



**PENNSYLVANIA  
AMERICAN WATER**

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**Seth A. Mendelsohn  
Corporate Counsel**

August 9, 2013

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

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Hamiltonban Township Municipal Authority's properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Hamiltonban Township, Adams County, Pennsylvania. Docket No. A-2013-2352182**

Dear Ms. Chiavetta:

In response to H. Edwin Rodrock's letter dated April 5, 2013, attached for e-filing is Pennsylvania-American Water Company's answers to the data requests regarding the above referenced docket numbers.

Respectfully,

  
Seth A. Mendelsohn *blg*

blg  
Enclosure

cc: H. Edwin Rodrock  
E. Festus Odubo  
B. Grundusky

**Bureau of Technical Utility Services  
Water/Wastewater Industry Group**

**Discovery**

**Pennsylvania-American Water Company (PAWC)/Hamiltonban Township Municipal  
Authority (HTMA)  
Acquisition Application  
Docket No. A-2013-2352182  
April 5, 2013**

**Note:** Restate the data request prior to providing a response, in addition, for each data response provide the name of the person(s) providing the response and/or information.

A-1 Provide a proof of publication for this filing.

Response: Proof of publication for this filing was filed with Commission on May 3, 2013, a copy of which is attached.

A-2 Indicate the entity that provides water service to the customers in Hamiltonban Township.

Response: There is no water service to the Township. Each household is on an individual well owned by the property owner.

A-3 Indicate the number of acres for the service territory involved in this application.

Response: Approximately 110 acres.

A-4 Provide a comprehensive description of HTMA's existing wastewater treatment plant and collection system.

Response: Customers on the system consist of residential, public, small commercial and the Knouse Foods facility discharging sanitary waste. The collection system is a typical sanitary sewer system constructed in 1976 with small extensions constructed over the years. The system consists of approximately 5,550 feet of 8-inch gravity sewers and approximately 1,000 feet of 2-inch low pressure sewer. The HTMA's Treatment Plant is lagoon system constructed in 1976 with a design capacity of 0.050 mgd. The plant includes influent grinding, biological treatment using two lagoons in series, chlorination, and spray field disposal. Waste sludge is removed from the lagoons as required and hauled out for disposal by a private hauler.

A-5 The executed Agreement (p.1) filed with the Application indicates that HTMA's system serves 88 residences and one large industrial customer. The Application (p.2) indicates that HTMA furnishes wastewater service to 158 EDUs (68 residential EDUs, 14 commercial EDUs and 76 industrial EDUs). Please clarify this difference.

Response: The system serves 68 residences. It also serves 5 businesses and one industrial user. There is one EDU equated to each residence that is residential use. The business EDU assessments vary and so does the industrial EDU assessment. The businesses and the industrial until have multiple EDU's assessed which accounts for the EDU count to vary. The information provided on page 2 of the application is correct. Page one of the Agreement is incorrect.

A-6 Provide the status of the Act 537 Plan Revision and a copy of the Implementation Schedule to address HTMA's outstanding violations.

Response: The Act 537 Plan will be revised and updated to address the acquisition of the HTMA system by PAWC. HTMA's outstanding violations will be cured by the acquisition by PAWC through the connection of HTMA's system to the FTMSA system and the elimination of the spray-irrigation system. The Act 537 Plan revision and Implementation Schedule are expected to be completed and approved by DEP by the first quarter of 2014.

A-7 Indicate why the collection system is not mentioned as part of the facilities to be acquired.

Response: Please reference page 3, paragraph 1.1 of the Asset Purchase Agreement for a reference that the HTMA's collection system is included in the Acquired Assets.

A-8 Provide the "Public Sewer Service Area" map dated February 2013 described in Exhibit M of the Application.

Response: A copy of the map has been requested from HTMA and shall be provided immediately upon receipt.

A-9 Provide information on the current status of the Pennsylvania H2O grant of \$496,500 to be acquired by HTMA.

Response: The H2O grant has been modified to allow for the funds to be used to purchase/build the required pump station. The loan has been extended for another year and is still valid.

A-10 Indicate how the \$496,500 grant will be treated after Closing and acquisition of HTMA by PAWC.

Response: For utility plant funded by the \$496,500 grant, PAWC will show a corresponding increase in contributed property.

A-11 Indicate why PAWC is assuming responsibility for costs above and beyond the \$496,500 Pennsylvania H2O granted for the FTMA's (HTMA's) low pressure force main and pump station.

Response: PAWC estimates the total cost of the project to be more than \$496,500 and will invest in the system to bring it into compliance with regulatory and environmental requirements.

A-12 Provide an existing agreement between HTMA and Franklin Township Municipal Authority (FTMA) to convey wastewater to FTMA's wastewater facility.

Response: There is no formal agreement between the municipalities.

A-13 Indicate how this Agreement will be treated after Closing and acquisition of HTMA's system by PAWC.

Response: Please see response to A-12.

