



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

IN REPLY PLEASE
REFER TO OUR FILE

July 13, 2007

ORIGINAL

Ember S. Jandebaur, Administrative Law Judge
Pennsylvania Public Utility Commission
Room 317 Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503

**DOCUMENT
FOLDER**

SECTION 529 BUREAU
2007 JUL 13 AM 11:20

Re: Application of W.P. Sanitary Company, Inc.
for Approval of Abandonment of Service
A-230550F2000

Investigation of W.P. Water Co, Inc. and W.P.
Sanitary Co., Inc. Pursuant to 66 Pa. C.S. § 529
I-00070114

Dear Judge Jandebaur:

On February 27, 2007, W.P. Sanitary Co., Inc., d/b/a Washington Park Sanitary Company filed an Application to Abandon Service at A-230550F2000. Protests were filed by the Office of Consumer Advocate (OCA), Department of Environmental Protection (DEP) and Washington Township. On June 6, 2007, the OCA filed a Petition at P-00072313 for a Commission Order to Institute a Proceeding to Order Acquisition of W.P. Water Company, Inc. and W.P. Sanitary Company, Inc. pursuant to 66 Pa. C.S. § 529. By Order entered July 11, 2007, the Commission granted in part the OCA's petition and ordered that the Section 529 investigation proceeding be consolidated with the abandonment application.

An initial hearing has been scheduled for July 18, 2007, regarding the abandonment proceeding. Prosecutory Staff respectfully requests that the pending initial hearing be converted into a prehearing conference in order to determine how to proceed in the consolidated proceeding. Prosecutory Staff has contacted the OCA, DEP,

Washington Township, and W.P. regarding this proposal. The OCA, DEP and the Township concur in Prosecutory Staff's request. Prosecutory Staff has not yet received a response from W.P.

An original and 3 copies of this document is being filed with the Secretary of the Commission. Please call my direct dial number at (717) 787-6166 with any questions.

Respectfully submitted,

Rhonda L. Daviston

Rhonda L. Daviston
Law Bureau Prosecutory Staff

cc: As per certificate of service
Patricia Wiedt, Esquire
Kriss Brown, Esquire

CERTIFICATE OF SERVICE

I hereby certify that I have this 13th day of July, 2007 served a true copy of the foregoing document upon the participants listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

SERVICE BY HAND DELIVERY

Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

2007 JUL 13 AM 11:50
SECRETARY'S OFFICE

FIRST CLASS MAIL

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street, Suite 300
Scranton, PA 18503

Paul Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657

11
13
13
16

Christine Maloni Hoover, Esquire
Darlene Wong, Esquire
Erin Gannon, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923

Kathy Pape, Esquire
PA American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

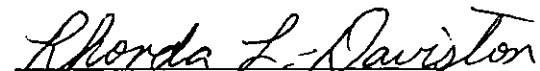
Fayling Dempsey, Esquire
Pa. Dept. of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18503

Kimberly A. Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

Office of Small Business Advocate
Suite 102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

John Hollenbach
United Water Pennsylvania
8189 Adams Drive
Hummelstown, PA 17036

Kieran M. Casey, Esquire
Borland and Borland, LLP
69 Public Square, Suite 1100
Wilkes-Barre, PA 18701


Rhonda L. Daviston
Law Bureau Prosecutory Staff

Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Dated: July 13, 2007

July 17, 2007

ORIGINAL

VIA OVERNIGHT MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. pursuant to
Section 529 of the Pennsylvania Public Utility code
Docket No. I-00070114

W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of
Service
Docket No. A-230550F2000

**DOCUMENT
FOLDER**

Dear Secretary McNulty:

On behalf of Pennsylvania-American Water Company, I enclose an original and three
copies of its Notice of Appearance and Certificate of Service regarding this matter.

As evidenced by the enclosed Certificate of Service, all parties to this proceeding
have been duly served. Please time stamp the extra copy of this letter and return it to
me in the stamped self-addressed envelope.

KJR

Respectfully submitted,



Seth A. Mendelsohn

Pennsylvania American Water

Enclosure

c: See Attached Service List

RECEIVED

JUL 17 2007

Seth A. Mendelsohn
Corporate Counsel
800 West Hersheypark Drive
Hershey, PA 17033 USA

T 717-533-5000
F 717-531-3252
E seth.mendelsohn@amwater.com
I: www.pawc.com

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

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

In the matter of:

Re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. pursuant
to Section 529 of the Pennsylvania Public Utility code
Docket No. I-00070114

W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Docket No. P-00072313


Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of
Service
Docket No. A-230550F2000

NOTICE OF APPEARANCE

DOCUMENT
FOLDER

Please enter my appearance in the above-designated matter on behalf of

Respondent, Pennsylvania-American Water Company. I am authorized to accept service on
behalf of said participant in this matter. I am already receiving or have access to a copy of each
document issued by the Pennsylvania Public Utility Commission in this matter and do not on the
basis of this notice require an additional copy.



Seth A. Mendelsohn
Corporate Counsel
Pa. Attorney I.D. 77063
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(717) 533-5000

DOCKETED
JUL 19 2007

Susan Simms Marsh
Corporate Counsel
Pa. Attorney I.D. 44689
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(717) 533-5000

Dated: July 17, 2007

RECEIVED
JUL 17 2007
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. pursuant to Section 529 of the Pennsylvania Public Utility Code :	A-212285F0122
W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. :	P-00072313
Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service :	A-230550F2000

RECEIVED
JUL 17 2007
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document, Notice of Appearance, upon the participants listed below, in accordance with the requirements of §1.54:

VIA OVERNIGHT MAIL

Christine Maloni Hoover, Esquire
Darlene Wong, Esquire
Erin Gannon, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

The Honorable Ember S. Jandebaur
Administrative Law Judge
Pennsylvania Public Utility Commission
Scranton State Office Building
100 Lackawanna Avenue, Room 317
Scranton, PA 18503

Rhonda L. Daviston, Esquire
Law Bureau Prosecutory Staff
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Kimberly A. Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

William Lloyd
Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

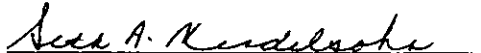
John Hollenbach
United Water Pennsylvania
8189 Adams Drive
Hummelstown, PA 17036

Kieran Michael Casey, Esquire
Borland and Borland, L.L.P.
69 Public Square
Suite 1100
Wilkes-Barre, PA 18701

Fayling Dempsey, Assistant Counsel
Pa. Dept. of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18711-0790

Paul Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street
Scranton, PA 18503


Seth A. Mendelsohn
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(717) 533-5000

Dated this 17th day of July, 2007.

OALJ Hearing Report

Please check Those Blocks Which Apply

Docket No.:	A-230550 F2000 <i>I-00070114,</i>		YES	NO
	<i>P-00072313</i>	Prehearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Case Name:	Application of W.P. Sanitary Company, Inc.	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<i>d/b/a Washington Park Sanitary Company</i>	Testimony Taken:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<i>tele preheg. conf.</i>	Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Location:	Scranton	Hearing Concluded:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Further Hearing Needed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date:	Wednesday, July 18, 2007	Estimated Add'l Days:	<i>5</i>	
ALJ:	Ember S. Jandebour	RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Firm:	Sargents Court Reporting	DATE:		
		Briefs to be Filed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		DATE:		
		Bench Decision:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		REMARKS:	<i>9 10-11+2 HRS</i>	
			<i>10, 10+11 HRS</i>	

DOCUMENT FOLDER

RECEIVED

JUL 30 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
<i>Erin Garrison</i> <i>Darlene Wong</i>	City: _____ State: _____ Zip: _____	<i>PCA</i> KJR
Telephone: _____	E-mail Address: _____	Fax Number: _____
<i>Khonda Davistow</i> <i>Miss Brown</i> <i>Pat Weidt</i>	City: _____ State: _____ Zip: _____	<i>PUC</i> <i>haul Bureau</i>
Telephone: _____	E-mail Address: _____	Fax Number: _____
<i>Tom Nisea</i> <i>Debra Nisea</i>	City: _____ State: _____ Zip: _____	<i>Aqua PA</i>
Telephone: _____	E-mail Address: _____	Fax Number: _____

Check this box if additional parties or attendees appear on back of form.

Kenneth L. Stearn
Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address			Who are you representing?
Fayling Dempsey +6				Dep
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	
Kerian Casey Ernie Peate				Carl & Sandy Hesse
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	
Seth Meade Brown				PAWC
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	
Jon Neisen John Dillon				United
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	
Paul Kitewin				Washington Swan Ship
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	
	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.



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

IN REPLY PLEASE
REFER TO OUR FILE

July 19, 2007

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

ORIGINAL

Re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
pursuant to Section 529 of the Pa. Public Utility Code
No. I-00070114

**DOCUMENT
FOLDER**

W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service
No. A-230550F2000

Dear Mr. McNulty:

Enclosed for filing are an original and three (3) copies of the Entry of Appearance on behalf of the Law Bureau of Prosecutory Staff of the Pennsylvania Public Utility Commission in the above-referenced case. Copies have been served on the parties of record in accordance with the Certificate of Service.

Sincerely,

Patricia T. Wiedt

Patricia T. Wiedt
Assistant Counsel

KJR

PTW/mab

Enclosure

cc: As per Certificate of Service
Frank B. Wilmarth

RECEIVED
2007 JUL 19 PM 1:48
SECRETARY'S BUREAU
PA PUC

37

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

RECEIVED
2007 JUL 19 PM 1:48
SENATE STAFF'S BUREAU
PA PUC

In re:	:	
	:	
Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co. Inc. Pursuant to Section 529 of the Pa. Public Utility Code	:	No. I-00070114
	:	
W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	:	No. P-00072313
	:	
Application of W.P. Sanitary Co., Inc. for approval of Abandonment of Service	:	No. A-230550F2000

**DOCUMENT
FOLDER**

ENTRY OF APPEARANCE

Please enter our appearance as additional counsel for the Law Bureau
Prosecutory Staff of the Pennsylvania Public Utility Commission.

All service on and communications to the Law Bureau Prosecutory Staff in
this proceeding should be addressed to:

Rhonda L. Daviston
 Patricia T. Wiedt
 Kriss E. Brown
 Assistants Counsel
 Pennsylvania Public Utility Commission
 PO Box 3265
 Harrisburg, PA 17105-3265
 Phone: 717-787-5000

DOCKETED
JUL 23 2007

Patricia T. Wiedt
 Patricia T. Wiedt
 Assistant Counsel
 Attorney ID #79342

Kriss E. Brown
 Kriss E. Brown
 Assistant Counsel
 Attorney ID #89036

P.O. Box 3265
 Harrisburg, PA 17105-3265
 Phone: 717-787-5000
 Dated: July 19, 2007

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document, Entry of Appearance, upon the persons listed and in the manner indicated below:

Service by First Class Mail:

Seth A. Mendelsohn, Esquire
Susan Simms Marsh, Esquire
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
Phone: 717-533-5000

Christine Maloni Hoover, Esquire
Darlene Wong, Esquire
Erin Gannon, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor Forum Place
Harrisburg, PA 17101-1923

The Honorable Ember S. Jandebaur
Office of Administrative Law Judge
Scranton State Office Building
100 Lackawanna Avenue, Room 317
Scranton, PA 18503

Kimberly A. Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

John Hollenbach
United Water Pennsylvania
8189 Adams Drive
Hummelstown, PA 17036

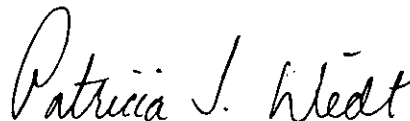
Kieran Michael Casey, Esquire
Borland and Borland
69 Public Square Suite 1100
Wilkes Barre, PA 18701

Fayling Dempsey, Assistant Counsel
Pa. DEP
Office of Chief Counsel
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Wilkes-Barre, PA 18711-0790

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24 East Tioga Street
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400 Spruce Street
Scranton, PA 18503

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2007 JUL 12 PM 1:48
PA PUC
SECRETARY'S BUREAU



Patricia T. Wiedt
Assistant Counsel
Attorney ID No. 79342
Pennsylvania Public Utility Commission

P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-5000
Dated: July 19, 2007

July 25, 2007

RECEIVED

JUL 25 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA OVERNIGHT MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. pursuant to
Section 529 of the Pennsylvania Public Utility code
Docket No. I-00070114

W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of
Service
Docket No. A-230550F2000

Dear Secretary McNulty:

On behalf of Pennsylvania American Water, I enclose an original and three copies of
its Withdrawal of Appearance and Certificate of Service regarding this matter.

As evidenced by the enclosed Certificate of Service, all parties to this proceeding
have been duly served. Please time stamp the extra copy of this letter and return it to
me in the stamped self-addressed envelope.

KJR

**DOCUMENT
FOLDER**

Respectfully submitted,


Seth A. Mendelsohn

Pennsylvania American Water

Enclosure

c: See Attached Service List

Seth A. Mendelsohn
Corporate Counsel
800 West Hersheypark Drive
Hershey, PA 17033 USA
T 717-533-5000
F 717-531-3252
E seth.mendelsohn@amwater.com
I: www.pawc.com

ORIGINAL

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In the matter of:

Re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. pursuant to Section 529 of the Pennsylvania Public Utility code
Docket No. I-00070114

W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service
Docket No. A-230550F2000

WITHDRAWAL OF APPEARANCE

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

**DOCUMENT
FOLDER**

Seth A. Mendelsohn

Seth A. Mendelsohn
Corporate Counsel
Pa. Attorney I.D. 77063
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(717) 533-5000

Dated: July 25, 2007

DOCKETED
JUL 27 2007

RECEIVED
JUL 25 2007
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. pursuant to Section 529 of the Pennsylvania Public Utility Code :	A-212285F0122
W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. :	P-00072313
Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service :	A-230550F2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document, Withdrawal of Appearance, upon the participants listed below, in accordance with the requirements of §1.54:

VIA U.S. MAIL

Christine Maloni Hoover, Esquire
Darlene Wong, Esquire
Erin Gannon, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

The Honorable Ember S. Jandebaur
Administrative Law Judge
Pennsylvania Public Utility Commission
Scranton State Office Building
100 Lackawanna Avenue, Room 317
Scranton, PA 18503

Rhonda L. Daviston, Esquire
Law Bureau Prosecutory Staff
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Kimberly A. Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

William Lloyd
Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

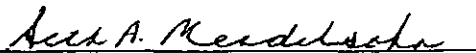
John Hollenbach
United Water Pennsylvania
8189 Adams Drive
Hummelstown, PA 17036

Kieran Michael Casey, Esquire
Borland and Borland, L.L.P.
69 Public Square
Suite 1100
Wilkes-Barre, PA 18701

Fayling Dempsey, Assistant Counsel
Pa. Dept. of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18711-0790

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24 East Tioga Street
Tunkhannock, PA 18657

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street
Scranton, PA 18503


Seth A. Mendelsohn
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(717) 533-5000

Dated this 25th day of July, 2007.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
July 25, 2007

IN REPLY PLEASE
REFER TO OUR FILE

In Re: I-00070114
P-00072313
A-230550F2000

(SEE ATTACHED LIST)

I-00070114
IN RE: INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE
P-00072313
IN RE: W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
A-230550F2000
APPLICATION OF W.P. SANITARY COMPANY, INC. D/B/A WASHINGTON PARK
SANITARY COMPANY

Hearing Notice

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

Type: Initial & Further Hearings
Date: Monday, September 10, 2007
Tuesday, September 11, 2007
Wednesday, September 12, 2007
Wednesday, October 10, 2007
Thursday, October 11, 2007
Time: 10:00 a.m.
Location: Room 318
Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503

DOCUMENT
FOLDER

BTL

DOCKETED
AUG 9 2007

Presiding: Administrative Law Judge Ember S. Jandebour
Room 317 Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503
Telephone: 570-963-4818
Fax: 570-963-3310

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

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

Individuals representing themselves do not need to be represented by an attorney. All others (corporation, partnership, association, trust or governmental agency or subdivision) must be represented by an attorney. An attorney representing you should file a Notice of Appearance before the scheduled hearing date.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

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

pc: Judge Jandebour
Stacy Nolan, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

I-00070114 - IN RE: INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC. PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE

P-00072313 - IN RE: W.P. WATER CO., INC. AND W.P. SANITARY CO., INC. A-230550F2000 APPLICATION OF W.P. SANITARY COMPANY, INC. D/B/A WASHINGTON PARK SANITARY COMPANY

ERNEST D PREATE JR ESQUIRE
MELLON BANK BUILDING
400 SPRUCE STREET
SUITE 300
SCRANTON PA 18503

THOMAS T NIESEN ESQUIRE
THOMAS THOMAS ARMSTRONG &
NIESEN
212 LOCUST STREET SUITE 500
PO BOX 9500
HARRISBURG PA 17108-9500

CHRISTINE M HOOVER ESQUIRE
ERIN GANNON ESQUIRE
DARLENE WONG ESQUIRE
OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET
5TH FLOOR FORUM PLACE
HARRISBURG PA 17101-1923

BOYD HUGHES ESQUIRE
HUGHES NICHOLLS & O'HARA
1421 EAST DRINKER STREET
DUNMORE PA 18512-2614

FAYLING DEMPSEY ESQUIRE
PA DEPT OF ENVIRONMENTAL
PROTECTION
2 PUBLIC SQUARE
WILKES-BARRE PA 18711-0790

JOHN T DILLON
CORPORATE ATTORNEY - OPERATIONS
UNITED WATER
200 OLD HOOK ROAD
HARRINGTON PARK NJ 07620

RHONDA L DAVISTON ESQUIRE
KRISS BROWN ESQUIRE
PATRICIA WEIDT ESQUIRE
PA PUC LAW BUREAU
PO BOX 3265
HARRISBURG PA 17101-3265

KIERAN CASEY ESQUIRE
BORLAND & BORLAND LLP
69 PUBLIC SQUARE 11TH FLOOR
WILKES-BARRE PA 18701-2597

ANTHONY P LITWIN ESQUIRE
24 EAST TIOGA STREET
TUNKHANNOCK PA 18657

KIMBERLY JOYCE ESQUIRE
AQUA AMERICA INC
762 WEST LANCASTER AVENUE
BRYN MAWR PA 19010

SETH A MENDELSON ESQUIRE
SUSAN SIMMS MARSH ESQUIRE
PENNSYLVANIA-AMERICAN WATER
COMPANY
800 WEST HERSHEY PARK DRIVE
HERSHEY PA 17033

ORIGINAL

LEBOEUF, LAMB, GREENE & MACRAE LLP

NEW YORK
WASHINGTON, D.C.
ALBANY
BOSTON
CHICAGO
HARTFORD
HOUSTON
JACKSONVILLE
LOS ANGELES
PITTSBURGH
SAN FRANCISCO

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

LONDON
A MULTINATIONAL
PARTNERSHIP
PARIS
BRUSSELS
JOHANNESBURG
(PTY) LTD.
MOSCOW
RIYADH
AFFILIATED OFFICE
ALMATY
BEIJING

July 27, 2007

BY HAND

James J. McNulty, Secretary
Secretary's Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

**DOCUMENT
FOLDER**

SECRETARY'S BUREAU

2007 JUL 27 PM 2:45

REC'D

Re: Docket Nos. I-00070114, P-00072313 and A-230550F2000
W.P. Water Company, Inc. and W.P. Sanitary Company, Inc.

BTL

Dear Secretary McNulty:

Enclosed for filing please find the original and three (3) copies of my entry of appearance in the above-referenced consolidated matters. A certificate of service is also enclosed.

Please time-stamp and return the additional copy of this filing. If you have any questions or concerns, please contact me. Thank you.

Sincerely,

Michael D. Klein
Michael D. Klein

Enclosures

cc: Susan S. Marsh, Esq.
All Parties on Certificate of Service

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	:	Docket No. I-00070114
Pursuant to Section 529 of the Pennsylvania Public Utility Code	:	
 	:	
In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	:	Docket No. P-00072313
 	:	
Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service	:	Docket No. A-230550F2000

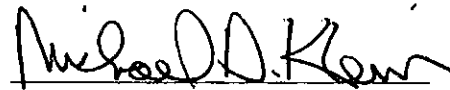
NOTICE OF APPEARANCE

Please enter my appearance in the above-designated consolidated matter on behalf of Pennsylvania-American Water Company ("PAWC").

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

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

Respectfully,



Michael D. Klein, Esq.
Pa. Attorney No. 23854
LeBoeuf, Lamb, Greene & MacRae, LLP
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199
Fax: (717) 232-8720

Counsel for Pennsylvania-American Water Company

Date: July 27, 2007
DOCUMENT
FOLDER

DOCKETED
AUG 9 2007

SECRETARY'S BUREAU
2007 JUL 27 PM 2:45

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code	:	Docket No. I-00070114
	:	
	:	
	:	
In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	:	Docket No. P-00072313
	:	
	:	
	:	
Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service	:	Docket No. A-230550F2000
	:	

CERTIFICATE OF SERVICE

I hereby certify that I have, this 27th day of July, 2007, served a true and correct copy of the foregoing document upon the persons and in the manner indicated below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party):

First Class Mail, Postage Prepaid:

Honorable Ember Jandebaur
Administrative Law Judge
Pennsylvania Public Utility Commission
100 Lackawanna Avenue, Room 317
Scranton, PA 18503

Rhonda Daviston, Esquire
Pennsylvania Public Utility Commission
3rd Floor West
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Darlene Wong, Esq.
Office of Consumer Advocate
555 Walnut St.
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

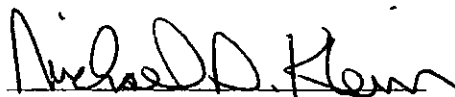
Ernie Preate, Esquire
Mellon Bank Building
400 Spruce Street, Third Floor
Scranton, PA 18503

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2007 JUL 27 PM 2:45
SECRETARY'S BUREAU

[Remainder of page intentionally left blank.]

Thomas T. Niesen, Esquire
Thomas, Thomas, Armstrong & Niesen
212 Locust St., Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Respectfully,



Michael D. Klein, Esq.
Pa. Attorney No. 23854
LeBoeuf, Lamb, Greene & MacRae, LLP
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
(717) 232-8199
Fax: (717) 232-8720

**Counsel for Pennsylvania-American
Water Company**



DOCUMENT
FOLDER

OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

August 3, 2007

RECEIVED

AUG - 6 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Thomas Niesen, Esquire
Thomas, Thomas, Armstrong and Niesen
121 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I-00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service;
Docket No. A-230550F2000

Dear Mr. Niesen:

Enclosed you will find two copies of the Office of Consumer Advocate's Interrogatories and Requests for Production of Documents, Set VI, in the above-referenced proceeding.

We request that the Company provide verified answers to these inquiries within fifteen (15) days of service. Also, please forward the verified answers as they are completed, rather than waiting until the responses to the full set are completed. We would appreciate it if you would communicate any objections you may have to these interrogatories as soon as possible.

We also request that you send a copy of the answers directly to our consultant, as listed below:

Marilyn J. Kraus
Senior Regulatory Analyst
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923

KJR

Thomas Niesen, Esquire
August 3, 2007
Page 2

If you have any questions, please call us. By copy of this letter, copies of these interrogatories have been served upon all parties. A certificate of service showing service of these interrogatories on all parties has been filed with Secretary McNulty of the Pennsylvania Public Utility Commission as required by 52 Pa. Code §5.341(b).

Sincerely,



Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D. #87381

Enclosures

cc: All parties of record
cc: Secretary McNulty (letter and certificate of service only)
95022.doc

CERTIFICATE OF SERVICE

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I-00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service;
Docket No. A-230550F2000

I hereby certify that I have this day served a true copy of the foregoing document, Interrogatories and Requests for Production of Documents of the Office of Consumer Advocate to Aqua Pennsylvania, Inc., Set VI, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 3rd day of August, 2007.

