912.08	-
4/15/2001	74,362.50	36,437.63	37,924.88	-
9/30/2001	-	-	-	158,836.95
10/15/2001	239,362.50	117,287.63	122,074.88	-
4/15/2002	71,433.75	35,002.54	36,431.21	-
9/30/2002	-	-	-	158,506.09
10/15/2002	246,433.75	120,752.54	125,681.21	-
4/15/2003	68,240.00	33,437.60	34,802.40	-
9/30/2003	-	-	-	160,483.61
10/15/2003	243,240.00	119,287.60	123,952.40	-
4/15/2004	64,958.75	31,829.79	33,128.96	-
9/30/2004	-	-	-	157,181.36
10/15/2004	244,958.75	120,029.79	124,928.96	-
4/15/2005	61,493.75	30,131.94	31,361.81	-
9/30/2005	-	-	-	156,290.78
10/15/2005	251,693.75	123,231.94	128,261.81	-
4/15/2006	57,693.75	28,269.94	29,423.81	-
9/30/2006	-	-	-	157,685.63
10/15/2006	257,693.75	126,269.94	131,423.81	-
4/15/2007	53,693.75	26,309.94	27,383.81	-
9/30/2007	-	-	-	158,807.63
10/15/2007	258,693.75	126,759.94	131,933.81	-
4/15/2008	49,491.25	24,250.71	25,240.54	-
9/30/2008	-	-	-	157,174.35
10/15/2008	244,491.25	120,500.71	123,990.54	-
4/15/2009	45,030.00	22,064.70	22,965.30	-
9/30/2009	-	-	-	157,855.84
10/15/2009	245,030.00	129,864.70	135,165.30	-
4/15/2010	40,410.00	19,800.90	20,609.10	-
9/30/2010	-	-	-	155,774.40
10/15/2010	275,410.00	134,950.90	140,459.10	-
4/15/2011	35,533.75	17,411.54	18,122.21	-
9/30/2011	-	-	-	158,581.31
10/15/2011	280,533.75	137,461.54	143,072.21	-
4/15/2012	50,588.75	24,890.49	25,698.26	-
9/30/2012	-	-	-	158,570.48
10/15/2012	280,588.75	137,390.49	142,998.26	-
4/15/2013	25,076.25	12,287.36	12,788.89	-
9/30/2013	-	-	-	155,787.15
10/15/2013	285,076.25	139,687.36	145,388.89	-

Jarney Montgomery Scott Inc.
 Public Finance Department

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CITY OF COATESVILLE AUTHORITY SERIES OF 1999 ← TO REFUND THE SERIES OF 1996 PARKSBURG'S PORTION OF REFUNDED 1999 DEBT SERVICE NET DEBT SERVICE SCHEDULE				
DATE	DEBT SERVICE	REDUCTIONS	NEW NET D/S	FISCAL TOTAL
4/15/2014	19,356.25	9,484.56	9,871.69	-
9/30/2014	-	-	-	155,260.58
10/15/2014	294,356.25	144,234.56	150,121.69	-
4/15/2015	13,237.50	6,486.38	6,751.13	-
9/30/2015	-	-	-	156,872.81
10/15/2015	298,237.50	146,136.38	152,101.13	-
4/15/2016	6,825.00	3,344.25	3,480.75	-
9/30/2016	-	-	-	155,581.88
10/15/2016	306,825.00	150,344.25	156,480.75	-
4/15/2017	-	-	-	-
9/30/2017	-	-	-	156,480.75
TOTAL	5,441,691.67	2,666,428.92	2,775,262.75	2,775,262.75

Jarney Montgomery Scott Inc.
 Public Finance Department

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Parkesbury Sewer Bond Debt Service Payment Schedule