A-14 Provide a description of the pump station and the low pressure force main (type of main, size of main, length of main, etc.) to be employed for the conveyance of the wastewater from HTMA's wastewater facilities to FTMA's wastewater facility.

Response: The pump station is anticipated to be located at the site of the existing HTMA treatment plant. The pump station is anticipated to have 2 pumps and discharge into a 4-inch force main. The force main will be approximately 10,800 ft.

A-15 Indicate the anticipated timeframe for the commencement and completion of the project.

Response: The project is anticipated to take one year to include planning updates, permitting, design, and construction.

A-16 Indicate the estimated cost of the project described in A-14.

Response: The estimated cost of the work described in A-14 is approximately \$2,000,000.

A-17 Indicate why the service territory for the "Pipeline" route to convey sewage from HTMA to FTMA is not included in this application.

Response: At this time there is no demonstrated need for sewage service along the "Pipeline".

A-18 Indicate if PAWC plans to apply for a certificate of public convenience for the "Pipeline" route to FTMA in the future.

Response: After construction of the interconnecting force main, if customers make application to PAWC for service, the Company will apply for the appropriate certificated territory.

A-19 Provide a balance sheet/depreciation schedule that shows the current plant-in-service for HTMA's wastewater facilities including the plant value and accumulated depreciation.

Response: The HT balance sheet is attached to the Application. As a municipal entity, there is no "depreciation" since a municipality does not file any income tax returns.

A-20 Provide documentation, work papers or any other measures used to arrive at the assumption of the purchase price of \$339,700 with a utility plant value of \$510,000 and accumulated depreciation of \$170,300.

Response: The agreement was negotiated at arms-length. The journal entries of \$510,000 Utility Plant and \$170,300 Accumulated Depreciation are tentative pending the results of the original cost study.

A-21 Regarding the operation of the HTMA system after acquisition:

a) Indicate if PAWC will hire additional personnel for the system operations.

Response: PAWC will not hire additional personnel directly, but will hire a qualified properly certified contractor for the day-to-day operations. Oversight of the contractor will be provided by existing properly certified employees of PAWC.

b) State which of PAWC's existing systems will provide the resources to operate the system.

Response: The Mechanicsburg Operation will provide the resources to operate the system, with support from other regional and state functional disciplines.

c) Provide the name and a copy of the operator's certificate for the Certified Operator that will be assigned to this system.

Response: Joseph F. Woodward, Jr., Field Operations Manager will be assigned to the system. A copy of his Operator's Certificate is attached.

A-22 Identify any PENNVEST loans on this system and how they are or will be treated in this acquisition

Response: There are no PENNVEST loans on this system

A-23 Identify any contributions-in-aid-of-construction in this system and how they are or will be treated in this acquisition.

Response: PAWC is unaware of any contributions-in-aid-of-construction. If any contributions-in-aid-of-construction are identified when the Original Cost Study is completed, the Company will record them appropriately.

A-24 Identify any customer connections or tap-in fees and how they are or will be treated after Closing and acquisition of HTMA by PAWC.

Response: PAWC is unaware of any customer connections or tap-in fees.

A-25 Indicate any planned improvements for the HTMA's system after Closing and acquisition by PAWC.

Response: The planned improvements to the HTMA system are described in response to A-14.

A-26 Provide information on PAWC's limits for the HTMA system after the acquisition of the system.

Response: PAWC understands this question to pertain to the ability of residents along the interconnecting force main to connect to the system. At this time, PAWC does not expect any limits to connecting to the system other than installation by the resident of a grinder pump and Pa-PUC approval of service territory.

## VERIFICATION

BERNIE GRUNDUSKY, JR., subject to the penalties of 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities, hereby avers that he is Director, Business Development, for PENNSYLVANIA-AMERICAN WATER COMPANY, that as such he is authorized to sign this Verification its behalf; and that the facts set forth in the foregoing Responses to Data Requests are true and correct to the best of his knowledge, information or belief.



\_\_\_\_\_  
Bernie Grundusky, Jr., Director, Business Development

Dated: 8/9/2013



# PENNSYLVANIA

PUBLIC UTILITY COMMISSION

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## eFiling Successfully Transmitted



Your filing has been electronically received. Upon review of the filing for conformance with the Commission's filing requirements, a notice will be issued acknowledging such compliance and assigning a Docket Number. The matter will receive the attention of the Commission and you will be advised if any further action is required on your part.

Print this page for your records. The date filed on will be the current day if the filing occurs on a business day before or at 4:30 PM Harrisburg, PA time. It will be the next business day if the filing occurs after 4:30 PM Harrisburg, PA time or on weekends or holidays.