SERVICE BY E-MAIL and INTER-OFFICE MAIL

Larry Lash, P.E.
Bureau of Fixed Utility Services
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Rhonda L. Daviston
Chris Brown
Patty Weidt
Law Bureau Prosecutory Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

William Lloyd
Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street, Suite 300
Scranton, PA 18503
Attorney for W.P. Water Company

Kieran Michael Casey, Esq.
Borland and Borland, L.L.P.
69 Public Square, Suite 1100
Wilkes-Barre, PA 18701
Attorney for W.P. Water Company

Fay Dempsey, Assistant Counsel
Pa. Dept. of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18711-0790

Paul Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657
Attorney for Washington Township

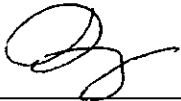
Kimberly Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

John Dillon, Esquire
Boyd Hughes, Esquire
United Water Pennsylvania, Inc.
8189 Adams Drive
Hummelstown, PA 17036

Thomas Niesen, Esquire
Thomas, Thomas, Armstrong and Niesen
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500
Attorneys for Aqua Pennsylvania, Inc.

Michael D. Klein, Esquire
LeBoeuf, Lamb, Greene & MacRae, LLP
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
Attorneys for Pennsylvania-American Water Co.

Seth Mendelsohn, Esquire
Susan Simms Marsh, Esquire
Pennsylvania-American Water Co.
800 West Hershey Park Drive
Hershey, PA 17033



Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D.#50026
E-Mail: CHoover@paoca.org

Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D.#87381
E-Mail: DWong@paoca.org

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

DOCUMENT
FOLDER

OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

RECEIVED

AUG - 6 2007

August 3, 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I-00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service;
Docket No. A-230550F2000

KJR

Dear Mr. Klein:

Enclosed you will find two copies of the Office of Consumer Advocate's Interrogatories and Requests for Production of Documents, Set VII, in the above-referenced proceeding.

We request that the Company provide verified answers to these inquiries within fifteen (15) days of service. Also, please forward the verified answers as they are completed, rather than waiting until the responses to the full set are completed. We would appreciate it if you would communicate any objections you may have to these interrogatories as soon as possible.

We also request that you send a copy of the answers directly to our consultant, as listed below:

Marilyn J. Kraus
Senior Regulatory Analyst
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923

Michael D. Klein, Esquire
August 3, 2007
Page 2

If you have any questions, please call us. By copy of this letter, copies of these interrogatories have been served upon all parties. A certificate of service showing service of these interrogatories on all parties has been filed with Secretary McNulty of the Pennsylvania Public Utility Commission as required by 52 Pa. Code §5.341(b).

Sincerely,



Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D. #87381

Enclosures

cc: All parties of record

cc: Secretary McNulty (letter and certificate of service only)

95022.doc

CERTIFICATE OF SERVICE

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I-00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service;
Docket No. A-230550F2000

I hereby certify that I have this day served a true copy of the foregoing document, Interrogatories and Requests for Production of Documents of the Office of Consumer Advocate to Pennsylvania-American Water Co., Set VII, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 3rd day of August, 2007.

SERVICE BY E-MAIL and INTER-OFFICE MAIL

Larry Lash, P.E.
Bureau of Fixed Utility Services
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Rhonda L. Daviston
Chris Brown
Patty Weidt
Law Bureau Prosecutory Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

William Lloyd
Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street, Suite 300
Scranton, PA 18503
Attorney for W.P. Water Company

Kieran Michael Casey, Esq.
Borland and Borland, L.L.P.
69 Public Square, Suite 1100
Wilkes-Barre, PA 18701
Attorney for W.P. Water Company

Fay Dempsey, Assistant Counsel
Pa. Dept. of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18711-0790

Paul Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657
Attorney for Washington Township

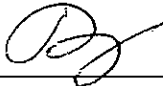
Kimberly Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

John Dillon, Esquire
Boyd Hughes, Esquire
United Water Pennsylvania, Inc.
8189 Adams Drive
Hummelstown, PA 17036

Thomas Niesen, Esquire
Thomas, Thomas, Armstrong and Niesen
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500
Attorneys for Aqua Pennsylvania, Inc.

Michael D. Klein, Esquire
LeBoeuf, Lamb, Greene & MacRae, LLP
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
Attorneys for Pennsylvania-American Water Co.

Seth Mendelsohn, Esquire
Susan Simms Marsh, Esquire
Pennsylvania-American Water Co.
800 West Hershey Park Drive
Hershey, PA 17033



Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D.#50026
E-Mail: CHoover@paoca.org

Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D.#87381
E-Mail: DWong@paoca.org

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

August 3, 2007

John Dillon, Esquire
Boyd Hughes, Esquire
United Water Pennsylvania, Inc.
8189 Adams Drive
Hummelstown, PA 17036

RECEIVED

AUG - 6 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I-00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service;
Docket No. A-230550F2000

Dear Messrs. Dillon and Hughes:

Enclosed you will find two copies of the Office of Consumer Advocate's Interrogatories and Requests for Production of Documents, Set VIII, in the above-referenced proceeding.

We request that the Company provide verified answers to these inquiries within fifteen (15) days of service. Also, please forward the verified answers as they are completed, rather than waiting until the responses to the full set are completed. We would appreciate it if you would communicate any objections you may have to these interrogatories as soon as possible.

We also request that you send a copy of the answers directly to our consultant, as listed below:

Marilyn J. Kraus
Senior Regulatory Analyst
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923

KJR

John Dillon, Esquire
Boyd Hughes, Esquire
August 3, 2007
Page 2

If you have any questions, please call us. By copy of this letter, copies of these interrogatories have been served upon all parties. A certificate of service showing service of these interrogatories on all parties has been filed with Secretary McNulty of the Pennsylvania Public Utility Commission as required by 52 Pa. Code §5.341(b).

Sincerely,



Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D. #87381

Enclosures

cc: All parties of record
cc: Secretary McNulty (letter and certificate of service only)

CERTIFICATE OF SERVICE

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I-00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service;
Docket No. A-230550F2000

I hereby certify that I have this day served a true copy of the foregoing document, Interrogatories and Requests for Production of Documents of the Office of Consumer Advocate to United Water Pennsylvania, Inc., Set VIII, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 3rd day of August, 2007.

SERVICE BY E-MAIL and INTER-OFFICE MAIL

Larry Lash, P.E.
Bureau of Fixed Utility Services
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Rhonda L. Daviston
Chris Brown
Patty Weidt
Law Bureau Prosecutory Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

William Lloyd
Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street, Suite 300
Scranton, PA 18503
Attorney for W.P. Water Company

Kieran Michael Casey, Esq.
Borland and Borland, L.L.P.
69 Public Square, Suite 1100
Wilkes-Barre, PA 18701
Attorney for W.P. Water Company

Fay Dempsey, Assistant Counsel
Pa. Dept. of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18711-0790

Paul Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657
Attorney for Washington Township


Kimberly Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

John Dillon, Esquire
Boyd Hughes, Esquire
United Water Pennsylvania, Inc.
8189 Adams Drive
Hummelstown, PA 17036

Thomas Niesen, Esquire
Thomas, Thomas, Armstrong and Niesen
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500
Attorneys for Aqua Pennsylvania, Inc.

Michael D. Klein, Esquire
LeBoeuf, Lamb, Greene & MacRae, LLP
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
Attorneys for Pennsylvania-American Water Co.

Seth Mendelsohn, Esquire
Susan Simms Marsh, Esquire
Pennsylvania-American Water Co.
800 West Hershey Park Drive
Hershey, PA 17033


Christine Malcolm Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D.#50026
E-Mail: CHoover@paoca.org

Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D.#87381
E-Mail: DWong@paoca.org

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
August 3, 2007

IN REPLY PLEASE
REFER TO OUR FILE

In Re: I-00070114
P-00072313
A-230550F2000

(SEE LETTER DATED 7/25/07)

I-00070114
IN RE: INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE
P-00072313
IN RE: W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
A-230550F2000
APPLICATION OF W.P. SANITARY COMPANY, INC. D/B/A WASHINGTON PARK SANITARY
COMPANY

CORRECTED Hearing Notice

This is to inform you that the notice dated July 25, 2007, on the above-captioned case contained incorrect information. The purpose of this notice is to correct that information. All corrections will be double underlined.

Type: Initial & Further Hearings

Date: Tuesday, September 11, 2007
Wednesday, September 12, 2007
Thursday, September 13, 2007
Wednesday, October 10, 2007
Thursday, October 11, 2007

Time: 10:00 a.m.

Location: Room 318
Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503

Presiding: Administrative Law Judge Ember S. Jandebaur
Room 317 Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503
Telephone: 570-963-4818
Fax: 570-963-3310

DOCUMENT
FOLDER

RJP

DOCKETED
AUG 24 2007

Attention: You may lose the case if you do not come to this hearing and present facts on the issues raised. If you intend to file exhibits, 2 copies of all hearing exhibits to be presented into evidence must be submitted to the reporter. An additional copy must be furnished to the Presiding Officer. A copy must also be provided to each party of record.

Individuals representing themselves do not need to be represented by an attorney. All others (corporation, partnership, association, trust or governmental agency or subdivision) must be represented by an attorney. An attorney representing you should file a Notice of Appearance before the scheduled hearing date.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

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

pc: Judge Jandebaur
Stacy Nolan, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

HUGHES, NICHOLLS & O'HARA

ATTORNEYS AT LAW
1421 E. DRINKER STREET
DUNMORE, PENNSYLVANIA 18512-2614

W. BOYD HUGHES
ALBERT E. NICHOLLS, JR.
BARBARA J. O'HARA *
SUSAN NICHOLLS BOWEN
*ALSO A MEMBER OF NJ BAR

TELEPHONE 344-7171
AREA CODE 570
TELEFAX 342-8459

240 MAIN STREET
BLAKELY, PA 18447

August 8, 2007

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

ORIGINAL
DOCUMENT
FOLDER

In re: Investigation of W.P. Water Co, Inc. and W.P. Sanitary Co., Inc., pursuant to Section 529 of the Pennsylvania Public Utility Code I-00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. P-00072313

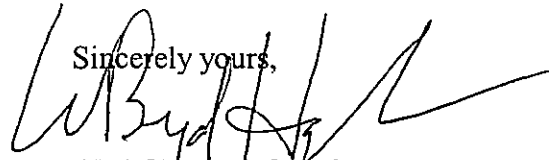
Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service A-230550F2000

Dear Secretary McNulty:

Enclosed for filing is an original and three (3) copies of United Water Pennsylvania's Motion to Exclude United Water Pennsylvania as a capable public utility to acquire W.P. Sanitary Co., as well as a Certificate of Service evidencing service of the Motion upon the presiding Administrative Law Judge and all parties of record in this proceeding.

Please time stamp the extra copy and return it in the enclosed stamped self-addressed envelope. If you have any questions please contact me. Thank you for you cooperation in this matter.

Sincerely yours,


W. BOYD HUGHES

WBH/jgp

cc: All parties of record
Ember S. Jandebaur, ALJ

KJR

SECRETARY'S BUREAU

2007 AUG 13 AM 8:43

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BEFORE THE
PENNSYLVANIA
PUBLIC UTILITY COMMISSION

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In re: Investigation of W.P. Water Co, Inc. and W.P. Sanitary Co., Inc., pursuant to Section 529 of the Pennsylvania Public Utility Code	I-00070114
In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	P-00072313
Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service	A-230550F2000

MOTION TO EXCLUDE UNITED WATER PENNSYLVANIA AS A CAPABLE PUBLIC UTILITY TO ACQUIRE W.P. SANITARY COMPANY

NOW COMES United Water Pennsylvania Inc. ("United") by and through its attorneys, Hughes, Nicholls & O'Hara and pursuant to the provisions of 52 Pa. Code §5.103 respectfully requests that the Commission grant this Motion to Exclude United as a Capable Public Utility to Acquire W.P. Sanitary Company and in support of this Motion, United avers as follows:

1. On June 6, 2007, the Office of Consumer Advocate ("OCA") filed a Petition for a Commission Order Instituting a Proceeding to Order the Acquisition of W.P. Water Company, Inc., and W.P. Sanitary Company, Inc. ("W.P.") pursuant to 66 Pa. C.S. §529 ("Petition").
2. W.P. Water Company, Inc. and W.P. Sanitary Company, Inc., are separate and distinct Pennsylvania Corporations, W. P. Water Co., Inc., being incorporated on July 17, 1970, having Entity Number 377738 and W.P. Sanitary Company being incorporated on July 17, 1970, having Entity Number 377734.

**DOCUMENT
FOLDER**

DOCKETED
AUG 13 2007

3. The OCA in its Petition collectively referred to W.P. Water Co., Inc., and W.P. Sanitary Co., Inc. as "W.P."

4. On June 14, 2007, W.P. filed an answer to OCA's section 529 petition and in paragraph 19 of W.P.'s answer it identified United Water Pennsylvania Inc., Aqua Pennsylvania, Inc., and Pennsylvania American Water as appropriate proximate utilities capable to acquire W.P.

5. On June 22, 2007, OCA filed a Motion to Consolidate the Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service at Docket No. A-230550F2000 (the Application) and the Petition for A Commission Order Instituting a Proceeding to Order the acquisition of W.P. Water Co. Pursuant to 66 Pa. C.S. §529 at Docket No. P-00072313 (the Petition).

6. On July 11, 2007 the Commission adopted its Investigation Order which was entered July 11, 2007 which in paragraph 6, "...joined as parties to the consolidated proceedings: United Water Pa., American Water Co., and Aqua Pennsylvania, Inc."

7. United Water does not meet the definition of a Capable Public Utility pursuant to 66 Pa. C.S. §529(m) since United does not "...regularly provide(s) the same type of service as ...the small sewer utility to 4000 or more customer connections,..."

8. W. P. Sewer provides sewage treatment services to approximately 120 residential customers in Washington Park, Washington Township, Wyoming County.

9. United does not provide any sewage treatment services to any residential customers in Pennsylvania but it does provide sewage treatment services to eleven (11) commercial customers in the Columbia County Industrial Park, Columbia County.

10. United, pursuant to 66 Pa. C.S. §529(m) does not "...elect to be a capable public utility for the purpose of this section regardless of the number of customer connections and regardless of whether or not it is proximate to the small sewer utility...to be acquired."

WHEREFORE, United requests the Commission to delete United as a Capable Public Utility under 66 Pa. C.S. §529 in this proceeding only as it is applicable to W.P. Sanitary Co., Inc.

Respectfully submitted,

HUGHES, NICHOLLS & O'HARA

By:


W. BOYD HUGHES, ESQUIRE

CERTIFICATE OF SERVICE

I hereby certify that I have this 8th day of August, 2007 served a true copy of the foregoing document upon the participants listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant).

FIRST CLASS MAIL

Ember S. Jandebaur, Administrative Law Judge
Pennsylvania Public Utility Commission
Room 317 Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
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Susan Simms Marsh, Esquire
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By: 

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MOSCOW
RIYADH
AFFILIATED OFFICE
ALMATY
BEIJING

August 23, 2007

VIA REGULAR MAIL

James J. McNulty, Secretary
Secretary's Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

ORIGINAL

RECEIVED
2007 AUG 24 AM 9:22
SECRETARY'S BUREAU
RJP

Re: In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I 00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of
Service; Docket No. A-230550F2000

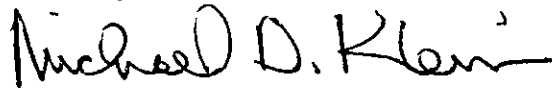
PAWC Written Statement

Dear Secretary McNulty:

Enclosed is the original and three copies of the Written Statement by
Pennsylvania-American Water Company ("PAWC") in the above-mentioned consolidated
proceeding. A Certificate of Service is also enclosed.

If you have any questions or concerns, please contact us. Thank you.

Sincerely,



Michael D. Klein

Enclosures

cc: Parties on Certificate of Service

15

**Before the
Pennsylvania Public Utility Commission**

In re: Investigation of W.P. Water Co., Inc.
and W.P. Sanitary Co., Inc. pursuant to
Section 529 of the Pennsylvania Public Utility
Code

Docket No. I-00070114

In re: W.P. Water Co., Inc. and
W.P. Sanitary Co., Inc.

Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for
Approval of Abandonment of Service

Docket No. A-230550F2000

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SECRETARY'S BUREAU

**Written Statement of
Pennsylvania-American Water Company**

Pennsylvania-American Water Company ("Respondent" or "PAWC"), by and through its undersigned Counsel, hereby files this Written Statement ("Statement") pursuant to Section 529(i)(2) of the Public Utility Code, 66 Pa. C.S. § 529(i)(2), in the above-captioned consolidated proceeding.

I. Introduction

Please note that this Statement is intended to outline the issues and witnesses and areas of testimony presented by PAWC under Section 529(i)(2). It is **not** intended to respond to any potential arguments that may be raised by other parties in this proceeding.

II. Background

On July 11, 2007, the Commission initiated an investigation into the possibility of ordering another public utility to acquire the water systems of W.P. Water Company, which serve customers in Wyoming and Luzerne counties, and the wastewater system of W.P. Sanitary Company, which serves customers in Wyoming County.

**DOCUMENT
FOLDER**

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W.P. Water Company and W.P. Sanitary Company have operations located in the “Washington Park” subdivision, Washington Township, Wyoming County. PAWC does **not** have water or wastewater operations in Wyoming County. PAWC’s existing water facilities are approximately 21 miles from the water operations of W.P. Water Company in Washington Park. PAWC’s existing wastewater facilities are approximately 75 to 80 miles from the wastewater operations of W.P. Sanitary Company in Washington Park.

W.P. Water Company also has water operations located in the “Sleepy Hollow” subdivision, Kingston Township, Luzerne County. PAWC has water operations in Kingston Township, Luzerne County. However, PAWC’s closest water facilities are approximately 5 miles from the operations of W.P. Water Company in Sleepy Hollow.

III. Issue: Proximity

It is PAWC’s position that PAWC is **not** “proximate” to the systems of W.P. Water Company and/or W.P. Sanitary Company as required by Section 529 of the Public Utility Code, 66 Pa. C.S. § 529. Under Section 529 of the Public Utility Code, the Commission’s statutory authority is limited to ordering “proximate” public utilities to acquire a small water or sewer utility.¹

¹ See, e.g., 66 Pa. C.S. §§ (c)(2) (“In making a determination pursuant to [Section 529(a)], the commission shall consider ... [t]he financial, managerial and technical ability of all *proximate* public utilities providing the same type of service.”); (h) (“The notice required by [Section 529(a)] ... shall be served upon ... all *proximate* public utilities providing the same type of service as the small water or sewer utility ...”); (i)(2) (“Once the commission determines that a prima facie case has been established: ... a *proximate* public utility providing the same type of service as the small water or sewer utility shall have the opportunity and burden of proving its financial, managerial or technical inability to acquire and operate the small water or sewer utility.”); (m) (“A public utility which would otherwise be a capable public utility except for the fact that it has fewer than 4,000 customer connections may elect to be a capable public utility for the purposes of this section ... regardless of whether or not it is *proximate* to the small sewer utility or small water utility to be acquired.”).

Section 529 does not define the term “proximate.” However, the common understanding of “proximate” is “very near.”² The common understanding of “near” is “at, within, or to a short distance or time.”³

It should be noted that this issue is limited to the “proximity” requirement of Section 529 as applied to PAWC and the systems of W.P. Water Company and/or W.P. Sanitary Company.

IV. WITNESSES

The names of the witnesses that PAWC intends to call in this proceeding are listed below:

- A. Michael J Guntrum, P.E., C.E.M.

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

Topics: Proximity of PAWC’s existing water and wastewater systems to systems of W.P. Water Company and/or W.P. Sanitary Company; Potential Problems with Facilities Acquired from W.P. Water Company and/or W.P. Sanitary Company.

- B. Michael Salvo, Network Manager

Pennsylvania American Water Company
Eastern PA, Southeast Region
852 Wesley Drive
Mechanicsburg, PA 17055

Topics: Proximity of PAWC’s existing water and wastewater systems to systems of W.P. Water Company and/or W.P. Sanitary Company; Potential Problems with Facilities Acquired from W.P. Water Company and/or W.P. Sanitary Company.

² Merriam Webster Online Dictionary < <http://www.m-w.com/dictionary/Proximate> >.

³ Merriam Webster Online Dictionary < <http://www.m-w.com/dictionary/Near> >.

C. John Cox, Assistant Manager Rates and Regulation.

Pennsylvania American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

Topics: Rates and Potential Rate Problems with Facilities
Acquired from W.P. Water Company and/or W.P. Sanitary
Company.

D. David Kaufman, Director of Engineering


Pennsylvania American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

Topics: Operation of Existing Facilities; Potential Operational
Problems with Facilities Acquired from W.P. Water Company
and/or W.P. Sanitary Company.

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

Respectfully Submitted,

By:



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PA Attorney ID 23854
mklein@llgm.com

Susan Simms Marsh, Esquire
smarsh@amwater.com.

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**Attorneys for
Pennsylvania-American Water Company**

Certificate of Service

I hereby certify that this 23rd day of August, 2007, true and correct copies of the foregoing documents were served upon counsel for the parties in the manner and to the address, set forth below:

Via Regular Mail (Postage Pre-Paid):

Larry Lash, P.E.
Bureau of Fixed Utility Services
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Rhonda L. Davidson, Esquire
Khris Brown, Esquire
Patty Weidt, Esquire
Law Bureau Prosecutory Staff
PA Public Utility Commission
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*Attorney for W.P. Water Company &
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2007 AUG 24 AM 9:22
PA PUBLIC UTILITY
COMMISSION
SECRETARY'S BUREAU

[Continued on Next Page]

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Attorney for Washington Township



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**Attorneys for
Pennsylvania-American Water Company**



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
August 24, 2007

IN REPLY PLEASE
REFER TO OUR FILE

(SEE ATTACHED LIST)

DOCUMENT FOLDER

I-00070114 – Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code

A-230550F2000 – Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service

MEDIATION NOTICE

The parties have consented to use the mediation process in the above-captioned matters.

A mediation session will be held as follows:

Date: Tuesday, September 11, 2007

Time: 10:00 a.m.

Location: An Available Room
Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA

DOCKETED
SEP 11 2007

RJP

I-00070114 – Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code

A-230550F2000 – Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service (continued)

Page 2

Mediator: **Herbert R. Nurick**
 Pennsylvania Public Utility Commission
 P.O. Box 3265
 Harrisburg, PA 17105-3265
 Telephone: (717) 783-5428
 Fax: (717) 787-0481
 Email: hnurick@state.pa.us

Mediation is an informal, non-adjudicatory process. The mediator does not give advice, represent any party, evaluate or make a decision. Instead, the mediator serves as an impartial facilitator who helps the parties resolve their disputes. In other words, mediation is a process which allows the parties to control the outcome of their dispute, as opposed to a hearing where an Administrative Law Judge and the Commission control the outcome.

Moreover, mediation is different from a settlement conference which is based on competitive negotiations. In mediation, the parties agree to work together toward a final resolution of their differences considering how any solution must address the interests of all parties. The focus is not to determine fault, assign blame, or deal with past issues. Rather, the focus is on the future and on a consensual resolution that the parties can live with.

Because mediation is not an on-the-record proceeding, there will be no court reporter. Everything that takes place at the mediation session is, and must remain, confidential, unless otherwise provided for by law, regulation or rule. This applies to everyone who is in the room. An agreement reached between or among the parties becomes public upon submission of the mediator's brief procedural report to a judge (or Commission) when the agreement is attached to the report.

The parties must act in good faith. A page entitled "Good Faith Factors for Mediation Sessions" is enclosed. **If you feel that you cannot comply with all of these factors**, please let the mediator know well in advance of the mediation session, because it may be that the cases will not be suitable for mediation at the scheduled time. Additionally, the parties must follow the Pennsylvania Bar Association Working Rules for Professionalism regarding their conduct. A copy of the Rules is also enclosed.