03 Interest	\$ 94,101.05	\$ 35,017.80	\$ 129,118.85			
03 Cost	\$ 3,753,235.11	\$ 1,396,482.35				
Cost/Gal	\$ 6.25	\$ 3.40				
Millions/EDU	262.5	262.5				
03 Cost/EDU	\$ 1,659.37	\$ 892.50		\$ 282.09	\$ 1,377.28	
04 Interest	\$ 88,739.76	\$ 33,022.71	\$ 121,762.47			
04 Cost	\$ 3,841,974.87	\$ 1,429,505.01				
Cost/Gal	\$ 6.40	\$ 3.51				
Millions/EDU	262.5	262.5				
04 Cost/EDU	\$ 1,680.00	\$ 921.38		\$ 285.60	\$ 1,394.40	
05 Interest	\$ 83,023.81	\$ 30,895.63	\$ 113,919.44			
05 Cost	\$ 3,924,998.68	\$ 1,460,400.64				
Cost/Gal	\$ 6.54	\$ 3.55				
Millions/EDU	262.5	262.5				
05 Cost/EDU	\$ 1,717.19	\$ 931.87		\$ 291.92	\$ 1,425.27	
06 Interest	\$ 76,791.89	\$ 28,576.55	\$ 105,368.44			
06 Cost	\$ 4,001,790.57	\$ 1,488,977.19				
Cost/Gal	\$ 6.67	\$ 3.63				
Millions/EDU	262.5	262.5				
06 Cost/EDU	\$ 1,750.88	\$ 952.88		\$ 297.65	\$ 1,453.23	

Parkebury Sewer Bond Debt Service Payment Schedule

2007 Interest	\$ 70,340.02	\$ 25,175.62	\$ 95,515.64		
2007 Cost	\$ 4,072,130.59	\$ 1,514,152.81			
Cost/Gal	\$ 6.79	\$ 3.69			
Millions/EDU	262.5	262.5			
2007 Cost/EDU	\$ 1,782.38	\$ 968.63		\$ 303.01	\$ 1,479.37
2008 Interest	\$ 63,501.41	\$ 23,630.77	\$ 87,132.18		
2008 Cost	\$ 4,135,632.00	\$ 1,537,783.58			
Cost/Gal	\$ 6.90	\$ 3.74			
Millions/EDU	262.5	262.5			
2008 Cost/EDU	\$ 1,811.25	\$ 981.75		\$ 307.92	\$ 1,503.33
2009 Interest	\$ 56,275.14	\$ 20,941.65	\$ 77,216.79		
2009 Cost	\$ 4,191,907.14	\$ 1,558,725.23			
Cost/Gal	\$ 6.99	\$ 3.80			
Millions/EDU	262.5	262.5			
2009 Cost/EDU	\$ 1,834.88	\$ 997.50		\$ 311.93	\$ 1,522.95
2010 Interest	\$ 48,655.71	\$ 18,106.23	\$ 66,761.94		
2010 Cost	\$ 4,240,562.85	\$ 1,576,831.46			
Cost/Gal	\$ 7.07	\$ 3.84			
Millions/EDU	262.5	262.5			
2010 Cost/EDU	\$ 1,855.88	\$ 1,008.00		\$ 315.50	\$ 1,540.38

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
Pa. P.U.C. Docket No. A-230073F0002

FUS-T-24 Q Provide a copy of the most recent Bond Debt Service Schedule for Parkesburg.

FUS-T-24 A See Exhibit 6.

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RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Manager

I N T E R
O F F I C E

MEMO

April 9, 2002

Subject: A-230073F0002; City of Coatesville Authority v. Pennsylvania-American Water Company

To: James McNulty
Secretary

From: Cheryl Walker Davis, Director
Office of Special Assistants

KUR

CWD

*at
Charge Reconsideration Bulletin
To FUS.
JH 4/15/02*

The Monthly Report of Outstanding Cases for OSA reflects an outstanding assignment at the above-referenced docket. Please be advised that on February 13, 2001 an Opinion and Order was entered which addressed the Exceptions and Reply Exceptions and on March 12, 2001 an Opinion and Order was entered which addressed the Petition for Reconsideration. Accordingly, OSA has no outstanding assignment at this docket.

If you have any questions concerning the information provided, please feel free to contact me.

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