*If your filing **exceeds 250 pages**, you are required to submit **one paper copy of the filing within 3 business days of submitting the electronic filing. This paper copy can be mailed to: Secretary, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Harrisburg, PA 17120 . Please print a copy of this page and attach it to the paper copy of your filing as the first page.***

eFiling Confirmation	
Docket Number:	A-2013-2352182
Description:	Application of PAWC to acquire Hamiltonban Twp Municipal Authority wastewater system
Transmission Date:	5/3/2013 2:03:12 PM
Filed On:	5/3/2013 2:03:12 PM
eFiling Confirmation Number:	1513922

### Uploaded File List

File Name	Document Class	Document Type
Hamiltonban Twp. Application Proof of Publication.pdf	Supporting Documentation	Proof of Publication



**PENNSYLVANIA  
AMERICAN WATER**

**Seth A. Mendelsohn  
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May 3, 2013

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

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Hamiltonban Township Municipal Authority's properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Hamiltonban Township, Adams County, Pennsylvania. Docket No. A-2013-2352182**

Dear Ms. Chiavetta:

As directed in your letter of March 12, 2013 regarding the above-referenced application, attached is the proof of publication of the required notice.

Respectfully,

  
Seth A. Mendelsohn

blg  
Attachment

**Proof of Publication of Legal Notice**

Under provisions of "Newspaper Advertising Act" of Pennsylvania and its Supplements.

**STATEMENT**

It is hereby stated and declared that the Gettysburg Times is a daily newspaper as defined under the "Newspaper Advertising Act" of the Commonwealth of Pennsylvania approved May 16, 1929, and its several supplements and amendments, published at its place of business in the Township of Cumberland, Adams County, Pennsylvania, and is of general circulation throughout said County. That it was established in the year 1902 and has been issued regularly and continuously circulated and distributed from its established place of business daily, from the date of its establishment to the present time; that said newspaper is owned and published by Gettysburg Times Publishing LLC, a corporate organized and existing under the laws of the State of Pennsylvania. That a legal notice, a true copy of which exactly as printed and published, is securely attached hereto, was published and appeared in the regular editions and issues of said newspaper on the following dates, viz. 03/26/2013, 04/02/2013

That all of the charges, costs and expenses, including the fee for the affidavit to this proof of publication has not been paid in full.

Michael J. Bentz  
Advertising Clerk  
of Gettysburg Times Publishing LLC

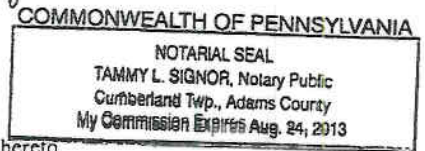
Commonwealth of Pennsylvania } ss.:  
County of Adams

On 05/02/13, before me, the subscriber, a Notary Public in and for said State and County personally came the above named Michael J Bentz who having been by me duly sworn according to law on his/her oath doth depose and say that he/she is the Advertising Clerk of Gettysburg Times Publishing LLC, a corporation, and is an officer duly authorized by resolution of the Board of Directors of said corporation to make the foregoing statement and this affidavit on its behalf; that the affiant is not interested in the subject matter of the notice or advertising referred to in the foregoing statement and that all of the allegations contained in the foregoing statement as to the time, place and character of publication therein referred to are true.

Michael J. Bentz  
Advertising Clerk

Sworn to and subscribed before me the day and year aforesaid.

Tammy L. Signor  
Notary Public  
My commission expires



Statement of Advertising Costs  
Gettysburg Times  
To Gettysburg Times Publishing LLC,  
for publishing notice or advertisement attached hereto

On the above dates \$181.70  
Probating same \$10.00  
Total \$191.70

**Publisher's Receipt for Advertising Costs**

C, a corporation, publisher of the Gettysburg Times, a daily newspaper, hereby acknowledges receipt of publication of costs and certifies that the same have been fully paid.

Gettysburg Times Publishing LLC, a corporation  
publisher of The Gettysburg Times, a daily newspaper

Copy. PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE TO BE PUBLISHED Application of Pennsylvania-American Water Company-Wastewater Division for approval of 1) the transfer, by sale, of substantially all of Hamiltonban Township Municipal Authority property and rights related to its wastewater system to Pennsylvania American Water Company, and 2) the rights of Pennsylvania-American Water Company to begin to offer, render, furnish and supply wastewater service to the public in portions of Hamiltonban Township, Adams County. Docket Number: A-2013-2352182.

able for inspection copying at the ce of the Secretary veen the hours of a.m. and 4:30 p.m., nday through day, on the mission's website at w.puc.state.pa.us at the Applicant's ness address. licant: nsylvania neric American Water mpany-Wastewater ough and By use! lma A. Redmond, quire san Simms Marsh, quire h A. Mendelsohn, quire West Hersheypark ve shey, PA 17033 Y THE COMMISSION osemary Chiavetta ecretary

Formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code, on or before April 8, 2013. All filings must be made with the Secretary of the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the Applicant. The documents filed in support of the Application are

**Commonwealth of Pennsylvania**

Department of Environmental Protection  
State Board for Certification of  
Water and Wastewater Systems Operators

Client ID: 197864 Expires: Dec 31, 2015

Certificate No. T2427

Cl&Sub: B,E 1,2,3,4

JOSEPH F WOODWARD JR  
101 GRAYSTONE CT  
DILLSBURG PA 17019-8307