I-00070114 – Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code

A-230550F2000 – Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service (continued)

Page 3

Mr. Nurick has noted that he and the Pennsylvania Public Utility Commission (“Commission”) Law Bureau Prosecutory Staff are employed by the Commission, an agency of the Commonwealth of Pennsylvania. Also, the staffs of the Office of Consumer Advocate (“OCA”) and Pennsylvania Department of Environmental Protection are employed by the Commonwealth of Pennsylvania. Mr. Nurick has further pointed out that he has been the mediator in other cases in which certain entities have participated which are also participating in the instant proceedings. Additionally, Mr. Nurick is a customer of United Water Pennsylvania. He has stated that these factors will have no effect on his ability to be fair and impartial in these cases. Nevertheless, if you object to having him serve as the mediator, or if you are aware of any other factors which could affect his ability to be impartial, please let him know promptly.

In the meantime, please attempt to resolve the issues involved prior to the mediation session.

Any questions regarding the mediation should be directed to the mediator at the telephone number provided above:

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

- Scheduling Office: (717) 787-1399
- For persons who are deaf or hearing-impaired, contact the AT&T Relay Service: 1-800-654-5988

Enclosures

pc: Mediator Nurick
ALJ Jandebaur
Scheduling File
Calendar File
Mediation File
Beth Plantz
Docket Section

GOOD FAITH FACTORS FOR MEDIATION SESSIONS

GOOD FAITH INCLUDES, AMONG OTHER THINGS:

1. GIVING THE PARTICIPANTS, PRIOR TO THE FIRST SESSION, ALL THE INFORMATION THEY NEED TO KNOW IN ORDER TO RESOLVE THE CASE. (The Commission believes "that formal discovery procedures are not appropriate in the informal [mediation] process." *Pa. Bul., Vol. 25, No. 20*, May 20, 1995, p. 1996. Therefore, discoverable information should be discovered informally.)
2. BEING FULLY PREPARED WITH FULL KNOWLEDGE OF THE CASE AND WITH POSSIBLE SOLUTIONS FOR RESOLVING THE CASE.
3. BEING WILLING TO CREATE OPTIONS TO RESOLVE A MATTER, CONSIDERING HOW THE SOLUTION MUST ADDRESS THE INTERESTS OF ALL THE PARTIES, AS OPPOSED TO TAKING AN UNYIELDING POSITION.
4. HAVING THE PERSON WITH THE AUTHORITY TO APPROVE THE TERMS FOR RESOLUTION ATTEND THE MEDIATION SESSION, OR, AT LEAST, BE AVAILABLE TO CONFER WITH THE PARTY'S REPRESENTATIVE DURING THE MEDIATION REGARDING APPROVAL OF TERMS.
5. DEMONSTRATING A WILLINGNESS TO LISTEN AND TO UNDERSTAND THE PERSPECTIVES OF THE OTHER PARTIES.
6. BEING WILLING TO SPEND THE ENTIRE DAY, IF NECESSARY, AT THE SESSION.

PBA Working Rules for Professionalism

The practice of law is a profession, a genuine calling inspired with service to the system of justice, not a common business enterprise. The quality of the profession is only as worthy as the character of the people who practice it.

Self-esteem, shared respect for each other, the clients we serve, the judges and the officers with whom we work, are essential to it.

Civility is a virtue, not a shortcoming. Willingness to temper zeal with respect for society's interest in preserving responsible judicial process will help to preserve it.

Unwritten rules of professional courtesy have long sustained us. Since they are sometimes forgotten, or sometimes ignored, we should set them down again and conscientiously observe them.

1. Treat with civility the lawyers, clients, opposing parties, the Court, and all the officials with whom we work. Professional courtesy is compatible with vigorous advocacy and zealous representation.
2. Communications are lifelines. Keep the lines open. Telephone calls and correspondence are a two-way channel; respond to them promptly.
3. Respect other lawyers' schedules as your own. Seek agreement on meetings, depositions, hearings and trial dates. A reasonable request for a scheduling accommodation should never be unreasonably refused.
4. Be punctual in appointments, communications and in honoring scheduled appearances. Neglect and tardiness are demeaning to others and to the judicial system.
5. Procedural rules are necessary to judicial order and decorum. Be mindful that pleadings, discovery processes and motions cost time and money. They should not be heedlessly used. If an adversary is entitled to something, provide it without unnecessary formalities.
6. Grant extensions of time when they are reasonable and when they will not have a material, adverse effect on your client's interest.
7. Resolve differences through negotiation, expeditiously and without needless expense.
8. Enjoy what you are doing and the company you keep. You and the world will be better for it.

Beyond all this, the respect of our peers and the society which we serve is the ultimate measure of responsible professional conduct.

I-00070114 – INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE

A-230550F2000 – APPLICATION OF W.P. SANITARY CO., INC. FOR APPROVAL OF
ABANDONMENT OF SERVICE

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LOS ANGELES
PITTSBURGH
SAN FRANCISCO

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(717) 232-8199
FACSIMILE: (717) 232-8720

E-MAIL ADDRESS: MKLEIN@LLGM.COM
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A MULTINATIONAL
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MOSCOW
RIYADH
AFFILIATED OFFICE
ALMATY
BEIJING

RJP

August 29, 2007

VIA REGULAR MAIL

Christine M. Hoover, Esquire
Darlene R. Wong, Esquire
Erin L. Gannon, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

DOCUMENT
FOLDER

RECEIVED

AUG 29 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
pursuant to Section 529 of the Pennsylvania Public Utility Code;
Docket No. I 00070114

In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of
Service; Docket No. A-230550F2000

PAWC Second Amended Response to Discovery Requests from OCA

Dear Counsel:

Enclosed is a copy of the Second Amended Response by Pennsylvania-American Water Company ("PAWC") to OCA-IV-5 of Set IV of the Interrogatories and Request for Production of Documents from the Office of Consumer Advocate ("OCA"). A Certificate of Service is also enclosed.

Please note that this Second Amended Response is intended to replace, amend, clarify and supplement the prior responses to said Discovery Request. The Second Amended Responses provides information on the water system of W.P. Water Company in Sleepy Hollow.


PAWC reserves the right to update, supplement (or amend) this Response and the other Responses. The Company's investigation and due diligence into the acquisition and operation of W.P. Water Company and/or W.P. Sanitary Company are ongoing. Responses,

Christine M. Hoover, Esquire
Darlene R. Wong, Esquire
Erin L. Gannon, Esquire
August 29, 2007
Page 2

including (but not limited to) information on expenses, may change during PAWC's continued investigation and due diligence.

If you have any questions or concerns, please contact us. Thank you.

Sincerely,


Michael D. Klein

Enclosures

cc: ✓ Secretary McNulty (Letter and Certificate of Service Only)
Marilyn J. Kraus (OCA, Senior Regulatory Analyst)
Parties on Certificate of Service

Certificate of Service

I hereby certify that this 29th day of August, 2007, true and correct copies of the foregoing documents were served upon counsel for the parties in the manner and to the address, set forth below:

Via Regular Mail (Postage Pre-Paid):

Larry Lash, P.E.
Bureau of Fixed Utility Services
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Jonnie E. Simms, Esquire
Office of Trial Staff
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Rhonda L. Davidson, Esquire
Khris Brown, Esquire
Patty Weidt, Esquire
Law Bureau Prosecutory Staff
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

William Lloyd
Office of Small Business Advocate
Suite 102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Fayling Dempsey, Esquire
Department of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18503

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street, Suite 300
Scranton, PA 18503

Kieran Michael Casey, Esquire
Borland and Borland, LLP
69 Public Square, Suite 1100
Wilkes-Barre, PA 18701

*Attorney for W.P. Water Company &
W.P. Sanitary Company*

*Attorney for W.P. Water Company &
W.P. Sanitary Company*

[Continued on Next Page]

Kimberly Joyce, Esquire
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762 West Lancaster Avenue
Bryn Mawr, PA 19101-3489

Attorney for Aqua Pennsylvania, Inc.

John Dillon, Esquire
Boyd Hughes, Esquire
United Water Pennsylvania, Inc.
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***Attorneys for
United Water Pennsylvania, Inc.***

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American Water Southeast Region
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Attorney for Aqua Pennsylvania, Inc.

Paul Litwin, Esquire
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Attorney for Washington Township



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***Attorneys for
Pennsylvania-American Water
Company***



ORIGINAL

OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048

800-684-6560 (in PA only)
August 31, 2007

FAX (717) 783-7152
consumer@paoca.org

IRWIN A. POPOWSKY
Consumer Advocate

2007 AUG 31 PM 4:12
SECRETARY'S OFFICE

James J. McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
P.O. Box 3265
Harrisburg, PA 17120

DOCUMENT
FOLDER

RE: Investigation of W.P. Water Co., Inc.
And W.P. Sanitary Co., Inc. Pursuant to Section
529 of the Pennsylvania Public Utility Code
Docket No. I-00070114

W.P. Water Co. and W.P. Sanitary Co.
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for
Approval of Abandonment of Service;
Docket No. A-230550F2000

RJP

Dear Secretary McNulty:

Enclosed for filing please find an original and three copies of the Office of Consumer Advocate's Answer to Motion to Exclude United Water Pennsylvania as a Capable Public Utility to Acquire W.P. Sanitary Company in the above-referenced proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Sincerely,

Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026

Enclosures

cc: Honorable Ember Jandebour
Parties of record

995449.doc

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code	:	Docket No. I-00070114
	:	
	:	
	:	
	:	
W.P. Water Co. Inc. and W.P. Sanitary Co., Inc.	:	Docket No. P-00072313
	:	
	:	
	:	
Application of W.P. Sanitary Co., Inc. for Approval of Abandonment of Service	:	Docket No. A-230550F2000

**DOCUMENT
FOLDER**

OFFICE OF CONSUMER ADVOCATE'S
ANSWER TO MOTION TO EXCLUDE
UNITED WATER PENNSYLVANIA
AS A CAPABLE PUBLIC UTILITY
TO ACQUIRE W.P. SANITARY COMPANY

SECRETARY'S BUREAU

2007 AUG 31 PM 4:13

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NOW COMES the Office of Consumer Advocate ("OCA") and files this answer to the Motion to Exclude United Water Pennsylvania as a Capable Public Utility to Acquire W.P. Sanitary Company ("Motion"). The OCA avers as follows:

1. Admitted.
2. Neither admitted nor denied. The OCA agrees with the statement that the dates of incorporation for WP Water Company, Inc. and W.P. Sanitary Company, Inc. were July 17, 1970. The OCA does not necessarily agree that they are "separate and distinct Pennsylvania corporations." United Motion at ¶ 2.

3. Admitted. By way of further answer, in its Petition, the OCA also referred to W.P. Water and W.P. Sanitary individually.

4. Admitted.

5. Denied. The OCA's Motion to Consolidate referenced the Application of W.P. Sanitary Company, Inc. (WP Sanitary) for Approval to Abandon Wastewater Service at Docket No. A-230550F2000 (Application) and the OCA's Petition for a Commission Order Instituting a Proceeding to Order the Acquisition of WP Water Company (WP Water) and WP Sanitary Company (collectively, WP) pursuant to 66 Pa. C.S. § 529 at Docket No. P-00072313 (Section 529 Petition). OCA Motion to Consolidate at 1.

6. Admitted in part. By way of further answer, the OCA clarifies that the Commission's ordering paragraph 6 refers to Pa. American Water Company, not American Water Company as stated in United's Motion.

7. Admitted in part, denied in part. Admitted to the extent that United Water does not have a wastewater utility in Pennsylvania that serves 4,000 or more customer connections. Denied to the extent that United Water could elect to be a proximate capable public utility as set forth in 66 Pa. C.S. § 529(m) and thus meet the definition contained therein. Additionally, the PUC could decide to retain United Water's participation in the wastewater portion of the proceeding as a capable public utility for water and wastewater because of its service to approximately 54,000 water customers in Pennsylvania.

8. Denied. As of year end 2006, WP Sanitary provided sewage treatment services to 156 customers. W.P. Sanitary 2006 Annual Report, p. 37.

WHEREFORE, the Office of Consumer Advocate requests that an order be entered, consistent with the reasons set forth in this Answer.

Respectfully Submitted,

Handwritten signature of Christine Maloni Hoover in cursive, with a small 'm' or 'n' mark at the end.

Christine Maloni Hoover
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Counsel for:
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Fax: (717) 783-7152

August 31, 2007

95440

CERTIFICATE OF SERVICE

In re: Investigation of W.P. Water Co., Inc. and
W.P. Sanitary Co., Inc. Pursuant to Section 529
of the Pennsylvania Public Utility Code
Docket No. I-00070114

W.P. Water Co. Inc. and W.P. Sanitary Co., Inc.
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval
of Abandonment of Service
Docket No. A-230550F2000

I hereby certify that I have this day served a true copy of the foregoing document, Office of Consumer Advocate's Answer to Motion to Exclude United Water Pennsylvania as a Capable Public Utility to Acquire W.P. Sanitary Company, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 31st day of August, 2007.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Larry Lash, P.E.
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Kriss Brown
Patty Weidt
Law Bureau Prosecutory Staff
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Harrisburg, PA 17105-3265

SERVICE BY E-MAIL and FIRST CLASS MAIL, POSTAGE PREPAID

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95447.doc



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
September 5, 2007

IN REPLY PLEASE
REFER TO OUR FILE

(SEE NOTICE DATED 8/24/07)

**I-00070114 – Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code**

**A-230550F2000 – Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service**

MEDIATION NOTICE

**DOCUMENT
FOLDER**

An additional mediation session will be held as follows:

Date: Wednesday, September 12, 2007

Time: 10:00 a.m.

**Location: Room #318 for both sessions
Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA**

RJP

DOCKETED
SEP 11 2007

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

- Scheduling Office: (717) 787-1399
- For persons who are deaf or hearing-impaired, contact the AT&T Relay Service: 1-800-654-5988

Enclosures

pc: Mediator Nurick
ALJ Jandebour
Scheduling File
Calendar File
Docket Section
Beth Plantz

**I-00070114 – INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE**

**A-230550F2000 – APPLICATION OF W.P. SANITARY CO., INC. FOR APPROVAL OF
ABANDONMENT OF SERVICE**

CHRISTINE MALONI HOOVER ESQUIRE
DARLENE WONG ESQUIRE
ERIN GANNON ESQUIRE
OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET
5TH FLOOR FORUM PLACE
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HERSHEY PA 17033

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MICHAEL D KLEIN ESQUIRE
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COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
September 11, 2007

IN REPLY PLEASE
REFER TO OUR FILE

In Re: I-00070114
A-230550F2000

(SEE ATTACHED LIST)

I-00070114
IN RE: INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE
A-230550F2000
APPLICATION OF W.P. SANITARY COMPANY, INC. D/B/A WASHINGTON PARK SANITARY
COMPANY

Public Input Hearing Notice

This is to inform you that Public Input Hearing(s) on the above-captioned case
will be held as follows:

Type: Public Input Hearing
Date: Wednesday, October 10, 2007
Time: 7:00 p.m.
Location: Wyoming County Courthouse
Hearing Room 1
1 Courthouse Square
Tunkhannock, PA 18657
Presiding: Administrative Law Judge Ember S. Jandebour
Room 317 Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503
Telephone: 570-963-4818
Fax: 570-963-3310

DOCUMENT
FOLDER

BTL

DOCKETED
SEP 21 2007

If you are a person with a disability, and you wish to attend the hearing(s), we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

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

pc: Chairman Holland
Vice Chairman Cawley
Commissioner Pizzingrilli
Commissioner Fitzpatrick
Commissioner Christy
Judge Jandebour
June Perry - LA, Keystone 3NW
Jennifer Kocher, CMU, Keystone 3N
Stacy Nolan, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

I-00070114 IN RE: INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO.,
INC. PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE
A-230550F2000 APPLICATION OF W.P. SANITARY COMPANY, INC. D/B/A WASHINGTON
PARK SANITARY COMPANY

CHRISTINE MALONI HOOVER ESQUIRE
DARLENE WONG ESQUIRE
ERIN GANNON ESQUIRE
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COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
September 12, 2007

IN REPLY PLEASE
REFER TO OUR FILE

(SEE ATTACHED LIST)

DOCUMENT
FOLDER

I-00070114 - Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code

P-00072313 - W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.

A-230550F2000 - Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service

MEDIATION NOTICE

BTL

An further mediation session will be held as follows:

Date: **Wednesday, October 10, 2007**

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

Location: **Room #318
Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA**

Mediator: **Herbert R. Nurick
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Telephone: (717) 783-5428
Fax: (717) 787-0481
Email: hnurick@state.pa.us**

DOCKETED
SEP 21 2007

In the meantime, please make every effort to resolve the issues involved prior to the mediation session.

Any questions regarding the mediation should be directed to the mediator at the telephone number provided above.

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

- Scheduling Office: (717) 787-1399
- For persons who are deaf or hearing-impaired, contact the AT&T Relay Service: 1-800-654-5988

Enclosures

pc: Mediator Nurick
ALJ Jandebour
Scheduling File
Calendar File
Docket Section
Beth Plantz

I-00070114 - INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE

P-00072313 - W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.

A-230550F2000 - APPLICATION OF W.P. SANITARY CO., INC. FOR APPROVAL OF
ABANDONMENT OF SERVICE

CHRISTINE MALONI HOOVER ESQUIRE
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COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
September 12, 2007

IN REPLY PLEASE
REFER TO OUR FILE

In Re: I-00070114
P-00072313
A-230550F2000

(SEE LETTER DATED 8/3/07)

I-00070114
IN RE: INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE
P-00072313
IN RE: W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
A-230550F2000
APPLICATION OF W.P. SANITARY COMPANY, INC. D/B/A WASHINGTON PARK SANITARY
COMPANY

Cancellation Notice

This is to inform you of the following cancellation:

Type: Initial & Further Hearings
Date: Wednesday, October 10, 2007
Thursday, October 11, 2007
Time: 10:00 a.m.
Presiding: Administrative Law Judge Ember S. Jandebeur

DOCUMENT
FOLDER

BTL

Please mark your records accordingly.

pc: Judge Jandebeur
Stacy Nolan, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

DOCKETED
SEP 21 2007



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
October 11, 2007

IN REPLY PLEASE
REFER TO OUR FILE

(SEE NOTICE DATED 9/12/07)

DOCUMENT
FOLDER

I-00070114 - Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.
Pursuant to Section 529 of the Pennsylvania Public Utility Code

P-00072313 - W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.

A-230550F2000 - Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service

MEDIATION NOTICE

A further mediation session will be held as follows:

Date: Monday, October 29, 2007

Time: 9:30 a.m.

Location: Basement
Samters Building
101 Penn Avenue
Scranton, PA

Mediator: Herbert R. Nurick
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Telephone: (717) 783-5428
Fax: (717) 787-0481
Email: hnurick@state.pa.us

DOCKETED
OCT 22 2007

In the meantime, please keep the lines of communication open for resolving the issues involved prior to the mediation session.

Any questions regarding the mediation should be directed to the mediator at the telephone number provided above.

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

- Scheduling Office: (717) 787-1399
- For persons who are deaf or hearing-impaired, contact the AT&T Relay Service: 1-800-654-5988

Enclosures

pc: Mediator Nurick
ALJ Jandebour
Linda Salome
Calendar File
Docket Section
Beth Plantz



ORIGINAL

OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

FAX (717) 783-7152
consumer@paoca.org

IRWINA. POPOWSKY
Consumer Advocate

November 13, 2007

James J. McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

RE: Investigation of W.P. Water Co., Inc.
And W.P. Sanitary Co., Inc. Pursuant to Section 529
of the Pennsylvania Public Utility Code
Docket No. I-00070114

W.P. Water Co. and W.P. Sanitary Co.
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for
Approval of Abandonment of Service;
Docket No. A-230550F2000

Dear Secretary McNulty:

Enclosed please find for filing an original and 3 copies of the Office of Consumer Advocate's Proposed Transcript Corrections in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Sincerely,

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. #83487

**DOCUMENT
FOLDER**

Enclosures

cc: Honorable Ember S. Jandebeur
All parties of record

96329

DOCKETED
NOV 17 2007

SECRETARY'S BUREAU
PA PUC
2007 NOV 13 PM 4:10
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201

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Investigation of W.P. Water Co, Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code	:	Docket No. I-00070114
	:	
W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	:	Docket No. P-00072313
	:	
Application of W.P. Sanitary Co., Inc., d/b/a Washington Park Sanitary Co.	:	Docket No. A-230550F2000
	:	

OFFICE OF CONSUMER ADVOCATE'S
PROPOSED TRANSCRIPT CORRECTIONS

Pursuant to 52 Pa. Code §5.253(b)(3), the Office of Consumer Advocate respectfully requests permission of the Presiding Officer, Administrative Law Judge Ember S. Jandebaur, to propose the following corrections to the transcript of the evidentiary hearings held on Wednesday, October 10, 2007 in the above-captioned proceeding.

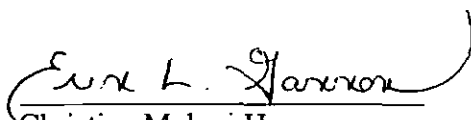
Transcript Page	Line Number	Reads:	Should Read:
8	3	step	statutory
13	19	it's not	it is on
13	21	is not	is on
14	8	is there	it's there
14	11	from	about
14	15	mix whatever	mixed messages
25	11	then	then it
34	10	statutory	statute
35	7	the at	the apartment building at
37	16	fought	fault

Transcript Page	Line Number	Reads:	Should Read:
37	23	56	156
42	14	you been	you've
49	19	and	and they
50	21	Jay Metzger's	Jay Niskey's
51	12	worst it	worse it's
56	1	more	warm
59	21	and unable	and are unable
61	10	lastly	lasted
63	18	Weekends	Weekend
67	2-3	are both	are a customer of both
68	13	and just	and he just
69	24	I mean, also	I am also
71	14	Lori Seible	Seidel
72	23	I mean, still	I am still
80	13	allow ed	allowed
81	6	bathe	bathing
82	12	Peleak	Jandebeur
84	23	customers	companies
91	3	complying	inclined
91	22	so And	so. And
97	2	and filled	and it was filled
97	8	90 or	line
104	17	the of	the number of
105	2	replenish shall	replenish it all
110	11	locked	lost
115	19	get in	get in in
117	15	less	less,
118	10	Thorn	Thorne

Transcript Page	Line Number	Reads:	Should Read:
118	11	Thoren	Thorne
118	14	T-h-o-r-e-n	T-h-o-r-n-e
119	5	And the	At the
119	8	my in	my townhouse in
125	15	Paulish	Pawlush
126	3	Paulish	Pawlush

WHEREFORE, the Office of Consumer Advocate respectfully requests permission pursuant to 52 Pa. Code §5.253(b)(3) to propose the above corrections to the transcript in this proceeding.

