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Seth A. Mendelsohn
Corporate Counsel

June 16, 2014

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 Paint-Elk Joint Sewer Authority, 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 Paint Township and Elk Township, Clarion County, Pennsylvania. Docket No. A-2013-2395998

Dear Ms. Chiavetta:

In response to Jani Tuzinski's letter dated June 6, 2014, attached please find Pennsylvania-American Water Company's answers to the third set of data requests regarding the above referenced docket number.

Respectfully,

Seth A. Mendelsohn

blg
Enclosure

cc: J. Tuzinski
S. Donnelly

**Bureau of Technical Utility Services
Water/Wastewater Division**

Data Request 3

**Application of Pennsylvania-American Water Company (PAWC) - Wastewater Division
at Docket No. A-2013-2395998**

June 6, 2014

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

A-46. The response to Data Request A-11 contained only seven map exhibits instead of a complete copy of the Department of Environmental Protection (DEP) approved Act 537 Sewage Facilities Plan for Paint and Elk Townships. It appears the exhibits are excerpts from the subject planning document and their meaning is unclear. Please provide a complete copy of the DEP approved Act 537 Official Sewage Facilities Plan for Paint and Elk Townships.

R-46 PAW apologizes for the confusion. It was never the intent of PAW to include complete and unabridged copies of the current 537 Plans for each municipality. Rather, PAW intended to show the areas within Elk Township where sewage was contemplated within the municipality. Therefore, the original Service Area (See Exhibits L and M attached to PAW's *Application* filed on December 6, 2013) was developed with the Township's contemplated updates in mind so as to achieve a potential regional wastewater solution for the area. Exhibit L is identical to Schedule 7.2.3 of the *Purchase Agreement*, which was referenced in Exhibit 2.4 (also in the Agreement) as the area in which the Bona Fide Service Applicants ("BFSA"), as contemplated in the transaction, would be addressed in accordance with PAW's *Rules & Regulations*, in effect from time to time, governing Line Extensions and BFSAs. Accordingly, when PAW responded to R11 on February 20, 2014, it was drawing the connection between these exhibits and schedule, as well as that which was negotiated as part of the overall transaction.

A search of the Website for the Pennsylvania Department of Environmental Protection (DEP) reveals that these plans are possibly greater than (see following link:

http://www.dep.state.pa.us/dep/DEPUTATE/watermgt/Wqp/WQP_WM/537Map/537Plan-NW.htm) 6 years to as much as almost 25 years old. This link shows

that Elk Township's Plan was approved on January 1, 1990 and Paint Township's Plan was approved on February 29, 2008. Elk Township has submitted updates to its Plan to DEP.

With the above in mind, PAW respectfully requests that the PUC accept this response as complete.

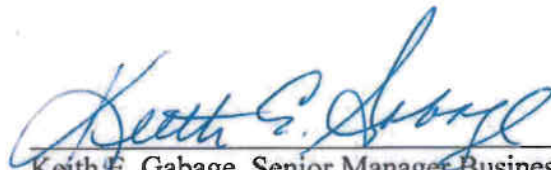
- A-47. The response to Data Request A-38 states the Paint-Elk Joint Sewer Authority's (PEJSA's) sewage facilities include three duplex pumping stations. However, the submitted draft sewage collection map only identifies one on the drawing. Please provide mapping that identify the locations of all the duplex pumping stations.
- R-47. Attached is a copy of the map provided at R-6 and R-38, which has been edited to show the location of the stations at issue; all of which are situated within the requested Service Area. This map has also been edited to respond to A-48 and A-49.
- A-48. The submitted draft sewage collection map depicts what appear to be force mains extending along "PA 66" beyond the top right corner of the map area and along "US 322" beyond the bottom right corner of the map area. Please provide mapping that depicts all of PEJSA's sewage facilities in Area 4, as designated on the revised wastewater service territory map.
- R-48. See R-47. These facilities are also situated within the requested Service Area.
- A-49. Please provide mapping of PEJSA's sewage facilities that identify the locations of all the individual grinder pumps to be acquired by PAWC.
- R-49. See the shaded area noted on the plan provided at R-47. However, it should be noted that the grinder pumps are not shown on the plans.
- A-50. Please state whether there are sewage facilities owned by PEJSA in Areas 1, 2 and 3, as designated on the revised wastewater service territory map. If there are, please provide mapping that depicts all of the PEJSA-owned sewage facilities in these areas.
- R-50. There are currently no sewage facilities owned by PEJSA in Areas 1, 2 and 3. However, as noted at R-46, these areas were included in the *Application* at the request of the Authority due to the need for sewage as contemplated by the municipality.

- A-51. Please quantify the individual acreage for the non-contiguous Areas 1, 2, 3 and 4, as designated on the revised wastewater service territory map.
- R-51. Area 1 approximately 122 acres, Area 2 approximately 247 acres, Area 3 approximately 250 acres and Area 4 approximately 1,118 acres.
- A-52. Please identify the PAWC district or system the employee operator designated in the response to Data Request A-45 currently works.
- R-52. Clarion Wastewater System District (CWSD)
- A-53. Please state whether the PAWC employee operator designated in the response to Data Request A-45 will be charged with maintaining what is currently PEJSA's sewage facilities on a full-time basis.
- R-53. James DeSantis will supervise and oversee the operation and maintenance of the PEJSA sewage facilities to comply with all regulatory permits and requirements. Pending Closing, PAW plans to offer an employment opportunity to the current PEJSA Operator, who along with PAW's CWSD three full-time employees will support the PEJSA operations on a full time basis. PAW will also have professional support from other PAW departments, including engineering, environmental, security, loss control and safety, as well as administrative support.
- A-54. DEP's NPDES Compliance Inspection Report of May 4, 2012 contained within Schedule 4.4 of the purchase agreement recommended PEJSA hire at least one more skilled operator so there are two or more operators to maintain its system. Please explain how PAWC will successfully operate PEJSA's wastewater collection and treatment facilities with only one operator.
- R-54. Please see R-53 above.
- A-55. DEP's NPDES Compliance Inspection Report of May 4, 2012 contained within Schedule 4.4 of the purchase agreement also suggested PEJSA consider adding headworks to its aerated lagoon system to remove grit and debris and protect its aerators. Please clarify whether PEJSA has since added any headworks to its aerated lagoon system.

- R-55. PEJSA has not added any head-works. Following Closing, PAW plans to add head-works screening and de-gritting as part of its planned improvements at the wastewater treatment plant.
- A-56. Please state whether PAWC has any planned construction improvements for PEJSA's sewage facilities if the acquisition application is approved.
- R-56. PAW anticipates investing in rehabilitation of the collection system to address I&I as well as improvements to both the pump stations and treatment facilities within the first 2 years of ownership. These items are estimated to be approximately \$435,000.
- A-57. Please provide a complete copy of PEJSA's ordinance that established the current wastewater treatment rates for its customers.
- R-57. PAW has requested, from the Solicitor of PEJSA, the supporting document for the rates memorialized at Schedule 7.2.2 of the *Purchase Agreement* and Exhibit F of the *Application*. PAW respectfully requests that it be permitted to provide what it may receive from PEJSA's Solicitor when it submits its *Tariff Supplement* following Closing on the transaction as contemplated in the *Purchase Agreement*.

VERIFICATION

KEITH E. GABAGE, subject to the penalties of 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities, hereby avers that he is Senior Manager 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.



Keith E. Gabage, Senior Manager Business Development

Dated: 6/14/2014