Respectfully submitted,



Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. #50026
email:CHoover@paoca.org
Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. #83487
email:EGannon@paoca.org
Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D. #87381
email:DWong@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
Dated: November 13, 2007

96289

CERTIFICATE OF SERVICE

In re: Investigation of W.P. Water Co., Inc. and
W.P. Sanitary Co., Inc. Pursuant to Section 529
of the Pennsylvania Public Utility Code
Docket No. I-00070114

W.P. Water Co. Inc. and W.P. Sanitary Co., Inc.
Docket No. P-00072313

Application of W.P. Sanitary Co., Inc. for Approval
of Abandonment of Service
Docket No. A-230550F2000

I hereby certify that I have this day served a true copy of the foregoing document, Office of Consumer Advocate's Transcript Corrections upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 13th day of November, 2007.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Larry Lash, P.E.
Bureau of Fixed Utility Services
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Rhonda L. Daviston
Kriss Brown
Patty Weidt
Law Bureau Prosecutory Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

SERVICE BY E-MAIL and FIRST CLASS MAIL, POSTAGE PREPAID

Ernest D. Preate, Jr., Esquire
Mellon Bank Building
400 Spruce Street, Suite 300
Scranton, PA 18503
Attorney for W.P. Water Company

Kieran Michael Casey, Esq.
Borland and Borland, L.L.P.
69 Public Square, Suite 1100
Wilkes-Barre, PA 18701
Attorney for W.P. Water Company

Fay Dempsey, Assistant Counsel
Pa. Dept. of Environmental Protection
Office of Chief Counsel
2 Public Square
Wilkes-Barre, PA 18711-0790

Paul Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657
Attorney for Washington Township

Kimberly Joyce, Esquire
Aqua Pennsylvania, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19010

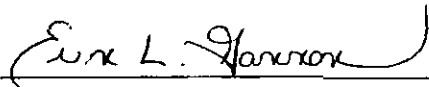
John Dillon, Esquire
United Water Pennsylvania, Inc.
8189 Adams Drive
Hummelstown, PA 17036

W. Boyd Hughes, Esquire
1421 E. Drinker Street
Dunmore, PA 18512
Attorney for United Water Pennsylvania, Inc.

Thomas Niesen, Esquire
Thomas, Thomas, Armstrong and Niesen
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500
Attorneys for Aqua Pennsylvania, Inc.

Michael D. Klein, Esquire
LeBoeuf, Lamb, Greene & MacRae, LLP
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105
Attorneys for Pennsylvania-American Water Co.

Susan Simms Marsh, Esquire
Pennsylvania-American Water Co.
800 West Hershey Park Drive
Hershey, PA 17033


Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D.#50026
E-Mail: CHoover@paoca.org

Darlene R. Wong
Assistant Consumer Advocate
PA Attorney I.D.#87381
E-Mail: DWong@paoca.org

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
95258.doc



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
April 17, 2008

IN REPLY PLEASE
REFER TO OUR FILE

In Re: **A-230550F2000;**
I-00070114;
P-00072313

(SEE ATTACHED LIST)

DOCUMENT
FOLDER

**A-230550F2000 - Application of W.P. Sanitary Co., Inc. for Approval of
Abandonment of Service**

**I-00070114 - Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.,
Pursuant to Section 529 of the Pennsylvania Public Utility Code**

P-00072313 - W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.

NOTICE

A session to review the status of the above-captioned matters will be held
as follows:

Date: **Wednesday, May 28, 2008**

Time: **9:30 a.m.**

Location: **SAMTER BUILDING
CONFERENCE ROOM 1 (Basement)
101 Penn Avenue
Scranton, PA 18503**

Mediation
Coordinator: **Herbert R. Nurick
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Telephone: (717) 783-5428
Fax: (717) 787-0481
Email: hnurick@state.pa.us**

RJP

Any questions regarding this session should be directed to the mediator at the telephone number provided above.

If you are a person with a disability, and you wish to attend the session, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to the session.

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

pc: Mediator Nurick
ALJ Jandebour
Linda Salome
Calendar File
File Room

A-230550F2000 - APPLICATION OF W.P. SANITARY CO., INC. FOR APPROVAL OF ABANDONMENT OF SERVICE

I-00070114 - INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC. PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE

P-00072313 - W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.

CHRISTINE MALONI HOOVER ESQUIRE
DARLENE WONG ESQUIRE
ERIN GANNON ESQUIRE
OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET
5TH FLOOR FORUM PLACE
HARRISBURG PA 17101-1923

RHONDA L DAVISTON ESQUIRE
KRISS BROWN ESQUIRE
PATRICIA WEIDT ESQUIRE
PA PUC LAW BUREAU
PO BOX 3265
HARRISBURG PA 17105-3265

ERNEST D PREATE JR ESQUIRE
MELLON BANK BUILDING
400 SPRUCE STREET
SUITE 300
SCRANTON PA 18503

FAYLING DEMPSEY ESQUIRE
PENNSYLVANIA DEPARTMENT OF
ENVIRONMENTAL PROTECTION
2 PUBLIC SQUARE
WILKES-BARRE PA 18711-0790

ANTHONY P LITWIN ESQUIRE
24 EAST TIOGA STREET
TUNKHANNOCK PA 18657

THOMAS T NIESEN ESQUIRE
THOMAS THOMAS ARMSTRONG & NIESEN
212 LOCUST STREET SUITE 500
PO BOX 9500
HARRISBURG PA 17108-9500

BOYD HUGHES ESQUIRE
HUGHES NICHOLLS O'HARA
1421 EAST DRINKER STREET
DUNMORE PA 18512-2614

KIERAN CASEY ESQUIRE
BORLAND & BORLAND LLP
69 PUBLIC SQUARE 11TH FLOOR
WILKES-BARRE PA 18701-2597

FRANCES P ORTH
ASSISTANT GENERAL COUNSEL
AQUA PENNSYLVANIA INC
762 W LANCASTER AVENUE
BRYN MAWR PA 19010

MARK J KROPILAK ESQUIRE
SENIOR VICE PRESIDENT
AQUA AMERICA INC
762 W LANCASTER AVENUE
BRYN MAWR PA 19010

KIMBERLY D BORLAND ESQUIRE
BORLAND & BORLAND LLP
11TH FLOOR
69 PUBLIC SQUARE
WILKES-BARRE PA 18701-2597

MICHAEL D KLEIN ESQUIRE
LEBOEUF LAMB GREEN & MACRAE LLP
200 NORTH THIRD STREET
SUITE 300
PO BOX 12105
HARRISBURG PA 17108-2105



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

IN REPLY PLEASE
REFER TO OUR FILE
2005.0319.05

May 12, 2008

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

**DOCUMENT
FOLDER**

Re: Investigation of W.P. Water Company, Inc and W.P. Sanitary
Company, Inc.; I-00070114; P-00072313; A-230550F2000

Dear Mr. McNulty:

On May 9, 2008, Law Bureau Prosecutory Staff (LBPS) filed a Motion for an Order Declaring Mortgage Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid and Ineffective Pursuant to 66 PA. C. S. § 2102. Subsequent to the filing, it was discovered that Paragraph Nos. 5 and 6 erroneously stated that the Assests Purchase Agreements involved WP and PA American Water Company; in fact, they involved WP and Aqua PA.

In order to correct this error, I am enclosing a corrected page 4 to replace the original page 4 that was filed. Copies have been served on the parties of record in accordance with the Certificate of Service. My direct dial number is (717) 7897-6166 if you have any questions.

Sincerely,

Rhonda L. Daviston

Rhonda L. Daviston
Assistant Counsel
Attorney ID No. 49640

Enclosure

cc: As per Certificate of Service
Frank Wilmarth, DCC

RECEIVED
2008 MAY 12 PM 3:06
PA PUC
SECRETARY'S BUREAU

4. Prior to any hearings, the parties to the consolidated matters consented to mediation in an effort to resolve the issues in an expedited manner. Several mediation sessions were held before Mediation Coordinator Herbert R Nurick.

5. On November 1, 2007, the parties notified Your Honor that an agreement in principle had been reached with regard to a purchase price and a utility to take over service to WP customers. Although Aqua tentatively agreed to take over all WP systems, Your Honor was notified that many details regarding the agreement in principle remained to be worked out.

6. One of the conditions of the Assets Purchase Agreements (APAs) between WP and Aqua is that all liens, mortgages and encumbrances affecting WP's ability to deliver clear title be resolved prior to executing the APAs.

7. During the October 29, 2007 mediation session, WP, through its attorneys, first informed the parties that several encumbrances existed against WP. These encumbrances are listed as follows:

(a) An open ended mortgage and security agreement filed against WP Sanitary Company, Inc. by Fox Rothschild, LLP, on December 28, 2004, in Wyoming County, PA in Mortgage Book 515, page 594. This was for legal services performed by Fox Rothschild, LLP. The parties agreed that this mortgage shall be satisfied for \$15,000 at closing with WP Sanitary paying \$10,000 and LWWC paying \$5,000. In exchange, Fox Rothschild will release all claims against WP.

(b) W.P. Water Company, Inc. entered into a mortgage agreement with Carl L. Kresge & Sons, Inc., in the amount of \$1,624,321.92. This mortgage was filed on October 4, 2007 and recorded in Wyoming County at Document No. 2007-4066.

(c) W.P. Sanitary Company, Inc. entered into a mortgage agreement with Carl L. Kresge and Sons, Inc. in the amount of 1,624321.92. This mortgage was filed on October 4, 2007 in Wyoming County at document No. 2007-4065.

8. In addition to the mortgage liens, three mechanics' liens have since been filed against WP by Carl L. Kresge & Sons. Those liens are listed as follows:

(a) Mechanics' lien claim in the amount of \$343,479.18 filed in Wyoming County against WP Sanitary Company on March 12, 2008 at number 287-2008.

(b) Mechanics' lien claim in the amount of \$186,564.48 filed in Wyoming County against WP Water Company on March 12, 2008 at number 286-2008.

(c) Mechanics' lien claim in the amount of \$93,199.77 filed in Luzerne County against WP Water Company (Sleepy Hollow) on March 11, 2008 at number 3179-2008.

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 *et seq.* (relating to service by a participant).

Notification by first class mail addressed as follows:

Honorable Ember S. Jandebour
PA Public Utility Commission
Scranton Office Bldg. Room 317
100 Lackawanna Avenue
Scranton, PA 18503

Christine Maloni Hoover Esquire
Darlene Wong Esquire
Erin Gannon Esquire
Office of Consumer Advocate
5th Floor Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923

Ernest D. Preate, Jr. Esquire
Mellon Bank Building Suite 300
400 Spruce Street
Scranton, PA 18503

Fayling Dempsey Esquire
PA Dept. of Environmental Protection
2 Public Square
Wilkes Barre, PA 18711-0790

Kimberly D. Borland Esquire
Borland & Borland LLP
11th Floor
69 Public Square
Wilkes Barre, PA 18701-2597

Michael D. Klein Esquire
Leboeuf Lamb Green & Macrae LLP
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

Boyd Hughes Esquire
Hughes Nicholls O'Hara
1421 East Drinker Street
Dunmore, PA 18512-2614

Thomas T. Niesen Esquire
Thomas Long Niesan & Kennard
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Anthony P. Litwin Esquire
24 East Tioga Street
Tunkhannock, PA 18657

Joseph J. Albert, Esquire
Albert & Kamage
Suite 201
458 Wyoming Avenue
Kingston, PA 18704

Notification by Certified mail addressed as follows:

Carl L. Kresge & Sons
1199 Laurel Run Road
Wilkes Barre, PA 18702

Rhonda L. Daviston

Rhonda L. Daviston
Assistant Counsel
PA Public Utility Commission

P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-5000

Dated: May 12, 2008



**THOMAS, LONG,
NIESEN & KENNARD**

Attorneys and Counsellors at Law

THOMAS T. NIESEN
Direct Dial: 717.255.7641
tniesen@thomaslonglaw.com

May 27, 2008

ORIGINAL

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

**DOCUMENT
FOLDER**

RECEIVED
2008 MAY 27 PM 3:07
PA PUC
SECRETARY'S BUREAU

In re: Docket No. I-00070114
Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to
Section 529 of the Pennsylvania Public Utility Code

Docket No. P-00072313
W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.

Docket No. A-230550F2000
Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service

Dear Secretary McNulty:

Enclosed for filing on behalf of Aqua Pennsylvania, Inc. and Little Washington Wastewater Company, dba Suburban Wastewater, in the above matter, are an original and three (3) copies of the following:

1. Answer to the Emergency Petition of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities; and
2. Answer to the Motion of the Law Bureau Prosecutory Staff for An Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105.

Copies of both Answers are being served upon the persons and in the manner set forth on the certificates of service attached to them.

Very truly yours,

THOMAS, LONG, NIESEN & KENNARD

By

Thomas T. Niesen

Encl.

cc: Certificates of Service
Frances P. Orth, Esquire

080527-McNulty (WP and LBPS Answers).wpd

11363

Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge
Ember Jandebaur, Presiding

RECEIVED
2008 MAY 27 PM 3:10
PA PUC
SECRETARY'S BUREAU

In re: Investigation of W.P. Water : Docket No. I-00070114
Co., Inc. and W.P. Sanitary Co., Inc. :
Pursuant to Section 529 of the :
Pennsylvania Public Utility Code :

In re: W.P. Water Co., Inc. and W.P. : Docket No. P-00072313
Sanitary Co., Inc. :

Application of W.P. Sanitary Co., Inc. : Docket No. A-230550F2000
For Approval of Abandonment of :
Service :

**ANSWER OF AQUA PENNSYLVANIA, INC. AND LITTLE WASHINGTON
WASTEWATER COMPANY, DBA SUBURBAN WASTEWATER, TO THE
EMERGENCY PETITION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.
FOR EXPEDITED HEARING ON UNAUTHORIZED LIENS AND MORTGAGES
AGAINST REGULATED PUBLIC UTILITIES**

AND NOW, come Aqua Pennsylvania, Inc. ("Aqua PA") and Little Washington Wastewater Company ("LWWC") and, pursuant to 52 Pa. Code § 5.61, answer the Emergency Petition of W.P. Water Co., Inc. ("W.P. Water") and W.P. Sanitary Co., Inc. ("W.P. Sanitary") (collectively "the W.P. Companies") for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities as follows:

I. BACKGROUND

1. This proceeding concerns an Investigation Order of the Public Utility Commission ("Commission") entered July 11, 2007, at Docket No. I-00070114 instituting an investigation into whether it should order a capable public utility to acquire W.P. Water and W.P. Sanitary pursuant to Section 529 of the Public Utility Code, 66 Pa. C.S. § 529.

2. The Investigation Order was consolidated by the Commission with a pending Application proceeding at Docket No. A-230550F2000 initiated by W.P. Sanitary for authority to abandon its wastewater service in the Township and a pending Petition proceeding at Docket No. P-00072313 filed by the Office of Consumer Advocate ("OCA") seeking immediate relief for water customers of W.P. Water who are experiencing frequent water outages and low water pressure.

3. The W.P. Companies did not expressly object to the initiation of the take-over proceeding and admitted that it was "both viable and practical to transfer assets of W.P. to a capable public utility and a proximate public utility."

4. The consolidated proceeding was assigned to Administrative Law Judge Ember S. Jandebaur. By Corrected Hearing Notice dated August 3, 2007, Initial and Further Hearings were scheduled for September 11, 12 and 13 and October 10 and 11, 2007.

5. Subsequently, the parties consented to use the mediation process to try to resolve the issues in the consolidated proceeding and the hearings previously scheduled in the matter were continued.

6. Herbert R. Nurick was assigned as the Mediator for the matter. Thereafter, mediation sessions were scheduled and held in Scranton on September 11, 2007 and October 10 and 29, 2007. Participating in the mediation process were: Law Bureau Prosecutory Staff ("LBPS"), OCA, the Department of Environmental Protection, Aqua PA, LWWC, Washington Township, W.P. Water and W.P. Sanitary, Pennsylvania American Water Company, United Water of Pennsylvania and Mediator Nurick.

7. On November 1, 2007, the parties advised Judge Jandebour and Mediator Nurick that, while many details remained open, they had reached an agreement in principle regarding the purchase price and utilities to acquire the service assets of W.P. Water and W.P. Sanitary.

8. On May 6, 2008, the W.P. Companies filed a Petition asking Judge Jandebour and the Commission to schedule an emergency expedited hearing and to recommend and order that certain liens and mortgages of record are null and void and must be stricken from the public records as against and contrary to the public interest.

II. ANSWER TO PETITION

9. The position of Aqua PA and LWWC in regard to the Petition of the W.P. Companies is as follows:

- a. Aqua PA and LWWC are identified as possible acquiring entities of the water and wastewater assets, respectively, of the W.P. Companies. Any purchase of assets by Aqua PA and LWWC will be conditioned on the complete satisfaction and complete removal of all liens and mortgages against the assets of the W.P. Companies. Aqua PA and LWWC will insist, moreover, that the large mortgages and large mechanic liens identified in Paragraphs 9(c) and 9(d) of the Petition, which total approximately \$2,000,000 against W.P. Water and approximately \$2,000,000 against W.P. Sanitary, be completely satisfied and completely removed *prior to the execution* of any Asset Purchase Agreements for the assets of the W.P. Companies.
- b. The Petition avers that the large mortgages and large mechanic liens identified in Paragraphs 9(c) and 9(d) of the Petition are recorded in the name and for the benefit of Carl L. Kresge & Sons, Inc., a possible

affiliate of the W.P. Companies and possibly under the control of Carl L. Kresge. If Mr. Kresge controls both the W.P. Companies and Carl L. Kresge & Sons, Inc. it may be possible to have the liens and mortgages voluntarily removed without the necessity for a litigated resolution of their validity as sought by the Petition.

- c. Aqua PA and LWWC do not object to the scheduling of a hearing into the matters of alleged unauthorized liens and mortgages against the W.P. Companies. However, a Commission hearing can only address matters within the Commission's jurisdiction under the Public Utility Code. The ultimate and complete satisfaction and complete removal of the liens and mortgages may involve additional principles of real estate, creditor, corporate and other law which the Commission has no jurisdiction to rule upon. Consequently, this Petition may be only a partial resolution of matters necessary to the presentation of clear title by the W.P. Companies.

WHEREFORE, Aqua Pennsylvania, Inc. and Little Washington Wastewater Company dba Suburban Wastewater answer the Emergency Petition of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities as aforesaid.

Respectfully submitted,

By 

Thomas T. Niesen, Esquire
PA Attorney ID No. 31379
THOMAS, LONG, NIESEN & KENNARD
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Frances P. Orth, Esquire
PA Attorney ID No. 68824
AQUA PENNSYLVANIA, INC.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

*Attorneys for
Aqua Pennsylvania, Inc. and
Little Washington Wastewater Company*

Dated: May 27, 2008

Aqua Answer to WP Petition Re Liens.wpd

**Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code	:	Docket No. I-00070114
In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	:	Docket No. P-00072313
Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service	:	Docket No. A-230550F2000

CERTIFICATE OF SERVICE

I hereby certify that I have this 27th day of May 2008, served a true and correct copy of the foregoing Answer of Aqua Pennsylvania and Little Washington Wastewater Company, dba Suburban Wastewater, to the Emergency Petition of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. for Expedited Hearing on Unauthorized Liens and Mortgages Against Regulated Public Utilities, upon the persons and in the manner set forth below:

FIRST CLASS MAIL, POSTAGE PREPAID

Honorable Ember S. Jandebour
Administrative Law Judge
Pennsylvania Public Utility Commission
Scranton Office Building, Room 317
100 Lackawanna Avenue
Scranton, PA 18503

Rhonda L. Daviston, Assistant Counsel
Law Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P. O. Box 3265
Harrisburg, PA 17105-3265

Christine Maloni Hoover, Esquire
Darlene Wong, Esquire
Erin Gannon, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
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Ernest D. Preate, Jr., Esquire
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Kimberly D. Borland, Esquire
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69 Public Square
Wilkes-Barre, PA 18701-2597

Boyd Hughes, Esquire
Hughes Nicholls O'Hara
1421 East Drinker Street
Dunmore, PA 18512-2614

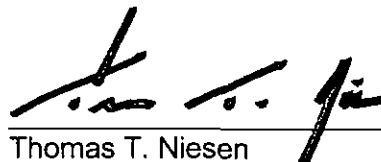
Joseph J. Albert, Esquire
Albert & Kamage
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Carl L. Kresge & Sons
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Fayling Dempsey, Esquire
PA Dept. of Environmental Protection
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Michael D. Klein, Esquire
Leboeuf Lamb Green & Macrae, LLP
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Harrisburg, PA 17108-2105

Anthony P. Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657



Thomas T. Niesen
PA Attorney ID No. 31379

Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge
Ember Jandebeur, Presiding

RECEIVED
2008 MAY 27 PM 3:07
PA PUC
SECRETARY'S BUREAU

In re: Investigation of W.P. Water : Docket No. I-00070114
Co., Inc. and W.P. Sanitary Co., Inc. :
Pursuant to Section 529 of the :
Pennsylvania Public Utility Code :

In re: W.P. Water Co., Inc. and W.P. : Docket No. P-00072313
Sanitary Co., Inc. :

Application of W.P. Sanitary Co., Inc. : Docket No. A-230550F2000
For Approval of Abandonment of :
Service :

**ANSWER OF AQUA PENNSYLVANIA, INC. AND LITTLE WASHINGTON
WASTEWATER COMPANY, DBA SUBURBAN WASTEWATER, TO THE MOTION
OF THE LAW BUREAU PROSECUTORY STAFF FOR AN ORDER DECLARING
MORTGAGES AND LIENS NULL AND VOID PURSUANT TO 66 PA. C.S. §§ 1904,
2102 AND 2105 AND MECHANICS' LIENS INVALID, INEFFECTIVE AND VOID
PURSUANT TO 66 PA. C.S. §§ 1904, 2102 AND 2105**

AND NOW, come Aqua Pennsylvania, Inc. ("Aqua PA") and Little Washington Wastewater Company ("LWWC") and, pursuant to 52 Pa. Code § 5.102, answer the Motion of the Law Bureau Prosecutory Staff ("LBPS") for an Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 as follows:

I. BACKGROUND

1. This proceeding concerns an Investigation Order of the Public Utility Commission ("Commission") entered July 11, 2007, at Docket No. I-00070114 instituting an investigation into whether it should order a capable public utility to acquire W.P.

Water Co., Inc. ("W.P. Water") and W.P. Sanitary Co., Inc. ("W.P. Sanitary") (collectively "the W.P. Companies") pursuant to Section 529 of the Public Utility Code, 66 Pa. C.S. § 529.

2. The Investigation Order was consolidated by the Commission with a pending Application proceeding at Docket No. A-230550F2000 initiated by W.P. Sanitary for authority to abandon its wastewater service in the Township and a pending Petition proceeding at Docket No. P-00072313 filed by the Office of Consumer Advocate ("OCA") seeking immediate relief for water customers of W.P. Water who are experiencing frequent water outages and low water pressure.

3. The W.P. Companies did not expressly object to the initiation of the take-over proceeding and admitted that it was "both viable and practical to transfer assets of W.P. to a capable public utility and a proximate public utility."

4. The consolidated proceeding was assigned to Administrative Law Judge Ember S. Jandebaur. By Corrected Hearing Notice, dated August 3, 2007, Initial and Further Hearings were scheduled for September 11, 12 and 13 and October 10 and 11, 2007.

5. Subsequently, the parties consented to use the mediation process to try to resolve the issues in the consolidated proceeding and the hearings previously scheduled in the matter were continued.

6. Herbert R. Nurick was assigned as the Mediator for the matter. Thereafter, mediation sessions were scheduled and held in Scranton on September 11, 2007 and October 10 and 29, 2007. Participating in the mediation process were: LBPS, OCA, the Department of Environmental Protection, Aqua PA, LWWC, Washington Township, W.P. Water and W.P. Sanitary, Pennsylvania American Water Company, United Water of Pennsylvania and Mediator Nurick.

7. On November 1, 2007, the parties advised Judge Jandebour and Mediator Nurick that, while many details remained open, they had reached an agreement in principle regarding the purchase price and utilities to acquire the service assets of W.P. Water and W.P. Sanitary.

8. On May 9, 2008, LBPS filed a Motion asking Judge Jandebour and the Commission to, *inter alia*, find the W.P. Companies to be in violation of the Public Utility Code in regard to certain liens and mortgages, to declare certain liens and mortgages to be null and void, to strike certain liens and mortgages from the public records and to declare certain contracts between the W.P. Companies and Carl L. Kresge & Sons, Inc. not reasonable or proper and not in the public interest.

II. ANSWER TO MOTION

9. The position of Aqua PA and LWWC in regard to the Motion of the LBPS is as follows:

- a. Aqua PA and LWWC are identified as possible acquiring entities of the water and wastewater assets, respectively, of the W.P. Companies. Any purchase of assets by Aqua PA and LWWC will be conditioned on the complete satisfaction and complete removal of all liens and mortgages against the assets of the W.P. Companies. Aqua PA and LWWC will insist, moreover, that the large mortgages and large mechanic liens identified in Paragraphs 7(b), 7(c) and 8 of the Motion, which total approximately \$2,000,000 against W.P. Water and approximately \$2,000,000 against W.P. Sanitary, be completely satisfied and completely removed *prior to the execution* of any Asset Purchase Agreements for the assets of the W.P. Companies.

- b. The Motion avers that the large mortgages and large mechanic liens identified in Paragraphs 7(b), 7(c) and 8 of the Motion are recorded in the name and for the benefit of Carl L. Kresge & Sons, Inc., a possible affiliate of the W.P. Companies and possibly under the control of Carl L. Kresge. If Mr. Kresge controls the W.P. Companies and Carl L. Kresge & Sons, Inc., it may be possible for Mr. Kresge to have the liens and mortgages voluntarily removed without the necessity for a litigated resolution of their validity as sought by the Motion.
- c. Aqua PA and LWWC do not object to the relief requested in the Motion concerning matters of alleged unauthorized liens and mortgages against the W.P. Companies. However, the Commission can only address matters within its jurisdiction under the Public Utility Code. The ultimate and complete satisfaction and complete removal of the liens and mortgages may involve additional principles of real estate, creditor, corporate and other law which the Commission has no jurisdiction to rule upon. Consequently, this Motion may be only a partial resolution of matters necessary to the presentation of clear title by the W.P. Companies.

WHEREFORE, Aqua Pennsylvania, Inc. and Little Washington Wastewater Company dba Suburban Wastewater answer the Motion of the Law Bureau Prosecutory Staff for an Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 as aforesaid.

Respectfully submitted,

By 

Thomas T. Niesen, Esquire
PA Attorney ID No. 31379
THOMAS, LONG, NIESEN & KENNARD
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Frances P. Orth, Esquire
PA Attorney ID No. 68824
AQUA PENNSYLVANIA, INC.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

*Attorneys for
Aqua Pennsylvania, Inc. and
Little Washington Wastewater Company*

Dated: May 27, 2008

Aqua Answer to LBPS Motion Re Liens.wpd

**Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code	: : : : :	Docket No. I-00070114
In re: W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.	: : :	Docket No. P-00072313
Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service	: : : :	Docket No. A-230550F2000

CERTIFICATE OF SERVICE

I hereby certify that I have this 27th day of May 2008, served a true and correct copy of the foregoing Answer of Aqua Pennsylvania and Little Washington Wastewater Company, dba Suburban Wastewater, to the Motion of the Law Bureau Prosecutory Staff for an Order Declaring Mortgages and Liens Null and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105 and Mechanics' Liens Invalid, Ineffective and Void Pursuant to 66 Pa. C.S. §§ 1904, 2102 and 2105, upon the persons and in the manner set forth below:

FIRST CLASS MAIL, POSTAGE PREPAID

Honorable Ember S. Jandebeur
Administrative Law Judge
Pennsylvania Public Utility Commission
Scranton Office Building, Room 317
100 Lackawanna Avenue
Scranton, PA 18503

Rhonda L. Daviston, Assistant Counsel
Law Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
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Erin Gannon, Esquire
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69 Public Square
Wilkes-Barre, PA 18701-2597

Boyd Hughes, Esquire
Hughes Nicholls O'Hara
1421 East Drinker Street
Dunmore, PA 18512-2614

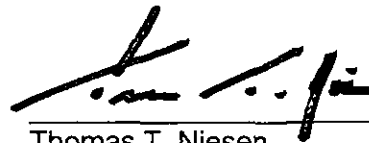
Joseph J. Albert, Esquire
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458 Wyoming Avenue
Kingston, PA 18704

Carl L. Kresge & Sons
1199 Laurel Run Road
Wilkes-Barre, PA 18702

Fayling Dempsey, Esquire
PA Dept. of Environmental Protection
2 Public Square
Wilkes-Barre, PA 18711-0790

Michael D. Klein, Esquire
Leboeuf Lamb Green & Macrae, LLP
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P.O. Box 12105
Harrisburg, PA 17108-2105

Anthony P. Litwin, Esquire
24 East Tioga Street
Tunkhannock, PA 18657



Thomas T. Niesen
PA Attorney ID No. 31379



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
June 19, 2008

IN REPLY PLEASE
REFER TO OUR FILE

In Re: A-230550F2000
I-00070114
P-00072313

(SEE ATTACHED LIST)

DOCUMENT FOLDER

A-230550F2000 - Application of W. P. Sanitary Company, Inc.
For Approval of Abandonment of Service

I-00070114 - Investigation of W. P. Water Company, Inc.
and W. P. Sanitary Company, Inc.

P-00072313 - Petition of W. P. Water Company, Inc. and W. P. Sanitary Company, Inc

Hearing Notice

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

Type: Initial In-Person Hearing to Address Remaining Encumbrances

Date: Tuesday, July 22, 2008

Time: 10:00 a.m.

Location: Room 318
Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503

Presiding: Administrative Law Judge Ember S. Jandebaur
Room 317 Scranton State Office Building
100 Lackawanna Avenue
Scranton, PA 18503
Telephone: 570.963.4818
Fax: 570.963.3310

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

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

Individuals representing themselves do not need to be represented by an attorney. All others (corporation, partnership, association, trust or governmental agency or subdivision) must be represented by an attorney. An attorney representing you should file a *Notice of Appearance* before the scheduled hearing date.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- Scheduling Office: 717.787.1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1.800.654.5988

pc: Judge Jandebour
Ona Lester
~~File Room~~
Calendar File

A-230550F2000 - APPLICATION OF W.P. SANITARY CO., INC. FOR APPROVAL OF
ABANDONMENT OF SERVICE

I-00070114 - INVESTIGATION OF W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.,
PURSUANT TO SECTION 529 OF THE PENNSYLVANIA PUBLIC UTILITY CODE

P-00072313 - W.P. WATER CO., INC. AND W.P. SANITARY CO., INC.

CHRISTINE MALONI HOOVER ESQUIRE
DARLENE WONG ESQUIRE
ERIN GANNON ESQUIRE
OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET
5TH FLOOR FORUM PLACE
HARRISBURG PA 17101-1923

RHONDA L DAVISTON ESQUIRE
KRISS BROWN ESQUIRE
PATRICIA WEIDT ESQUIRE
PA PUC LAW BUREAU
PO BOX 3265
HARRISBURG PA 17105-3265

ERNEST D PREATE JR ESQUIRE
MELLON BANK BUILDING
400 SPRUCE STREET
SUITE 300
SCRANTON PA 18503

FAYLING DEMPSEY ESQUIRE
PENNSYLVANIA DEPARTMENT OF
ENVIRONMENTAL PROTECTION
2 PUBLIC SQUARE
WILKES-BARRE PA 18711-0790

ANTHONY P LITWIN ESQUIRE
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TUNKHANNOCK PA 18657

THOMAS T NIESEN ESQUIRE
THOMAS THOMAS ARMSTRONG & NIESEN
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HARRISBURG PA 17108-9500

BOYD HUGHES ESQUIRE
HUGHES NICHOLLS O'HARA
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DUNMORE PA 18512-2614

KIERAN CASEY ESQUIRE
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WILKES-BARRE PA 18701-2597

FRANCES P ORTH
ASSISTANT GENERAL COUNSEL
AQUA PENNSYLVANIA INC
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BRYN MAWR PA 19010

MARK J KROPILAK ESQUIRE
SENIOR VICE PRESIDENT
AQUA AMERICA INC
762 W LANCASTER AVENUE
BRYN MAWR PA 19010

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200 NORTH THIRD STREET
SUITE 300
PO BOX 12105
HARRISBURG PA 17108-2105

OALJ Hearing Report

Please check Those Blocks Which Apply

Docket No.:	A-230550F2000; I-00070114; P-00072313		YES	NO
Case Name:	Application of W.P. Sanitary Company, Inc.;	Prehearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investigation of W.P. Water Company, Inc. and W.P. Sanitary Company, Inc.;	Petition of W.P. Water Company, Inc. and W.P. Sanitary Company, Inc.	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Location:	Scranton	Testimony Taken:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Date:	Tuesday, July 22, 2008	Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ALJ:	Ember S. Jandebaur	Hearing Concluded:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Firm:	Sargents Court Reporting	Further Hearing Needed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>DOCUMENT FOLDER</p> <p>RECEIVED</p> <p>AUG - 7 2008</p> <p>PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU</p>		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Briefs to be Filed:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Bench Decision:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		REMARKS:		

PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
Kriss Brown Telephone: 717-787-4518	Commonwealth Keystone Building 400 North St. City: Harrisburg State: PA Zip: 17105	PUC
Rhonda Daviston Telephone: 717 787 6166	Commonwealth Keystone Building City: Harrisburg State: PA Zip: 17105	PUC
Michael D. Klein Telephone: 202-346-8154	Dewey & LeBoeuf 1101 New York Avenue, NW City: Washington State: DC Zip: 20005-4013	PA AMERICAN WATER Co

Check this box if additional parties or attendees appear on back of form.

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address	Who are you representing?
Thomas T. Niesen Thomas, Long, Niesen + Kennard	Suite 500 212 Locust St. P.O. Box 950 City: Hbsg State: PA Zip: 17108	Aqua PA LWWC
Telephone: 717.255.7600	E-mail Address: tniesen@thomaslonglww.com	Fax Number: 717.236.8278
Kimberly D. Boylan, Esq Boylan & Boylan 570 822 3311	1 st Flr C&P Public Serv City: W-B State: PA Zip: 18701	CP
Telephone:	E-mail Address: boylan k @ boylan.com	Fax Number: 570 822 9894
Joseph G. Albert, Esq Albert & Kamage	Suite 201 458 Wyoming Ave City: Kingston State: PA Zip: 18704	Carl L. Kruse & Sons, Inc.
Telephone: 570.718.1313	E-mail Address: jalbert702@aol.com	Fax Number: 570.718.1790
Ernest D. Keake Jr	400 Spruce St City: Scranton State: Pa Zip: 18503	W. P. Walker dnr W. P. Sambargelms
Telephone:	E-mail Address: ekeake@comcast.net	Fax Number: 570.558-5970
Darlene R. Wong Candis Tunilo	555 Walnut Street 5 th Flr Forum Place City: Harrisburg State: PA Zip: 17102	PA office of Consumer Advocate
Telephone: 717-783-5048	E-mail Address: dwong@proca.org	Fax Number: 717-783-7112
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

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

ORIGINAL

In re: Investigation of W. P. Water Co., Inc. I-00070114
and W. P. Sanitary Co., Inc., pursuant to
Section 529 of the Pennsylvania Public
Utility Code;

In re: W. P. Water Co., Inc. and W. P.
Sanitary Co., Inc.; P-00072313

Application of W. P. Sanitary Co., Inc.
For Approval of Abandonment of Service A-230550F2000

PA P.U.C.
SECRETARY'S BUREAU

2008 AUG 25 AM 10:29

RECEIVED

TO ADMINISTRATIVE LAW JUDGE EMBER S. JANDEBEUR, PRESIDING

MOTION FOR COMMISSION ORDER OF AVERMENTS DEEMED
ADMITTED AND GRANTING REQUEST SET FORTH IN
AMENDED EMERGENCY PETITION

1. On July 3, 2008, W. P. Water Company, Inc. and W. P. Water Company, Inc. (hereinafter "WP") filed its Emergency Petition for Expedited Hearing with the Pennsylvania Public Utility Commission (PUC) concerning unauthorized mortgages against regulated public utilities filed by Hanover Bank of Pennsylvania and Summit Bank, now held by Bank of America, as successor to Hanover and Summit Banks.

2. W. P. Amended its Emergency Petition for Expedited Hearing on Unauthorized Mortgages with the PUC on July 18, 2008 with service made to Bank of America as reflected in its certificate of service.

DOCUMENT
FOLDER

3. On July 22, 2008 a hearing was held on these matters before PUC Administrative Law Judge Emer S. Jandebour. Despite having been served Bank of America did not appear nor file an answer to WP's Amended Petition.

4. As a result, a second copy of the WP Amended Petition with Notice to Plead was served on Bank of America on July 22, 2008. Affidavit of Service attached hereto as WP Exhibit "A."

5. Thereafter, Administrative Law Judge Jandebour issued a Subpoena directing Bank of America to appear at a Wednesday, August 20, 2008 PUC hearing in Scranton.

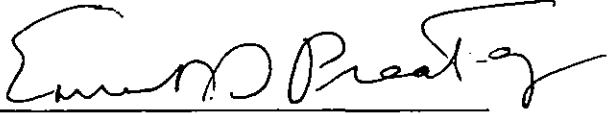
6. The Subpoena was served on Bank of America on July 23, 2008 as reflected in the attached Affidavit of Service as WP Exhibit "B."

7. As of Tuesday, August 19, 2008, Bank of America has not filed a required Answer to the Amended Petition nor entered its appearance in the case.

WHEREFORE, based upon Bank of America's failure to file its Answer within 20 days of service of the Amended Petition (July 22, 2008), it is requested that this Honorable Court direct the Commission to find the averments in the WP Amended Petition Deemed Admitted and grant the request set forth in the Petition to find the mortgage liens referred to in the Amended Petition as null and void in violation of the Pennsylvania Public Utilities Code and contrary to the public interest pursuant to 66 Pa. C. S. A. §

1904 & 2105.

Respectfully submitted,

By: 
Ernest D. Preate, Jr., Esq.
Attorney for WP Water and Sanitary Co.,
Inc.

400 Spruce Street—Suite 300
Scranton, PA 18503
570.558.5970

EXHIBIT "A"

RECEIVED

2008 AUG 25 AM 10: 29

PA P U C
SECRETARY'S BUREAU

Commonwealth of Pennsylvania)
) SS:
County of Lackawanna)

AFFIDAVIT OF SERVICE

Before me, the undersigned authority, personally appeared RAY COLONNA

who, being duly sworn according to law, deposes and says that he/she served a true and correct
AMENDED EMERGENCY PETITION FOR EXPEDITED HEARING
copy of the within ~~SUBPOENA~~ upon BANK OF AMERICA by handing the same to he/she at:

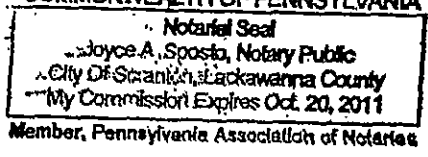
507 Linden Street, Scranton, Pennsylvania, 18503 on the 22 day of JULY,

2008 at 3:00 ~~AM~~ P.M.

Ray Colonna

Sworn to and subscribed before me
this 22nd day of July, 2008

Joyce A. Sposta
Notary Public
COMMONWEALTH OF PENNSYLVANIA



Received by: Michelle Harrison
(Signature)

Michelle Harrison
(Print Full Name)

on behalf of : Bank of America
507 Linden Street, 1st Floor
Scranton, PA 18503

Date: 22 July, 2008

EXHIBIT "B"

RECEIVED

2008 AUG 25 AM 10: 29

PA P.U.C.
SECRETARY'S BUREAU

Commonwealth of Pennsylvania)

County of LACKAWANNA)

SS:)

AFFIDAVIT OF SERVICE

Before me, the undersigned authority, personally appeared RAY COLONNA

who, being duly sworn according to law, deposes and says that he/she served a true and correct

copy of the within SUBPOENA upon Bank of America JO ANN ANDERIKA

by handing the same to him and her at 507 LINDEN ST. 1ST FLOOR
SCRANTON, PA 18503

on the 31ST day of JULY, 2008 at 2:30 a.m./p.m.

Ray Colonna
(Signature)

Sworn to and subscribed before me
this 1ST day of AUGUST, 2008

Joyce A. Sposto
Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Joyce A. Sposto, Notary Public
City Of Scranton, Lackawanna County
My Commission Expires Oct. 20, 2011
Member, Pennsylvania Association of Notaries

CERTIFICATE OF SERVICE

I, Ernest D. Preate, Jr., do hereby verify that I served a true and correct copy of the foregoing motion to the following Parties by First Class, U. S. Mail, postage prepaid on the 20th day of August, 2008.

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Public Utilities Commission
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Harrisburg, PA 17105-3265

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

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September 10, 2008

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

**RE: Investigation of W.P. Water Company, Inc. and W.P. Sanitary
Company, Inc.: I-00070114; P-00072313; A-230550F2000**

Dear Mr. McNulty:

Enclosed for filing with the Commission are an original and nine (9) copies of Law Bureau Prosecutory Staff's Main Brief regarding the validity of mortgage and mechanics' liens. Copies have been served on the parties of record in accordance with the attached Certificate of Service.

If you have any questions, please call me at 717-787-6166.

Very truly yours,

Rhonda L. Daviston
Assistant Counsel
Attorney ID No. 49640

Enclosure

cc: As per Certificate of Service
Frank Wilmarth, DCC

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of W.P. Water Company, Inc. and W.P. Sanitary Company, Inc.	:	I-00070114
	:	
	:	
W.P. Water Company, Inc. and W.P. Sanitary Company, Inc.	:	P-00072313
	:	
	:	
Application of W.P. Sanitary Company, Inc. For approval to Abandonment of Service	:	A-230550F2000
	:	

**BRIEF OF
LAW BUREAU PROSECUTORY STAFF**

Before
Ember S. Jandebour
Administrative Law Judge

Rhonda L. Daviston
Assistant Counsel

Kriss E. Brown
Assistant Counsel

P.O. Box 3265
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Dated: September 10, 2008

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HISTORY OF THE PROCEEDING AND STATEMENT OF THE CASE

This proceeding involves a consolidated Commission investigation pursuant to 66 Pa. C.S. § 529, an Office of Consumer Advocate (OCA) petition and a Chapter 11 abandonment application that are currently in mediation in an effort to resolve the issues in an expedited manner without litigation. The parties to the consolidated proceedings are: W.P. Water Company, Inc. and W.P. Sanitary Company, Inc. (collectively referred to as WP or the WP companies), the OCA, the Department of Environmental Protection (DEP), Washington Township, United Water Company (United), Aqua PA (Aqua), PA American Water Company (PAWC), Little Washington Wastewater Company, d/b/a Suburban Wastewater Company (LWWC) and Law Bureau Prosecutory Staff (LBPS).

On May 6, 2008, WP filed an emergency Petition for Expedited Hearing on Unauthorized Liens and Mortgages against Regulated Public Utilities (Petition). On May 9, 2008, the Commission's LBPS filed a Motion for an Order Declaring Mortgage and Mechanics' Liens Invalid, Ineffective and Unlawful pursuant to 66 Pa. C.S. §§ 1904, 2102 & 2105 (Motion). On May 27, 2008, Aqua and LWWC filed an answer to the Petition and Motion. No other answers were filed.

Based upon the pleadings alone, Your Honor concluded that the two mortgage liens entered into between the WP companies and its affiliate Carl L. Kresge & Sons, Inc. (CLK&S) were made in violation of the Code, were made against a public utility and are both void pursuant to 66 Pa. C.S. § 1904. Your Honor found that more information was needed to determine if the Commission had authority to void the three remaining

mechanics' liens filed by CLK&S against the WP companies. A hearing was scheduled for July 22, 2008 to address these encumbrances.

On July 2, 2008, WP filed an Emergency Petition for Expedited Hearing concerning three mortgage liens held by Bank of America (BOA) alleging that the mortgages were invalid, unenforceable and against the public interest. These encumbrances were not addressed in WP's initial petition. BOA did not file an answer to this petition and did not have counsel present at the July 22, 2008. As a result, the hearing was rescheduled for August 20, 2008 and the WP companies were directed to re-serve BOA with the amended petition and a Notice to Plead. The WP companies also requested issuance of a subpoena for BOA to appear, which was granted by Your Honor.

Although BOA was re-served with the amended petition, BOA failed to file an answer, enter an appearance or have counsel present at the August 20, 2008 hearing. At that hearing, Carl Kresge testified, attorneys for the various parties spoke, a stipulation was entered into and exhibits were admitted. This Main Brief is submitted in accordance with the briefing schedule established at the conclusion of the August 20, 2008 hearing.

PROPOSED FINDINGS OF FACT

1. W.P. Water Company, Inc and W.P. Sanitary, Inc. maintain a principal place of business at 1199 Laurel Run Road, Wilkes-Barre, PA. 18702. Both WP companies were incorporated in Pennsylvania on July 17, 1970.
2. WP Water Company provides water service to approximately 27 customers in its Sleepy Hollow system in Kingston Township, Luzerne County and 150 customers in its non-contiguous Washington Park system in Washington Township, Wyoming County.
3. WP Sanitary Company provides sewer service to approximately 150 customers in Washington Park, Wyoming County. WP Sanitary Company does not provide sewer service to its Sleep Hollow customers.
4. Kingston Township in Luzerne County is approximately 25 miles from Washington Township in Wyoming County.
5. Mrs. Sandra Kresge is the legal owner of W.P. Water Company, Inc. and W.P. Sanitary Company, Inc. Her husband, Carl Kresge is the president of both companies. (N.T. pg. 133)
6. Aqua PA, PA American Water Company, United Water Company and Washington Township were joined as parties pursuant to the Commission's July 11, 2007 Order that initiated an investigation into whether the Commission should order the acquisition of the WP pursuant to 66 Pa. C.S. § 529. That order also consolidated the above-captioned proceedings.
8. Prior to any hearings, the parties consented to mediation.

9. On November 1, 2007, the parties notified Judge Jandebour that an agreement in principal had been reached with regard to a purchase price and a utility to take over service to WP customers. Although Aqua tentatively agreed to take over all WP systems, Judge Jandebour was notified that many details regarding the agreement in principal remained to be worked out.

10. One of the conditions of the Assets Purchase Agreements (APAs) between the WP companies and Aqua is that all liens, mortgages and encumbrances affecting the WP companies' ability to deliver clear title be resolved prior to Aqua's execution of the APAs.

11. During the October 29, 2007 mediation session, the WP companies, through their attorneys, first informed all parties that several encumbrances existed against the WP companies.

12. At that time, the parties were informed about one mortgage lien filed against the WP companies by Fox Rothschild, LLP in 2004. The parties agreed to satisfy this mortgage for \$15,000 at closing, with WP companies paying 10,000 and LWWC paying \$5,000. In exchange, Fox Rothschild will release all claims against the WP companies. Because this mortgage lien has been resolved, it will not be discussed in LBPS' Main Brief.

13. During the October 29, 2007 mediation session, the parties were also informed that the WP companies entered into two mortgage liens held by CLK&S that were recorded on October 4, 2007.

14. In addition, on March 11 and 12, 2008, CLK&S filed three mechanics' liens against the WP companies in Wyoming County and Luzerne County.

15. CLK&S has been doing work for the WP companies from at least 1999 forward. (PS-1, pg. 6)

16. Carl Kresge owned CLK&S for the majority of the last decade. (PS-1, pg.6.)

17. Carl was president and sole owner of CLK&S from 1982 through at least February 2006. (N.T., pgs. 123 & 128) Since that time, Carl Kresge's sons, Scott and David Kresge, have owned CLK&S. (N.T., pgs. 124, 125, 133 & 134)

18. Carl Kresge has been the owner and/or president of the WP companies for all relevant times. (N.T., pgs. 122 & 133, & PS-3, pg. 7) Carl and his sons, David and Scott Kresge, all owned shares in both WP companies until 1998. (N.T., pg. 133) Sandra Kresge, Carl's wife, has owned the WP companies since 1998. (N.T., pg. 133)

19. Throughout this period, Carl Kresge has been the president of both WP companies. (N.T., pg. 122) In addition, from 1982 through 2006, Carl was president and sole owner of CLK&S. (N.T., pg. 123) Carl testified that he was the person who knew what was going on in all companies involved. (N.T., pg. 137)

20. While Carl asserted that he no longer has any ownership rights in CLK&S, he did acknowledge that he has a tie-breaking vote if his two sons cannot agree on an issue. (N.T., pgs. 124 & 127)

21. Carl acknowledged that he personally recorded the two mortgages with the county recorder on behalf of CLK&S on October 4, 2007. (N.T., pgs. 131 & 132, and

PS-1, pg. 4) Carl also signed the mortgages on behalf of the WP companies agreeing to the indebtedness. (N.T., pg. 134) Carl testified that he personally provided the amount owed by the WP companies to CLK&S that was the basis for the two mortgages. (N.T., pgs. 137 & 138)

22. The two mortgages Carl recorded on behalf of CLK&S against the WP companies amounted to \$1,624,321.92 each, to the penny, or a total of \$3,248,643.84. (PS-1, pg. 4, and PS-3, pg. 4)

23. The WP companies' net worth as of December 31, 2007 was \$98,049 (WP Water) and \$38,235 (WP Sanitary). (PS-12, pg. 16 and PS-13, pg. 14) And the utilities' total plant-in-service, as asserted by Carl, was only \$155,802 (WP Water) and \$119,387 (WP Sanitary). (PS-12, pg. 19 and PS-13, pg. 17)

24. The WP companies acknowledged in its own pleading, verified by Sandra Kresge, that the WP companies and CLK&S were affiliated. (PS-1, pg. 6) Carl also acknowledged this fact again in the 2007 annual reports for both utilities. Specifically, under account no. 233 in each annual report, Carl listed CLK&S as an affiliated company. (PS-12, pg. 31 and PS-13, pg. 32)

25. CLK&S was served a copy of the LBPS Motion and given notice to file an answer. (PS-3.) CLK&S never filed an answer denying any of the facts or allegations asserted in all of the pleadings filed under this proceeding. CLK&S' attorney was present and participated in the July, 22, 2008 hearing. (N.T., pg. 7)

26. It is undisputed that there exists a contract for services between the WP companies and CLK&S. (PS-1, pg. 6, PS-5, and PS-6)

27. It is also undisputed that neither of the WP companies filed a verified copy of the contracts or sought Commission approval of the contracts. (PS-1, pg. 6, and PS-3, pg. 7)

28. The WP companies failed to even submit a copy of the contracts or any evidence, what-so-ever, regarding the terms and conditions of the contracts during these proceedings.

29. The evidence of record shows that the alleged amount of indebtedness owed to CLK&S by the WP companies ranges from \$41,000 to over \$3.2 million. (PS-1, PS-2, PS-2A, PS-3, PS-5, PS-6, PS-12, pg. 31, and PS-13, pg. 32)

30. Two mortgages held by CLK&S were recorded on October 4, 2007, alleging an indebtedness of \$1,624,321.92 each. (PS-1, pg. 4, and PS-3, pg. 4) These amounts are contradicted by the utilities' 2007 annual reports, both verified by Carl on April 30, 2008, as being true and correct. (PS-12, pg. 65 and PS-13, pg. 63) Specifically, under account no. 233 in each 2007 annual report, Carl asserted that WP Water owed CLK&S \$41,216 and that WP Sanitary owed CLK&S \$2,797. (PS-12, pg. 31 and PS-13, pg. 32)

31. On March 12, 2008, a mechanics' lien in the amount of \$343,479.18 was filed in Wyoming County on behalf of CLK&S against WP Sanitary. (PS-1, pg. 4) On March 11, 2008, a mechanics' lien in the amount of \$93,199.77 was filed in Luzerne County on behalf of CLK&S against WP Water. (PS-1, pg. 5) And, on March 12, 2008, a mechanics' lien in the amount of \$186,567.48 was filed in Wyoming County on behalf of CLK&S against WP Water. (PS-1, pg. 5) Again, these amounts not only contradict

the annual reports, they also contradict the two mortgages filed on October 4, 2007, just five months prior.

32. The above amounts asserted by the mechanics' liens are contradicted by the Answer filed in Wyoming County and verified on May 28, 2008, by David Kresge on behalf of CLK&S. (PS-6) Specifically, relating to WP Water, CLK&S states that "based upon subsequent information received, the Claimant [CLK&S] herein modifies the amount claimed as properly due and owing in the Mechanics Lien Claim filed to the above-captioned term and number to the amount of \$41,042.69." (PS-6, pg. 2, para. 8) The subsequent information is the invoices contained as Exhibit "B" to this Answer. (PS-6) Apparently, based on this subsequent information, CLK&S voluntarily terminated its mechanics' lien claim against WP Sanitary. (PS-6, pg. 2, paras. 1-6)

33. Neither WP company filed security certificates registering these encumbrances.

34. Neither WP company filed nor sought approval of affiliated interest agreements between the WP companies and CLK&S.

35. The WP companies listed CLK&S as an affiliated interest in its annual reports. (PS -12, pg. 31; PS-13, pg.32)

36. Your Honor issued an Interim Order directing the WP companies to remove the two mortgage liens filed by CLK&S against WP.

37. The WP companies did not appeal, object to, or except to the Interim Order.

38. The three mortgage liens currently held by Bank of America against the WP companies were initially held by Hanover Bank and Summit Bank of Pennsylvania and were recorded in 1990 and 1998, respectively.

39. Bank of America was given notice and an opportunity to defend against WP's allegations. (Exh. A to WP's August 21, 2008 Motion)

40. Bank of America failed to appear at the August 20, 2008 hearing.

STATEMENT OF THE QUESTIONS INVOLVED

1. Whether the affiliated interest agreements between W.P. Water Company, Inc. and W.P. Sanitary Company, Inc., and Carl L. Kresge & Sons, Inc. violated the Public Utility Code and are therefore void as being unlawful and contrary to the public interest.

Suggested Answer: Yes

2. Whether the mechanics' liens filed by Carl Kresge & Sons, Inc. against two public utilities, W.P. Water Company, Inc. and W.P. Sanitary Company, Inc. violate the Public Utility Code?

Suggested Answer: Yes.

3. Whether Your Honor's Interim Order that found the mortgage liens filed by Carl Kresge & Sons, Inc. against W.P. Water Company, Inc. and W.P. Sanitary Company, Inc. void and against the public interest should be made final?

Suggested Answer: Yes.

4. Whether the Bank of America mortgage liens against W.P. Water Company, Inc. and W.P. Sanitary Company, Inc. should be found void and invalid?

Suggested Answer: Yes.

SUMMARY OF THE ARGUMENT

The two mortgages and three mechanics' liens that are held by CLK&S against the WP companies involve alleged indebtedness incurred by the WP companies for work performed by CLK&S, since at least 1999. It is clear from the evidence of record that the WP companies and CLK&S are affiliated interests. Carl was president and sole owner of CLK&S from 1982 through at least February 2006. Since that time, Carl Kresge's sons, Scott and David Kresge, have owned CLK&S. It is also undisputed that Carl Kresge has been the owner and/or president of the WP companies for all relevant times. Carl, Sandra, Scott and David Kresge have been working in concert such that the WP companies and CLK&S are affiliated interests per 66 Pa. C.S. §§ 2101(a)(6) & (7).

It is also undisputed that neither of the WP companies filed a verified copy of the contracts or sought Commission approval of the contracts which is in direct violation of 66 Pa. C.S. § 2102(a). In addition, the WP companies failed to meet their burden to show that the amounts paid or payable by a public utility to an affiliated interest company are not in excess of the reasonable price for such services and that such services are reasonable and proper for the furnishing of safe and adequate services per 66 Pa. C.S. § 2102(c). What evidence was provided was incredible, contradictory and unsupported by corroborating evidence, required by 66 Pa. C.S. § 2102(b).

As the WP companies violated Sections 2101 and 2102 of the Public Utility Code, 66 Pa. C.S. §§ 2101 & 2102, the contracts between the WP companies and CLK&S are void per 66 Pa. C.S. § 2105. As the contracts between these affiliated interests are void,

the execution of the mortgages and mechanics' liens by CLK&S is by definition, unlawful. See 66 Pa. C.S. § 2105.

With regard to the mortgage liens held by CLK&S, the record shows and the WP companies admit in their petitions that WP violated the Public Utility Code in incurring that indebtedness. Specifically, WP failed to request security certificates, WP failed to seek Commission approval prior to entering in the indebtedness, and WP failed to file an affiliated interest agreement. WP's failure to register and get approval of the mortgage liens blatantly violates 66 Pa. C.S. §§ 1901-1903.

As a result of WP's violations, the Commission was deprived of its authority to either approve or reject such indebtedness. In such circumstances, the Commission has express authority to declare void, securities issued in violation of the Public Utility Code. 66 Pa. S.C. § 1904. Accordingly, the mortgage liens in question should be declared null and void and against the public interest. It is important to note that Your Honor has already done so in your June 18, 2008 Interim Order. LBPS requests that the Interim Order now be deemed final.

The mortgage liens held by Bank of America Mortgage against the WP Companies should be declared null and void and against the public interest. In its Amended Petition, WP alleged that the mortgages held by BOA have been paid in full and WP is entitled to a satisfaction from the mortgages.

BOA was given notice and an opportunity to be heard. BOA failed to file an answer or have legal representation at the hearing. Therefore, pursuant to 52 Pa. Code

§ 5.61(a)(2)(c) as a matter of law, LBPS requests that Your Honor direct that BOA be deemed in default and the relevant facts stated in WP's Amended Petition be deemed admitted.

ARGUMENT

I. Burden Of Proof

Section 332(a) of the Public Utility Code, 66 Pa. C.S. § 332(a), provides that the party seeking affirmative relief from the Commission has the burden of proof. As the parties seeking affirmative relief, WP and LBPS have the burden of proof, and therefore the duty to establish facts by a preponderance of the evidence. *Se-Ling Hosiery, Inc. v. Margulies*, 70 A.2d 854 (Pa. 1950). As set forth below, the evidence of record and the pleadings establish that the mortgage liens held by CLK&S against the WP companies and the mortgages held against the WP companies by BOA should be declared null and void and in violation of 66 Pa. C.S. §§ 1904, 2102 and 2105. Furthermore, the evidence and pleadings will show that the mechanics' liens filed by CLK&S against the WP companies should be declared void, ineffective and unlawful in violation of 66 PA. C.S. §§ 2101, 2102 and 2105.

II. Affiliated Interest Agreements

Whether The Affiliated Interest Agreements Between WP Water Co. Inc. And WP Sanitary Co. Inc., And Carl L. Kresge & Sons Inc. Violated The Public Utility Code And Are Therefore Void As Being Unlawful And Contrary To The Public Interest.

This matter involves two mortgages and three mechanics' liens that are held by Carl L. Kresge & Sons, Inc. (CLK&S) against WP Water and WP Sanitary property. These liens involve alleged indebtedness incurred by WP Water and WP Sanitary for

work performed by Carl L. Kresge & Sons. The contracts between CLK&S and the WP companies were neither filed with nor approved by the Commission as required by Chapter 21 of the Public Utility Code. As such, these contracts are void as being unlawful and contrary to the public interest.

A. WP Water Co. Inc., WP Sanitary Co. Inc. And Carl L. Kresge & Sons Inc. Are Affiliated Interests.

It is clear from the evidence of record that the WP companies and CLK&S are affiliated interests. The Public Utility Code defines an affiliated interest as follows:

(6) Every corporation or person which the commission may determine as a matter of fact after investigation and hearing is actually exercising any substantial influence over the policies and actions of such public utility even though such influence is not based upon stockholding, stockholders, directors or officers to the extent specified in this section. As used in this part substantial influence means any corporation or person which or who stands in such relationship to the public utility that there is an absence of free and equal bargaining power between it or him and the public utility.

(7) Every person or corporation who or which the commission may determine as a matter of fact after investigation and hearing is actually exercising such substantial influence over the policies and actions of such public utility in conjunction with one or more other corporations or persons, or both, with which or whom they are related by ownership or **blood relationship**, or both, or by action in concert that together they are affiliated with such public utility within the meaning of this section even though no one of them alone is so affiliated.

66 Pa. C.S. §§ 2101(a)(6) & (7) (emphasis added)

CLK&S has been doing work for the WP companies from at least 1999 forward.

(PS-1, pg. 6) As such, there has been a contractual relationship between these companies

since at least 1999. It is undisputed that Carl Kresge owned CLK&S for the majority of the last decade. (PS-1, pg. 6) In fact, Carl was president and sole owner of CLK&S from 1982 through at least February 2006. (N.T., pgs. 123 & 128) Since that time, Carl Kresge's sons, Scott and David Kresge, have owned CLK&S. (N.T., pgs. 124, 125, 133 & 134) It is also undisputed that Carl Kresge has been the owner and/or president of the WP companies for all relevant times. (N.T., pgs. 122 & 133, & PS-3, pg. 7) In fact, Carl, David and Scott Kresge all owned shares in both WP companies until 1998. (N.T., pg. 133) Sandra Kresge, Carl's wife, has owned the WP companies since 1998. (N.T., pg. 133)

Throughout this period, Carl Kresge has been the president of both WP companies. (N.T., pg. 122) In addition, from 1982 through 2006, Carl was president and sole owner of CLK&S. (N.T., pg. 123) As such, Carl would have been negotiating the contract terms between the WP companies and CLK&S. In fact, Carl testified that he was the person who knew what was going on in all companies involved. (N.T., pg. 137) There is no clearer example of a relationship where there is a complete absence of free and equal bargaining power. The fact that Carl Kresge transferred ownership of CLK&S to his two sons in 2006 does not change this conclusion. Per Subsection 2101(a)(7) of the Code, "actions of such public utility in conjunction with one or more other corporations or persons, or both, with which or whom they are related by...blood relationship,...they are affiliated with such public utility within the meaning of this section...." 66 Pa. C.S. § 2101(a)(7).

In addition, the evidence of record shows that Sandra, Carl and his sons have been working in concert such that the WP companies and CLK&S are affiliated. While Carl asserts that he no longer has any ownership rights in CLK&S, he did acknowledge that he has a tie-breaking vote if his two sons cannot agree on an issue. (N.T., pgs. 124 & 127) In addition, Carl acknowledged that he personally recorded the two mortgages with the county recorder on behalf of CLK&S on October 4, 2007. (N.T., pgs. 131 & 132, and PS-1, pg. 4) Significantly, Carl also signed the mortgages on behalf of the WP companies agreeing to the indebtedness. (N.T., pg. 134) Finally, Carl testified that he personally calculated the amount owed by the WP companies to CLK&S that was the basis for the two mortgages. (N.T., pgs. 137 & 138)

All of the above demonstrates that Carl, Sandra, Scott and David Kresge have been working in concert such that the WP companies and CLK&S are affiliated interests. The two mortgages Carl recorded on behalf of CLK&S against the WP companies amounted to \$1,624,321.92 each, to the penny, or a total of \$3,248,643.84. (PS-1, pg. 4, and PS-3, pg. 4) No reasonable business person would establish such an exorbitant indebtedness, let alone voluntarily record such indebtedness, unless that person was working in concert with all persons and corporations involved as alleged creditors. This is especially true when the WP companies' net worth as of December 31, 2007 is \$98,049 (WP Water) and \$38,235 (WP Sanitary). (PS-12, pg. 16 and PS-13, pg. 14) And the utilities' total plant-in-service, as asserted by Carl, are only \$155,802 (WP Water) and \$119,387 (WP Sanitary). (PS-12, pg. 19 and PS-13, pg. 17) Again, all of the above clearly demonstrates that the WP companies and CLK&S are affiliated interests and have

been so affiliated throughout the relevant time period, operating in concert to deliberately secure personal gain at the expense of ratepayers.

Any assertion that these three companies are not in any way affiliated is neither credible nor supported by the evidence. First, in its own pleading, verified by Sandra Kresge, the WP companies acknowledged that the companies were in fact affiliated. (PS-1, pg. 6) Second, Carl acknowledged this fact again when he filed the 2007 annual reports for both utilities. Specifically, under account no. 233 in each annual report, Carl lists CLK&S as an affiliated company. (PS-12, pg. 31 and PS-13, pg. 32) Finally, the WP companies and CLK&S failed to provide any contrary evidence to the contrary. CLK&S was served and given notice to file an answer. (PS-3) CLK&S never filed an answer denying any of the facts or allegations asserted in all of the pleadings filed under this proceeding. CLK&S cannot now claim a lack of notice as its attorney was present and participated in the July, 22, 2008 hearing.¹ (N.T., pg. 7)

B. WP Water Co. Inc. And WP Sanitary Co. Inc. Failed To Seek And Obtain Commission Approval Of The Contracts With The Affiliated Interest Carl L. Kresge & Sons Inc.

Section 2102 of the Pennsylvania Public Utility Code requires Commission approval of all contracts between affiliated interests before the contracts become valid or

¹ While due process requires that a person be given notice and an opportunity to be heard, *Millcreek Manor v. Dep't of Pub. Welfare*, 796 A.2d 1020, 1028 (Pa. Commw. 2002), a ruling against a person who fails to prosecute or appear at a hearing without good cause does not violate due process. *Fountain Capital Fund, Inc. v. Pa. Sec. Comm'n*, 948 A.2d 208, 214 (Pa. Commw. 2008) and *Burch v. Dep't of Pub. Welfare*, 815 A.2d 1143, 1145 (Pa. Commw. 2002).

effective. 66 Pa. C.S. § 2102(a). It is the duty of the public utility to file with the Commission a verified copy of any contract with an affiliated interest. 66 Pa. C.S. § 2102(b).

It is undisputed that there exists an agreement for services between the WP companies and CLK&S. (PS-1, pg. 6, PS-5, and PS-6) As demonstrated above, these companies are in fact affiliated. It is also undisputed that neither of the WP companies filed a verified copy of the contracts or any summary of agreement, nor sought Commission approval of the same. (PS-1, pg. 6, and PS-3, pg. 7) In fact, the WP companies failed to even submit a copy of the contracts or any evidence, what-so-ever, regarding the terms and conditions of the contracts during these proceedings. It is the utility's burden to make such a filing with the Commission. 66 Pa. C.S. § 2102(b).

C. W.P. Water Co., Inc. And W.P. Sanitary Co., Inc. Failed To Show That The Amounts Allegedly Owed To CLK&S Were Not In Excess Of The Reasonable Price For Such Services Or That The Services Were Reasonable And Proper.

Section 2102(c) of the Pennsylvania Public Utility Code places the burden upon the public utility to show that the amounts paid or payable by a public utility to an affiliated interest company are not in excess of the reasonable price for such services and that such services are reasonable and proper for the furnishing of safe and adequate services. 66 Pa. C.S. § 2102(c). The WP companies failed to provide any such evidence.

The evidence of record shows that the alleged amount of indebtedness owed to CLK&S by the WP companies ranges from \$41,000 to over \$3.2 million. (PS-1, PS-2,

PS-2A, PS-3, PS-5, PS-6, PS-12, pg. 31, and PS-13, pg. 32) Initially, there are the two mortgages that were recorded on October 4, 2007, alleging an indebtedness of \$1,624,321.92 each. These amounts are unreasonable and incredible on their face. The assertion that CLK&S did the exact amount of work, to the penny, for both WP Water and WP Sanitary is completely absurd and incredible. These are two completely different types of utilities that require different types and kinds of services. In addition, these amounts are contradicted by the utilities' 2007 annual reports, both verified by Carl on April 30, 2008, as being true and correct. (PS-12, pg. 65 and PS-13, pg. 63) Specifically, under account no. 233 in each 2007 annual report, Carl asserted that WP Water owed CLK&S \$41,216 and that WP Sanitary owed CLK&S \$2,797. (PS-12, pg. 31 and PS-13, pg. 32) The WP companies have not provided a scenario under which both of these contradictory statements could be true. As such, either Carl or his sons participated in the recording of false mortgages or Carl filed at least two false annual reports with the Commission.

Next, there were three mechanics' liens recorded on March 11 and 12, 2008, by CLK&S against the WP companies. Specifically, on March 12, 2008, a mechanics' lien in the amount of \$343,479.18 was filed in Wyoming County on behalf of CLK&S against WP Sanitary. (PS-1, pg. 4) On March 11, 2008, a mechanics' lien in the amount of \$93,199.77 was filed in Luzerne County on behalf of CLK&S against WP Water. (PS-1, pg. 5) And, on March 12, 2008, a mechanics' lien in the amount of \$186,567.48 was filed in Wyoming County on behalf of CLK&S against WP Water. (PS-1, pg. 5) Again,

these amounts not only contradict the annual reports, they also contradict the two mortgages filed on October 4, 2007, just five months prior.

Furthermore, the above amounts asserted by the mechanics' liens are contradicted by the Answer filed in Wyoming County and verified on May 28, 2008, by David Kresge on behalf of CLK&S. (PS-6) Specifically, relating to WP Water, CLK&S states that "based upon subsequent information received, the Claimant [CLK&S] herein modifies the amount claimed as properly due and owing in the Mechanics Lien Claim filed to the above-captioned term and number to the amount of \$41,042.69." (PS-6, pg. 2, para. 8) The subsequent information is the invoices contained as Exhibit "B" to this Answer. (PS-6) Apparently, based on this subsequent information, CLK&S voluntarily terminated its mechanics' lien claim against WP Sanitary. (PS-6, pg. 2, paras. 1-6) Therefore, even CLK&S admits that the two mortgages and the three mechanics' liens do not represent the amounts owed for the services it rendered to the WP companies.

All of the above demonstrates that the WP companies failed to provide any proof showing the true value of the services rendered by CLK&S to the WP companies. The amounts asserted by the WP companies and CLK&S vary and contradict themselves such that none of the claimed amounts are credible. It is significant that this indebtedness, that allegedly was incurred from 1999 to the present, varied significantly even over the short time frame from October 2007 through May 2008, all while the parties were negotiating a sale price for the WP properties. These circumstances militate for the proof verifying the validity of the contract amounts be supported by contemporaneously created documentation.

In fact, section 2102(b) of the Public Utility Code requires such documentation.

This section states, in relevant part, the following:

No such contract. . . shall receive the commission's approval unless satisfactory proof is submitted to the commission of the cost to the affiliated service described herein to the public utility. No proof shall be satisfactory within the meaning of the foregoing sentence unless it includes the original (or verified copies) of the relevant cost records and other relevant accounts of the affiliated interest, or such abstract thereof or summary taken therefrom as the commission may deem adequate, properly identified and duly authenticated. The commission may, where reasonable, approve or disapprove such contracts or arrangements without the submission of such cost records or accounts.

66 Pa. C.S. § 2102(b). Without such documentation, Carl's and CLK&S' assertions are simply not credible. As such, the WP companies failed to meet its burden to show that the amounts paid or payable by it to CLK&S are not in excess of the reasonable price for such services and that such services were reasonable and proper for the furnishing of safe and adequate services and the contracts must be voided as against the public interest.

D. The Contracts Between WP Water Co. Inc., WP Sanitary Co. In. And Carl L. Kresge & Sons Inc. Should Be Declared Void, Unlawful And Against The Public Interest.

Per section 2105 of the Public Utility Code, "[e]very contract with an affiliated interest, made effective or modified in violation of any provision of this part, or of any regulation or order of the commission made under this part shall be void...." 66 Pa. C.S.

§ 2105. As pointed out above, the WP companies and CLK&S are affiliated interest companies. As the WP companies failed to seek and receive Commission approval of the

contracts between them and CLK&S, the WP companies clearly violated section 2102(a) of the Public Utility Code and the contracts must therefore be voided. 66 Pa. C.S. § 2102(a).

In addition, the WP companies failed to show that the amounts allegedly payable pursuant to the contracts were not in excess of the reasonable price paid for furnishing the services provided, or that such services were reasonable and proper for furnishing and maintaining adequate, efficient, safe and reasonable services and facilities. It is clear on their face that the two mortgages totaling over \$3.2 million are excessive and not reasonable. Furthermore, a contract of this excessive amount involving the WP companies is clearly not in the public interest as the alleged amounts far exceed the reported total value of these companies. Finally, the WP companies failed to meet their burden to show that the alleged amounts were reasonable and proper. In fact, the WP companies failed to provide any evidence corroborating the true value of the services at issue. Therefore, as the WP companies violated sections 2102(a) and (b) of the Public Utility Code, 66 Pa. C.S. §§ 2102(a) & (b), and section 2105 requires that these contracts be declared void. 66 Pa. C.S. § 2105.

Furthermore, per section 2105, “any...payment...or exchange of...property, money, security, right or thing under such contract, or any contract with an affiliated interest, the terms of which shall have been breached by the affiliated interest, shall be unlawful.” 66 Pa. C.S. § 2105. The mortgages held by CLK&S against the WP companies are security interests. In addition, the mechanics’ liens involve a claim for payment of the WP companies’ money or property by CLK&S, the affiliated company. As the contracts

between these affiliated interests are void, the execution of these mortgages and mechanics' liens are by definition, unlawful.

III. Mortgage Liens

A. Whether Your Honor's Interim Order Finding The Mortgage Liens Between W.P. Water Company And W.P. Sanitary Company And Carl L. Kresge & Sons Void And Against The Public Interest Should Be Deemed Final.

As mentioned earlier in the history of proceedings and statement of the case, the parties to the consolidated proceedings consented to mediation prior to any hearings in an effort to resolve the issues in an expedited manner. During the October 29, 2007 mediation session, WP, through its attorneys, first informed the parties of several encumbrances that existed against the WP companies. Although mortgage liens and mechanics' liens were both mentioned at that mediation session, and both the subject of LBPS' Motion, this section will deal exclusively with the mortgage liens. The mortgage liens listed in LBPS' Motion for an Order Declaring Mortgage Liens Null and Void Pursuant to section 1901(a) are listed below as follows:

i. An open ended mortgage and security agreement filed against WP Sanitary Company, Inc. by Fox Rothschild, LLP, on December 28, 2004, in Wyoming County, PA in Mortgage book 515, page 594. This was for legal services performed by Fox Rothschild, LLP. The parties agreed that this mortgage shall be satisfied for \$15,000 at closing with W.P. Sanitary paying \$10,000 and LWWC paying \$5,000. In exchange Fox Rothschild will release all claims against WP. Because the parties have agreed to resolve this particular lien, LBPS does not include this lien with the other mortgages that it requests be declared null and void.

ii. W.P. Water Company, Inc. entered into a mortgage agreement with Carl L. Kresge & Sons, Inc. in the amount of \$1,624,321.02. This mortgage was filed on October 4, 2007 and recorded in Wyoming County at Document No. 2007-4066.

iii. W.P. Sanitary Company, Inc. entered into a mortgage agreement with Carl L. Kresge & Sons, Inc. in the amount of \$1,624,321.02. This mortgage was filed on October 4, 2007 in Wyoming County at Document No. 2007-4065.

Section 1901(a) of the Public Utility Code, 66 Pa. C.S. § 1901(a) requires every public utility to seek Commission registration of a securities certificate prior to issuing any securities. Specifically, 66 Pa. C.S. § 1901(a) provides:

(a) General Rule.- Under such regulations as the commission may prescribe, every public utility, before it shall issue or assume securities, shall file with the commission and receive from it, notice of registration of a document to be known as a securities certificate.

LBPS asserts that the WP companies have failed to comply with section 1901(a).

A review of Commission records reveals that WP did not file for registration of any security certificates at any time prior to entering into the above-mentioned mortgage liens or any time thereafter. In addition, annual reports filed by the WP companies do not support the amounts asserted by any of these mortgages. (PS-12, pgs. 18,30; PS-13, pgs.31,32) Moreover, on May 6, 2008, the WP companies filed with the Commission an Emergency Petition for Expedited Hearing on Unauthorized Mortgages against Regulated Utilities. In that petition, WP asserted that the mortgages should be declared null and void because the Commission never approved this indebtedness, the indebtedness is against a public utility, and WP never filed affiliated interest agreements between WP and CLK&S.

While LBPS and the WP companies appear to be arguing on the same side of this issue, LBPS notes that the WP companies incorrectly assert in Paragraph 10 of its May 6,

2008 Petition that CLK&S did not request a securities certificate. Section 1901(a) clearly places the onus of filing a request for a securities certificate on the regulated public utility. Accordingly, the responsibility to comply with section 1901 rests with the WP companies, not its affiliate, CLK&S.

The Public Utility Code is clear. Once a request for registration of security certificates is filed, the Commission will either register or reject it. 66 Pa. C.S. § 1903(a).

This section provides in pertinent part:

(a) General Rule.- Upon the submission or completion of any securities certificate, as provided in this part, the commission shall register the same if it shall find that the issuance or assumption of securities in the amount, of the character, and for the purpose therein proposed, is necessary or proper for the present and probable future capital needs of the public utility filing such securities certificate; otherwise it shall reject the securities certificate.

As the record shows and the WP companies admit in their petitions, WP did not request registration of any security certificates. The Commission was thus deprived of its authority to either approve or reject such indebtedness.

In such circumstances, the Commission has express authority to declare void securities issued in violation of the Public Utility Code. 66 Pa. S.C. § 1904 provides as follows:

§ 1904. Unauthorized securities may be declared void

In addition to any other penalty provided in this part for any violation of this chapter, the commission, after due consideration of the public interest, may declare void any securities issued, or any assumption of securities made in violation of this chapter. Any such declaration shall not be construed as a bar to recovery, by an innocent holder-for-value of such securities, of any losses sustained by reason of the wrongful acts of the issuing or assuming public utility.

LBPS and WP both argue similar reasons why the mortgage liens in question should be declared null and void and against the public interest. Those reasons are, WP failed to request any security certificates, WP failed to seek Commission approval prior to entering into the indebtedness, and WP failed to file and seek approval of affiliated interest agreements. Finally, both LBPS and WP agree that the failure to register and get approval of the mortgage liens violates 66 Pa. C.S. §§ 1901-1903.

As detailed in Paragraph 13 of WP's May 6, 2008 Petition, for all relevant times over the last decade, Carl K, Kresge, was the owner of CLK&S and the president of the WP companies. At the August 20, 2008 hearing, Carl Kresge testified that he was the president and sole owner of CLK&S from 1982 until February 2006. (N.T. pg.123) He further testified that in February 2006, he transferred CLK&S to his two sons, David and Scott Kresge. (N.T. pg.123) While Carl Kresge testified that he no longer has any ownership interest in CLK&S, Mr. Kresge stated that he does, however, have a vote in the event of a tie between his two sons. (N.T. pg. 124) Carl Kresge also testified that he continues to answer the business telephone and schedule work for CLK&S. (N.T. pg. 126)

With regard to recording the mortgage liens at issue, Carl Kresge testified that he personally recorded the liens at the request of his sons. (N.T. pg. 131) In addition, Carl Kresge stated that he gave his sons the dollar amount that was recorded in the mortgage liens against the WP companies. (N.T. pg. 138) All of the above demonstrates that Carl Kresge was aware of the alleged indebtedness and security interests with ample opportunity to seek Commission approval.

In addition to the above and most importantly, Your Honor issued an Interim Order on June 18, 2008, which found that CLK&S is an affiliated interest of WP. Your Honor also found that WP violated section 1901(a) for not filing with and receiving from the Commission, notice of registration of a securities certificate. Furthermore, Your Honor found that WP violated section 1901(b) by making an encumbrance with itself (its affiliated interest, CLK&S). Finally, Your Honor found that WP's encumbrances were made in violation the Code and against the public interest. Your Honor directed WP to remove the encumbrances filed in Wyoming County at Document Nos. 2007-4065 and 2007-4066. The WP companies have failed to comply with Your Honor's Interim Order. LBPS now seeks a declaration that because WP did not appeal, object to or file exceptions to the Interim Order, that order has now become final an enforceable.

B. The Mortgage Liens Held By Bank Of America Mortgage Against The WP Companies Should Be Declared Null And Void And Against The Public Interest.

Also at issue and in jeopardy of impeding a mediated settlement for sale between WP and Aqua, are mortgage liens filed by Hanover Bank of Pennsylvania and Summit Bank, currently held by their successor, Bank of America (BOA). The liens at issue are as follows:

- i. A mortgage filed in the amount of \$55,000 against WP filed by Hanover Bank of Pennsylvania recorded on March 17, 1990 in Mortgage Book 157, page 846 in Wyoming County.
- ii. A mortgage in the amount of \$8,963.51 against WP filed by Summit Bank dated March 16, 1998 and recorded on June 10, 1998 in Mortgage Book 357, page 898 in Wyoming County.

iii. A mortgage in the amount of \$8,963.51 against WP filed by Summit Bank dated March 16, 1998 and recorded on June 10, 1998 in Mortgage book 375, page 903 in Wyoming County.

A brief background of procedural history is as follows. On July 3, 2008, WP filed an Emergency Petition for Expedited hearing concerning the BOA mortgages. In its Petition WP Alleged that the BOA mortgages are invalid, unenforceable and against the public interest and should be declared null and void. On July 18, 2008, WP filed an Amended Emergency Petition with service on BOA. In the Amended Petition, WP alleged that the mortgages were taken out to put in a sewage treatment plant in the 1990's. WP alleged that the mortgages have been paid in full and WP is entitled to a satisfaction from the mortgages.

At the scheduled July 22, 2008 hearing, BOA did not appear or file an answer to WP's Petition. As a result, WP served a second copy of its Amended Petition with a Notice to Plead on BOA on July 22, 2008. (Exh. A to WP's August 21, 2008 Motion) Thereafter, Your Honor issued a subpoena directing BOA to appear and provide documentation at the scheduled August 20, 2008 hearing. The subpoena was served on BOA on July 23, 2008. (Exh. B to WP's August 21, 2008 Motion) Although BOA sent a lay representative to the hearing, BOA failed to file an answer, enter its appearance, or send the documents requested in the subpoena with its lay witness.

Therefore, pursuant to 52 Pa. Code § 5.61(a)(2)(c) as a mater of law, LBPS requests that Your Honor direct that BOA be deemed in default and the relevant facts stated in WP's Petition be deemed admitted.

As with the previous mortgage liens, WP failed to seek prior Commission approval before entering into these indebtedness with the predecessors of BOA in violation of 66 Pa. C.S. §§ 1901-1903. Based upon the fact that these liens were issued in violation of the Public Utility Code, LBPS requests that they be stricken as null and void and against the public interest. LBPS recognizes that an order striking these liens will not bar recovery to an innocent holder-for-value. LBPS also realizes that the liens must also be removed as of record by the respective court of common pleas in order to bring about clear title and facilitate the impending sale between WP and Aqua.

WHEREFORE, LBPS respectfully requests that Your Honor find that WP violated 66 Pa. C.S. §§ 1901-1903, 2101 and 2102 with respect to the afore-mentioned mortgage liens and mechanics' liens. LBPS also requests that as a result of WP's violations, Your Honor direct that the Interim Order declaring the mortgage liens between WP and CLK&S null and void, be made final. In addition, LBPS requests that Your Honor find that the mortgage liens at issue between WP and BOA be stricken as null and void in violation of the Public Utility Code and contrary to the public interest pursuant to 66 Pa. C.S. §§ 1904. Furthermore, LBPS requests that the mechanics liens filed by CLK&S against WP be found invalid, ineffective and unlawful pursuant to 66 Pa. C.S. § 2105. Lastly, LBPS request that Your Honor declare the contracts between WP and CLK&S void as they violate the affiliated interest agreement requirements, are in excess of the reasonable price for furnishing the services provided or were not reasonably necessary or proper and are not in the public interest pursuant to 66 Pa. C.S. §§ 2101, 2102 and 2105.

PROPOSED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the parties and subject matter of this proceeding.

2. Pursuant to 66 Pa. C.S. § 332(a), the burden of proof regarding the validity and lawfulness of the mortgage and mechanics' liens in this proceeding is upon the WP companies.

3. WP has sustained its burden of proof that the mortgage liens should be declared null and void.

4. The WP companies and CLK&S are affiliated interests within the meaning of Sections 2101(6) & (7) of the Pennsylvania Public Utility Code. 66 Pa. C.S. §§ 2101(6) & (7). As president of the WP companies throughout the relevant time period, and owner and president of CLK&S from 1982 through 2006, Carl Kresge stood in such a relationship with the WP companies and CLK&S such that there was a complete absence of free and equal bargaining power between all companies involved.

5. The fact that Carl Kresge transferred ownership of CLK&S to his two sons in 2006 does not change this conclusion as Carl continues to exercise such substantial influence over the policies and actions of the WP companies in conjunction with David and Scott Kresge, who are related by blood to Carl as his sons.

6. Carl, Sandra, Scott and David Kresge have been working in concert such that the WP companies and CLK&S are affiliated, as demonstrated by Carl's

acknowledgment that he recorded two mortgages, each amounting to \$1,624,321.92, on behalf of CLK&S and against the WP companies.

7. Any assertion that these three companies are not in any way affiliated is neither credible nor supported by the evidence. CLK&S was served and given notice to file an answer. CLK&S never filed an answer denying any of the facts or allegations asserted in all of the pleadings filed under this proceeding. CLK&S was represented by an attorney at the July, 22, 2008 hearing and had notice of the August 20, 2008 hearing. CLK&S failed to present any contrary evidence regarding the facts and conclusions advanced LBPS.

8. The Pennsylvania Public Utility Code requires Commission approval of all contracts between affiliated interests before the contracts become valid or effective. 66 Pa. C.S. § 2102(a).

9. It is the duty of the public utility to file with the Commission a verified copy of any contract or summaries of agreements with an affiliated interest. 66 Pa. C.S. § 2102(b).

10. Neither of the WP companies filed a verified copy or summary or sought Commission approval of any contracts or agreements between the WP companies and CLK&S. The WP companies failed to submit during these proceedings any evidence whatsoever regarding the terms and conditions of the alleged contracts or agreements. It is the utility's burden to show that it filed with the Commission such a contract or summary of agreements. 66 Pa. C.S. § 2102(b).

11. In its Motion, the LBPS asserted that the amounts alleged to be payable by the WP companies to CLK&S as asserted by the two mortgages and three mechanics' liens held by CLK&S were excessive for the reasonable price paid for furnishing the alleged services or that such services were not reasonably necessary and proper for furnishing and maintaining adequate, efficient, safe and reasonable services and facilities.

12. The LBPS presented a *prima facie* case for this assertion through the submission of pleadings and documents showing conflicting amounts payable claims ranging from \$41,000 to over \$3.2 million.

13. The Pennsylvania Public Utility Code places the burden upon the public utility to show that the amounts paid or payable by a public utility to an affiliated interest are not in excess of the reasonable price for such services and that such services are reasonable and proper for the furnishing of safe and adequate services. 66 Pa. C.S. § 2102(c).

14. Section 2102(b) of the Public Utility Code requires specific documentation supporting the validity of asserted amounts payable. This section states, in relevant part, the following:

No such contract. . . shall receive the commission's approval unless satisfactory proof is submitted to the commission of the cost to the affiliated service described herein to the public utility. No proof shall be satisfactory within the meaning of the foregoing sentence unless it includes the original (or verified copies) of the relevant cost records and other relevant accounts of the affiliated interest, or such abstract thereof or summary taken therefrom as the commission may deem adequate, properly identified and duly authenticated. The commission may, where reasonable, approve or disapprove such contracts or arrangements without the submission of such cost records or accounts.

66 Pa. C.S. § 2102(b). Without such documentation, Carl's and CLK&S' assertions are simply not credible due to the multiple and conflicting amounts claimed in filings verified by Sandra, Carl and David Kresge.

15. The WP companies failed to meet its burden to show that the amounts paid or payable to CLK&S are not in excess of the reasonable price for such services or that such services were reasonable and proper for the furnishing of safe and adequate services, therefore, the contracts must be voided as against the public interest per 66 Pa. C.S. §§ 2102 & 2105.

16. Per section 2105 of the Public Utility Code, "[e]very contract with an affiliated interest, made effective or modified in violation of any provision of this part, or of any regulation or order of the commission made under this part shall be void..." 66 Pa. C.S. § 2105.

17. The WP companies failed to seek and receive Commission approval of the contracts between the WP companies and its affiliate, CLK&S. The WP companies clearly violated section 2102(a) of the Public Utility Code, therefore, the contracts must be voided pursuant to 66 Pa. C.S. §§ 2102(a) and 2105.

18. In addition, the WP companies failed to show that the amounts allegedly payable pursuant to the contracts were not in excess of the reasonable price paid for furnishing the services provided, or that such services were reasonable and proper for furnishing and maintaining adequate, efficient, safe and reasonable services and facilities. This is a violation of 66 Pa. C.S. §§ 2102(a) & (b).

19. Furthermore, pursuant to section 2105, “any...payment...or exchange of...property, money, security, right or thing under such contract, or any contract with an affiliated interest, the terms of which shall have been breached by the affiliated interest, shall be unlawful.” 66 Pa. C.S. § 2105.

20. The mortgages held by CLK&S against the WP companies are security interests. In addition, the mechanics’ liens involve a claim for payment by the WP companies’ of money or property to its affiliate, CLK&S. As the contracts between these affiliated interests are voided by this Order, the execution of these mortgages and mechanics’ liens are, by definition, unlawful. 66 Pa. C.S. § 2105.

21. Section 1901(a) of the Public Utility Code, 66 Pa. C.S. § 1901(a), requires a public utility to receive a securities certificate before it shall issue or assume any securities.

22. WP did not file for a registration of security certificates before entering into the mortgage liens at issue or anytime thereafter.

23. WP’s failure to register its security certificates is a violation of 66 Pa. C.S. § 1901 and entitles the Commission to declare such entity in violation as a matter of public interest. Accordingly, pursuant to 66 Pa. C.S. § 1904 that securities are void.

24. Section 1903(a) of the Public Utility Code, 66 Pa. C.S. § 1903(a) provides that the Commission will either register or reject a request for registration.

25. WP’s failure to seek Commission approval prior to entering into the mortgages at issue is a violation of 66 Pa. C.S. § 1903(a).

26. Bank of America received due process in this proceeding.

27. Bank of America failed to file an Answer and a notice of appearance.
28. Bank of America also failed to have legal representation at the August 20, 2008 scheduled hearing.
29. The Bank of America mortgage liens are deemed void and invalid.

PROPOSED ORDERING PARAGRAPHS

1. That W.P. Water Company, Inc. and W.P. Sanitary Company, Inc.'s Emergency Petition for Expedited Hearing on Unauthorized Liens and Mortgages against Regulated Public Utilities is hereby granted.

2. That Law Bureau Prosecutory Staff's Motion for an Order Declaring Mortgage and Mechanics' Liens Invalid, Ineffective and Unlawful is hereby granted.

3. That the Interim Order dated June 18, 2008 directing WP to remove the mortgage agreements between W.P. Water Company, Inc and Carl L. Kresge & Sons, Inc. recorded in Wyoming County at Document No. 2007-4066 is hereby deemed final.

4. That the Interim Order dated June 18, 2008 directing WP to remove the mortgage agreement between W.P. Sanitary Company, Inc. and Carl L. Kresge & Sons, Inc. is hereby deemed final.

5. That the mechanics' liens filed against W.P. Water Company, Inc. and WP Sanitary Company, Inc. are hereby stricken and deemed invalid, ineffective, against the public interest and unlawful.

6. That the mortgage liens held by Bank of America are hereby deemed void and must be stricken as against the public interest.

7. That the Bank of America mortgage liens are deemed void and in violation of the Public Utility Code.

CONCLUSION

For the reasons set forth above, Law bureau Prosecutory Staff submits that Administrative Law Judge Jandebaur should recommend and the Commission should order that the mortgage liens and mechanics' liens filed against W.P. Water Company, Inc. and W.P. Sanitary Company, Inc. be stricken as null and void, ineffective and against the public interest.

Respectfully submitted,

Rhonda L. Daviston

Rhonda L. Daviston
Kriss E. Brown

Law Bureau Prosecutory Staff
PA Public Utility Commission

P.O. Box 3265
Harrisburg, PA 17109
(717) 787-6166 (v)
(717) 783-3458 (f)

Dated: September 10, 2008

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 *et seq.* (relating to service by a participant).

Notification by first class mail addressed as follows:

Honorable Ember S. Jandebaur
PA Public Utility Commission
Scranton Office Bldg. Room 317
100 Lackawanna Avenue
Scranton, PA 18503

Joseph J. Albert, Esquire
Albert & Kamage Suite 201
458 Wyoming Avenue
Kingston, PA 18704

Boyd Hughes Esquire
Hughes Nicholls O'Hara
1421 East Drinker Street
Dunmore, PA 18512-2614

Carl L. Kresge & Sons
1199 Laurel Run Road
Wilkes Barre, PA 18702

Christine Maloni Hoover Esquire
Darlene Wong Esquire
Erin Gannon Esquire
Office of Consumer Advocate
5th Floor Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923

Thomas T. Niesen Esquire
Thomas Long Niesan & Kennard
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Lance Zeyher, Esquire
PA Dept. of Environmental Protection
2 Public Square
Wilkes Barre, PA 18711-0790

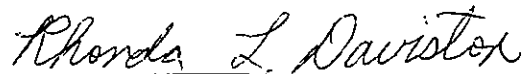
Michael D. Klein Esquire
Dewey & Leboeff LLP Suite 1100
1101 New York Avenue, N.W.
Washington, D.C. 20005-4213

Anthony P. Litwin Esquire
24 East Tioga Street
Tunkhannock, PA 18657

Notification by Facsimile and First Class Mail addressed as follows:

Kimberly D. Borland Esquire
Borland & Borland LLP
11th Floor
69 Public Square
Wilkes Barre, PA 18701-2597

Ernest D. Preate, Jr. Esquire
Mellon Bank Building Suite 300
400 Spruce Street
Scranton, PA 18503



Rhonda L. Daviston
Assistant Counsel
PA Public Utility Commission

P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-5000

Dated: September 10, 2008

**THE LAW OFFICE
OF
ATTORNEY ERNEST D. PREATE, JR.**

MELLON BANK BUILDING
400 SPRUCE STREET SUITE 300
SCRANTON, PA 18503
(570) 558-5970
(570) 558-5973 FACSIMILE
edpreate@adelphia.net

 **COPY**

ERNEST D. PREATE, JR.

SUCCESSOR TO
J. JULIUS LEVY (1924-1978)
ERNEST D. PREATE, SR. (1934-1995)
ROBERT A. PREATE (1969-2002)

October 2, 2008

Honorable Ember S. Jandebaur
Administrative Law Judge
PA Public Utility Commission
Office of the Administrative Law Judge
100 Lackawanna Avenue
Scranton, PA 18503

**DOCUMENT
FOLDER**

In re: Petitions and Motion for Order Declaring Mortgage Liens Null and Void
Docket Nos. A-230550F2000; I-00070114; P-00072313

Dear Judge Jandebaur:

Pending before the Court are the Petitions filed by W. P. Water Company, Inc, and W. P. Sanitary Company, Inc., to have various judgments, mortgages, liens and encumbrances filed by Carl L. Kresge & Sons, Inc. and Bank of America, N.A. against the public utilities declared null and void in violation of relevant sections of the Public Utilities Code.

The Public Utility Commission's Law Bureau Prosecutory Staff similarly filed its Motion for an Order Declaring Mortgage Liens Null and Void. On June 18, 2008 the Court issued its Interim Order voiding certain mortgage agreements between W. P. Water Co. and W. P. Sanitary Co. with Carl L. Kresge & Sons, Inc. In Wyoming County, Pennsylvania. The remaining mortgages were set for hearing.

Hearings on the remaining encumbrances were held on July 22, 2008 and August 20, 2008 and Briefs were submitted in support of declaring the liens void. At the present time the Court's decision is anticipated to follow shortly.

In recent days there has been a development with respect to the Liens filed by Carl L. Kresge & Sons, Inc. and Bank of America, N. A. against W. P. Water Co., Inc. And W. P. Sanitary Co., Inc. Specifically, on September 29, 2008, three Mortgage Satisfaction Pieces were filed by Bank of America in the Reorder of Deeds Office of Wyoming County, Pennsylvania. Therefore, the three mortgages described in the WP Petition against Bank of America have now been recorded satisfied. Copies of the recorded documents are attached hereto.

Moreover, Mortgage Satisfaction Pieces and/or Discontinuances pertaining to the Mortgages and Mechanics Liens filed by Carl L. Kresge & Sons, Inc. against WP in Wyoming County and Luzerne County have been filed on this day in the respective counties. I enclose copies of the recorded documents from Luzerne County, two Carl L. Kresge & Sons, Inc. Satisfactions.

The Mortgage pieces were filed in Wyoming County on October 1st. A receipt of the filing is attached. However, the certified copies of the Satisfactions will not be available from the Recorder's Office until early next week. They will be forwarded at that time. The two Mechanics Lien Discontinuances were filed with the Prothonotary and certified copies are attached.

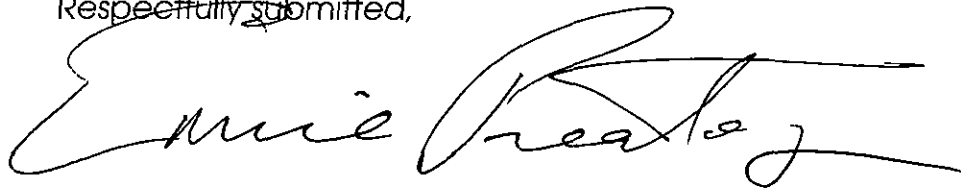
Based on the recording of all Mortgage Satisfaction Pieces and Lien Documents there are currently no outstanding encumbrances against the properties and assets of WP Water and Sanitary Companies. Therefore, the Petitions of WP and Motion of LBPS have been rendered moot as all Mortgages and Liens have been satisfied and removed from the public records.

This information is being communicated to all the parties of record including Aqua Pennsylvania, Inc. It is now anticipated that Aqua Pa. will now sign the Assets Purchase Agreements—which WP has already executed—and that a closing on the properties will follow soon thereafter.

At that time, the above referenced actions pending before the Court will also be rendered moot since the parties have agreed that the sale of WP to Aqua PA will satisfy the PUC, OCA, DEP, EHB and other pending actions as negotiated by the respective parties including the District Attorney of Wyoming County.

Therefore, it is the request of WP that this Court take the above information under advisement in rendering a formal or informal decision on the matters and actions pending before the Pennsylvania Public Utility Commission and this Honorable Court.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ernie Preate, Jr.", written in black ink.

Ernest D. Preate, Jr., Esq.

EDPJr/rjw
Enclosures
cc: all parties of record

Wyoming County Register and Recorder, Dennis Montross



Wyoming County Courthouse
1 Courthouse Square
Tunkhannock PA 18657

Phone: 570-996-2361
Fax: 570-996-5053

Fax Transmittal Form

SEP 30 2008
J.S.

To: Ernie Orate

From: Nancy

Wyoming County Register and Recorders Office

Phone number: 558-5970
Fax number: 558-5973

- Urgent
- For Review
- Please Comment
- Please Reply

Date sent: 9/30/08

Time sent:

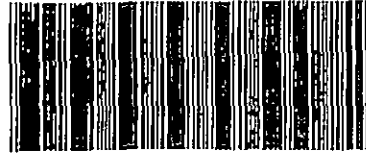
Number of pages including cover page: 10

Message:

fee is \$10.75
please send payment
to address at top.

BANK of
America

Wyoming County
 One Courthouse Square
 Tunkhannock, PA 18857
 570-996-2361



0138488-0010P

RECORDING COVER PAGE

Page 1 of 3

Instrument Type: Satisfaction Piece
Recorded Date: 09/29/2008 11:15:09 AM
Instrument Number: 2008-5354

Transaction #: 137208
Instrument Page Count: 2

RETURN TO:
 KERNS PEARLSTINE ONORATO HLADIK
 STEPHEN M HLADRIK
 425 W MAIN STREET
 LANSDALE, PA 19446

SUBMITTED BY:
 KERNS PEARLSTINE ONORATO HLADIK
 STEPHEN M HLADRIK
 425 W MAIN STREET
 LANSDALE, PA 19446

INSTRUMENT REFERENCE NAME: WP SANITARY COMPANY

FEES / TAXES:

RF: Satisfaction Piece	\$30.50
Miscellaneous Fee	\$5.00
Total:	\$35.50

Document Number: 2008-5354
Recorded Date: 09/29/2008

I hereby CERTIFY that this document is recorded in the Recorder's Office of Wyoming County, Pennsylvania



Dennis Montross

Dennis Montross
 Recorder of Deeds

**NOTE: If document data differs from cover sheet, document data always supersedes.
 *COVER PAGE MAY NOT INCLUDE ALL DATA, PLEASE SEE INDEX AND DOCUMENT
 FOR ANY ADDITIONAL INFORMATION.**

DO NOT REMOVE - THIS PAGE IS PART OF THE RECORDED DOCUMENT.

Prepared by and Return To: Lynn Jalbert
Bank of America, N.A.
CT2-515-BB-11
PO Box 2864
Hartford, CT 06101-8715
Phone: 860.409.5395

Pd Id 415004

30 50"
5' outcrop

MORTGAGE SATISFACTION PIECE

NAME OF MORTGAGOR: W. P. Sanitary Company, Inc. and W. P. Water Company, Inc.

NAME OF MORTGAGEE: Hanover Bank of Pennsylvania n/k/a Bank of America, N.A.

PREMISES: Map number: 27-71.0-134-00 and 27-71.0-97-03-PU-0

MADE THIS: September 12, 2008

DATE OF MORTGAGE: March 7, 1990

Mortgage recorded in the Office of the Recorder of Deeds on the 13th of March, 1990, in Wyoming County, Pennsylvania State in Mortgage Book 157 Page 845

THE UNDERSIGNED hereby certifies that the debt secured by the above mentioned mortgage has been fully paid or otherwise discharged and that upon the recording hereof said mortgage shall be and is hereby fully and forever satisfied and discharged.

WITNESS hand and sealed this 12th day of September, 2008

Bank of America, N.A.



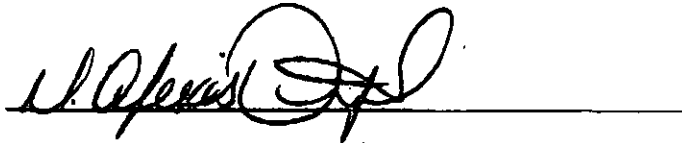
Antoinette G. O'Connor, Assistant Vice President

ACKNOWLEDGEMENT

State of Connecticut)
County of Hartford)

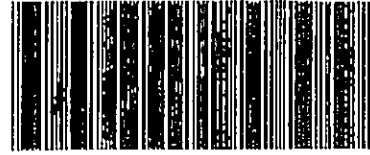
On this, the 12th day of September, 2008, before me the undersigned officer, personally appeared Antoinette G. O'Connor who acknowledged herself to be a Assistant Vice President of Bank of America, N.A., a corporation, and that she such Assistant Vice President, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by aAssistant Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal



N. ALEXIS VANTERPOOL
NOTARY PUBLIC
MY COMMISSION EXPIRES 9-30-2010

Wyoming County
 One Courthouse Square
 Tunkhannock, PA 18657
 570-986-2361



0139489-0006X

RECORDING COVER PAGE

Page 1 of 3

Instrument Type: Satisfaction Piece
 Recorded Date: 09/29/2008 11:15:10 AM
 Instrument Number: 2008-5355

Transaction #: 137208
 Instrument Page Count: 2

RETURN TO:
 KERNS PEARLSTINE ONORATO HLADIK
 STEPHEN M HLADRIK
 425 W MAIN STREET
 LANSDALE, PA 19448

SUBMITTED BY:
 KERNS PEARLSTINE ONORATO HLADIK
 STEPHEN M HLADRIK
 425 W MAIN STREET
 LANSDALE, PA 19448

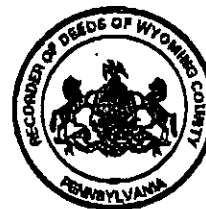
INSTRUMENT REFERENCE NAME: WP SANITARY COMPANY

FEES / TAXES:

RF:Satisfaction Piece	\$30.50
Miscellaneous Fee	\$5.00
Total:	\$35.50

Document Number: 2008-5355
Recorded Date: 09/29/2008

I hereby CERTIFY that this document
 is recorded in the Recorder's Office of
 Wyoming County, Pennsylvania



Dennis Montross

Dennis Montross
 Recorder of Deeds

**NOTE: If document data differs from cover sheet, document data always supersedes.
 *COVER PAGE MAY NOT INCLUDE ALL DATA, PLEASE SEE INDEX AND DOCUMENT
 FOR ANY ADDITIONAL INFORMATION.**

DO NOT REMOVE - THIS PAGE IS PART OF THE RECORDED DOCUMENT.

Prepared by and Return To: Lynn Jalbert
Bank of America, N.A.
CT2-515-BB-11
PO Box 2864
Hartford, CT 06101-8715
Phone: 860.409.5395

30
5 - antoinette

Pd Id 415004

MORTGAGE SATISFACTION PIECE

NAME OF MORTGAGOR: W. P. Sanitary Company, Inc. and W. P. Water Company, Inc.

NAME OF MORTGAGEE: Summit Bank n/k/a Bank of America, N.A.

PREMISES: Map number: 27-71.0-134-00

MADE THIS: September 12, 2008

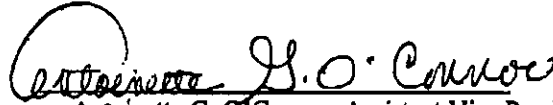
DATE OF MORTGAGE: March 16, 1998

Mortgage recorded in the Office of the Recorder of Deeds on the 10th of June 1998, in Wyoming County, Pennsylvania State in Mortgage Book 375, Page 898

THE UNDERSIGNED hereby certifies that the debt secured by the above mentioned mortgage has been fully paid or otherwise discharged and that upon the recording hereof said mortgage shall be and is hereby fully and forever satisfied and discharged.

WITNESS hand and sealed this 12th day of September, 2008

Bank of America, N.A.



Antoinette G. O'Connor, Assistant Vice President

ACKNOWLEDGEMENT

State of Connecticut)
County of Hartford)

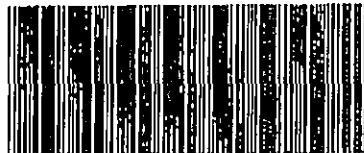
On this, the 12th day of September, 2008, before me the undersigned officer, personally appeared Antoinette G. O'Connor who acknowledged herself to be a Assistant Vice President of Bank of America, N.A., a corporation, and that she such Assistant Vice President, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by aAssistant Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal



N. ALEXIS VANTERPOOL
NOTARY PUBLIC
MY COMMISSION EXPIRES 9-30-2010

Wyoming County
 One Courthouse Square
 Tunkhannock, PA 18657
 570-886-2361



0139470-0008N

RECORDING COVER PAGE

Page 1 of 3

Instrument Type: Satisfaction Piece
Recorded Date: 09/29/2008 11:15:11 AM
Instrument Number: 2008-5356

Transaction #: 137208
Instrument Page Count: 2

RETURN TO:
 KERNS PEARLSTINE ONORATO HLADIK
 STEPHEN M HLADRIK
 425 W MAIN STREET
 LANSDALE, PA 19446

SUBMITTED BY:
 KERNS PEARLSTINE ONORATO HLADIK
 STEPHEN M HLADRIK
 425 W MAIN STREET
 LANSDALE, PA 19446

INSTRUMENT REFERENCE NAME: WP SANITARY COMPANY

FEES / TAXES:

RF:Satisfaction Piece	\$30.50
Miscellaneous Fee	\$5.00
Total:	\$35.50

Document Number: 2008-5356
Recorded Date: 09/29/2008

I hereby CERTIFY that this document is recorded in the Recorder's Office of Wyoming County, Pennsylvania



Dennis Montross
 Dennis Montross
 Recorder of Deeds

**NOTE: If document data differs from cover sheet, document data always supersedes.
 *COVER PAGE MAY NOT INCLUDE ALL DATA, PLEASE SEE INDEX AND DOCUMENT FOR ANY ADDITIONAL INFORMATION.**

DO NOT REMOVE - THIS PAGE IS PART OF THE RECORDED DOCUMENT.

Perpard by and Return To: Lynn Jalbert
Bank of America, N.A.
CT2-515-BB-11
PO Box 2864
Hartford, CT 06101-8715
Phone: 860.409.5395

Pd Id 415004

30 52
5. Ord copy

MORTGAGE SATISFACTION PIECE

NAME OF MORTGAGOR: W. P. Sanitary Company, Inc. and W. P. Water Company, Inc.

NAME OF MORTGAGEE: Summit Bank n/k/a Bank of America, N.A.

PREMISES: Map number 27-71.0-97-03-PU-0

MADE THIS: September 12, 2008

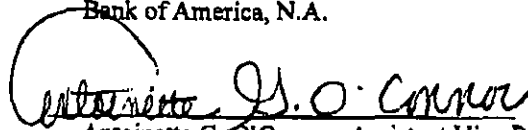
DATE OF MORTGAGE: March 16, 1998

Mortgage recorded in the Office of the Recorder of Deeds on the 18th of June 1998, in Wyoming County, Pennsylvania State in Mortgage Book 375, Page 903

THE UNDERSIGNED hereby certifies that the debt secured by the above mentioned mortgage has been fully paid or otherwise discharged and that upon the recording hereof said mortgage shall be and is hereby fully and forever satisfied and discharged.

WITNESS hand and sealed this 12th day of September, 2008

Bank of America, N.A.



Antoinette G. O'Connor, Assistant Vice President

ACKNOWLEDGEMENT

State of Connecticut)
County of Hartford)

On this, the 12th day of September, 2008, before me the undersigned officer, personally appeared Antoinette G. O'Connor who acknowledged herself to be a Assistant Vice President of Bank of America, N.A., a corporation, and that she such Assistant Vice President, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by a Assistant Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal



N. ALEXIS VANTERPOOL
NOTARY PUBLIC
MY COMMISSION EXPIRES 9-30-2010

OFFICIAL RECEIPT



Dennis Montross
RECORDER OF DEEDS
Wyoming County, Pennsylvania

10/01/2008 12:04:42 PM

RETURN TO:
PREATE ERNEST ESQ
MELLON PARK BUILDING SUITE 300
400 SPRUCE ST
SCRANTON, PA 18503

Receipt #:	0803514	Transaction #:	137298
Paid By:	PREATE ERNEST ESQ	Payment Comment:	WP
Collected By:	COUNTER	Collected Date:	10/01/2008 12:04:55 PM

Instrument Fees:			
<u>Instrument Number</u>	<u>Instrument Type</u>	<u>Record Date</u>	<u>Total</u>
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2008-5379	Satisfaction Piece	10/01/2008 12:04:56 PM	\$30.50

Transaction Fees:

Total Fees: \$61.00

Total Amount Paid: \$61.00

Total Amount Due: \$61.00

Change: \$0.00

<u>Payment Type</u>	<u>Check Number</u>	<u>Amount Paid</u>
Check	5344	\$61.00

RECORDER OF DEEDS
WYOMING COUNTY
Dennis Montross

CARL L
KRESGE
Wyoming
County

K. Busby Deputy
FILED
PROTHONOTARY
WYOMING COUNTY, PA

LAW OFFICES OF ALBERT & KAMAGE

2008 OCT -1 A 11:49

By: Joseph G. Albert, Esq. Attorney for Claimant
I.D. # 23930

Suite 201
458 Wyoming Avenue
Kingston, PA 18704
(570) 718-1313 telephone
(570) 718-1790 facsimile

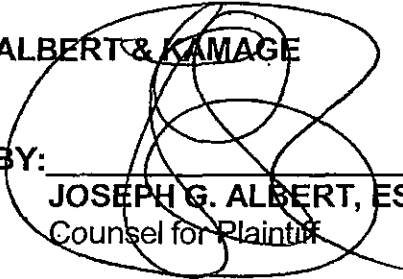
CARL L. KRESGE & SONS, INC.,	:	IN THE COURT OF COMMON PLEAS
Claimant	:	OF WYOMING COUNTY
vs.	:	MECHANICS LIEN
	:	
W.P. WATER COMPANY, INC.	:	
d/b/a WASHINGTON PARK	:	
WATER COMPANY and SLEEPY	:	
HOLLOW WATER COMPANY,	:	
Owner	:	No. 2008-286

PRAECIPE TO VACATE JUDGMENT AND DISCONTINUE

TO THE PROTHONOTARY:

Please vacate the Judgment and mark the above-captioned matter discontinued.

ALBERT & KAMAGE

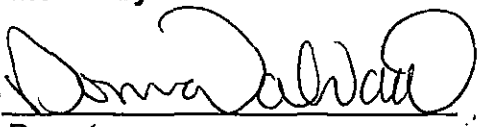
BY: 
JOSEPH G. ALBERT, ESQUIRE
Counsel for Plaintiff

Date: June 13th, 2008

ORDER

AND NOW, this 1 day of ^{October} June, 2008, the Judgment in the above captioned matter is vacated and marked discontinued.

Prothonotary

By: 
Deputy

Walter D. [Signature]
FILED
PROTHONOTARY
WYOMING COUNTY, PA

2008 OCT -1 A 11: 51

LAW OFFICES OF ALBERT & KAMAGE

By: Joseph G. Albert, Esq. Attorney for Claimant
I.D. # 23930

Suite 201
458 Wyoming Avenue
Kingston, PA 18704
(570) 718-1313 telephone
(570) 718-1790 facsimile

CARL L. KRESGE & SONS, INC., : IN THE COURT OF COMMON PLEAS
Claimant : OF WYOMING COUNTY
vs. : MECHANICS LIEN
W.P. SANITARY COMPANY, INC. :
d/b/a WASHINGTON PARK :
SANITARY COMPANY :
Owner : No. 2008-287

PRAECIPE TO VACATE JUDGMENT AND DISCONTINUE

TO THE PROTHONOTARY:

Please vacate the Judgment and mark the above-captioned matter discontinued.

Date: June ^{13th} ~~12th~~, 2008

ALBERT & KAMAGE

BY: *[Signature]*
JOSEPH G. ALBERT, ESQUIRE
Counsel for Plaintiff

ORDER

AND NOW, this ^{October} 1 day of June, 2008, the Judgment in the above captioned matter is vacated and marked discontinued.

Prothonotary

By: *[Signature]*
Deputy



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

IN REPLY PLEASE
REFER TO OUR FILE

October 8, 2008

SECRETARY'S BUREAU
PA PUBLIC UTILITY COMMISSION

OCT 8 - 8 2008

RECEIVED

Adm. Law Judge Ember S. Jandebaur
Pennsylvania Public Utility Commission
State Office Building – Room 317
100 Lackawanna Avenue
Scranton, PA 18503

Re: WP Water Company, Inc. and WP Sanitary Company, Inc.
Docket Nos. I-00070114, P-00072313, & A-230550F2000

DOCUMENT
FOLDER

Dear Judge Jandebaur:

Law Bureau Prosecutory Staff (LBPS) files this response to WP Water Company, Inc. and WP Sanitary Company, Inc.'s counsel's request that LBPS's motion be dismissed as moot. LBPS does not concur with this request at this time. LBPS requests that Your Honor hold your decision in this matter in abeyance until the parties submit the anticipated settlement agreement.

While LBPS agrees that the documents provided by Mr. Preate regarding the mortgages held by Bank of America do indicate that the mortgages are in fact satisfied and that these satisfactions were recorded in the appropriate county, we note that Aqua will likely need to perform another title search to confirm that these mortgages were properly marked satisfied. We anticipate Aqua performing another title search in the near future.

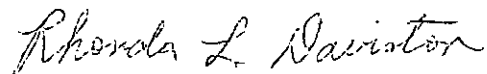
Regarding the liens held by Carl L. Kresge & Sons, LBPS does agree that the judgments relating to the three mechanics' liens appear to have been properly dismissed. However, regarding the two mortgages held by Carl L. Kresge & Sons, Mr. Preate only provided documentation showing that one of the two mortgages were marked satisfied. Again, we note that until Aqua's title search is completed and such search shows that all liens have been satisfied, removed or discontinued, LBPS is without information to form a belief as to the status of the liens.

Furthermore, LBPS's motion alleged that an affiliated interest agreement exists between the WP companies and Carl L. Kresge & Sons. LBPS sought to have these contracts between the WP companies and Carl L. Kresge & Sons declared null and void, as well as the mortgage and mechanics' liens held by Carl L. Kresge & Sons. The filing

of these satisfactions and the praecipes to vacate judgment and discontinue, do not address the affiliated contract issues raised.

However, LBPS agrees that upon closing, the sale of the WP companies' properties to Aqua will render the LBPS motion moot. As mentioned above, LBPS requests that Your Honor hold this matter in abeyance, at least until the parties submit a fully executed settlement agreement. Thank you for your attention to this matter.

Sincerely Yours,



Rhonda L. Daviston
Assistant Counsel

Enclosures

cc: Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 *et seq.* (relating to service by a participant).

Notification by first class mail addressed as follows:

Honorable Ember S. Jandebour
PA Public Utility Commission
Scranton Office Bldg. Room 317
100 Lackawanna Avenue
Scranton, PA 18503

Joseph J. Albert, Esquire
Albert & Kamage Suite 201
458 Wyoming Avenue
Kingston, PA 18704

Boyd Hughes Esquire
Hughes Nicholls O'Hara
1421 East Drinker Street
Dunmore, PA 18512-2614

Carl L. Kresge & Sons
1199 Laurel Run Road
Wilkes Barre, PA 18702

Christine Maloni Hoover Esquire
Darlene Wong Esquire
Erin Gannon Esquire
Office of Consumer Advocate
5th Floor Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923

Thomas T. Niesen Esquire
Thomas Long Niesan & Kennard
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Lance Zeyher, Esquire
PA Dept. of Environmental Protection
2 Public Square
Wilkes Barre, PA 18711-0790

Michael D. Klein Esquire
Dewey & Leboeff LLP Suite 1100
1101 New York Avenue, N.W.
Washington, D.C. 20005-4213

Anthony P. Litwin Esquire
24 East Tioga Street
Tunkhannock, PA 18657

Kimberly D. Borland Esquire
Borland & Borland LLP
11th Floor
69 Public Square
Wilkes Barre, PA 18701-2597

Ernest D. Preate, Jr. Esquire
Mellon Bank Building Suite 300
400 Spruce Street
Scranton, PA 18503

Rhonda L. Daviston

Rhonda L. Daviston
Assistant Counsel
PA Public Utility Commission

P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-5000

Dated: October 8, 2008