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**Seth A. Mendelsohn**  
Corporate Counsel

April 17, 2015

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

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of the water works property and rights of the Abbey Woods Homeowner Association to Pennsylvania-American Water Company; (2) the rights of Pennsylvania-American Water Company to furnish water service to the public in an additional portion of Jackson Township, Butler County, Pennsylvania. Docket No. A-2015-2470483**

Dear Ms. Chiavetta:

In response to Sean Donnelly's letter dated March 30, 2015, attached for e-filing is Pennsylvania-American Water Company's answers to the data requests regarding the above referenced docket number.

Respectfully,

Seth A. Mendelsohn

blg  
Enclosure

cc: S. Donnelly  
S. Nahf

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

**Data Request 1**

**Application of Pennsylvania-American Water Company (PAWC) Abbey Woods Homeowners Association at Docket No. A-2015-2470483**

**March 30, 2015**

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

A-1. Please state the size of the proposed additional service territory area in acres.

Response: The proposed additional service territory is approximately 84 acres.

A-2. The subject application's asset purchase agreement is uncertain as to whether the Abbey Woods water system's fire hydrants will be transferred to PAWC. Please confirm whether PAWC will acquire the subject hydrants at the closing for the Abbey Woods water distribution system.

Response: The Abbey Woods water system's fire hydrants will be transferred to PAWC at the closing.

A-3. Please state the length in feet of water main extension that will be needed to interconnect the Abbey Woods water distribution system to PAWC's existing water system.

Response: The water main extension to interconnect the Abbey Woods water distribution to PAWC's existing water system will be approximately 1,100 feet.

A-4. Please provide an itemized cost estimate for the construction of an interconnection between PAWC's existing water system to the Abbey Woods water distribution system.

Response: See below the itemized cost estimate for the construction of the interconnection.

Material & supplies	\$15,106
1,100 feet of pipe installation	15,950
315 cu. yds. of premium backfill	11,340
2 hydrants	600
Temporary paving	500
Permanent paving	1,575
Restoration	6,300
Thrust Restraint	1,500
Total Estimated Cost	<u>\$52,871</u>

A-5. Please state the anticipated construction schedule and anticipated completion date to interconnect the Abbey Woods water distribution system to PAWC's existing water system.

Response: The estimated construction time is approximately 2 weeks from start to finish. The completion date will set around the anticipated closing date.

A-6. Please list the permits that will be required to interconnect the Abbey Woods water distribution system to PAWC's existing water system along with the anticipated schedule for obtaining the permits.

Response: The only permit that will be required for the interconnect to the Abbey Woods water distribution system will be a Township Road Occupancy permit. PAW will file for the permit in the near future so that it will be obtained prior the construction start date.

A-7. Please state the PAWC staff and division that will operate and manage the Abbey Woods water distribution system and give the distance from the Abbey Woods water system to the division office that will be responsible for the operation and maintenance of Abbey Woods water distribution system.

Response: The PAWC staff of the New Castle/Ellwood District will operate and manage the Abbey Woods water system from the New Castle Operations Center located at 2736 Ellwood Road, New Castle, PA 16101 which is 20.2 miles from the Abbey Woods water system.

A-8. Please state the name of the individual or entity that paid for the construction of the Abbey Woods water system.

Response: The entities that paid for the construction of the Abbey Woods water system were Abbey Woods Development, Inc. and T.D. Kelly Company.

A-9. If the construction of the Abbey Woods water system was paid for by an individual or entity other than the Abbey Woods Homeowner Association, please state the terms and consideration paid to transfer the water system to the Abbey Woods Homeowner Association.

Response: The assignment of ownership of the water system from Abbey Woods Development, Inc. to Abbey Woods Homeowners Association completed in accordance with the Declaration of Covenants, Conditions, Reservations and Restrictions for the Abbey Woods Plan of Lots, dated March 20, 1996, and recorded in the Butler County (Pennsylvania) Recorder's Office at Deed Book Volume 2608, page 657 for the Abbey Woods Plan of Lots; the First Amendment to the Declaration, dated October 24, 2001 and recorded in the Recorder's Office at Instrument Number 200111050031543; the Assignment of Declaration, dated October 24, 2001 and recorded on November 5, 2001 in the Recorder's Office at Instrument Number 200111050031544; and the Second Amendment to Declaration, dated October 24, 2001 and recorded on November 5, 2001 in the Recorder's Office at Instrument Number 200111050031545. There was no

consideration paid to transfer the Abbey Woods water system to the Abbey Woods Homeowner Association.

A-10. Please provide a list of the developer's, or other entity's, contributions-in-aid of construction toward the Abbey Woods water system showing the original cost by the utility account and the year that the property was contributed.

Response: This information is unavailable at this time. As noted in Paragraph 7 of the PUC Application, PAWC will prepare an original cost study for the purposes of establishing the units of property, vintage, the book accumulated depreciation and the book depreciated original cost of the utility plant of Abbey Woods. As part of this study, all funding sources for the construction of the water utility assets will be reviewed and any funding identified a contributions-on-aid of construction will be reflected.

A-11. Please list any tapping fees (i.e., fees pertaining to the water system supply, treatment or distribution facilities) charged to an Abbey Woods Development lot purchaser to connect to the water system.

Response: This information is unavailable at this time. Refer to the response to A-10.

A-12. Please state the physical, operational and managerial improvements that will occur after closing along with the associated costs and anticipated improvements schedule.

Response: The Abbey Woods water system will be interconnected to our Ellwood City water distribution system which is supplied by Pennsylvania American Water's Ellwood City Treatment Plant (PWSID# 6370011). To improve the system we will be replacing approximately 1,100' of 2" PVC with 12" ductile iron so the entire development will be looped and fed by 8" and 12" ductile Iron pipe. The New Castle Ellwood Distribution System is managed by a group of 3 supervisors and 21 bargaining unit employees.  
The installation of 1,100 feet of pipe to replace the 2" PVC should take approximately 2 weeks and the estimated cost is \$52,871. Completion will be scheduled around the closing dates.

A-13. Please provide a copy of the current rate schedule for water service within the Abbey Woods Development.

Response: See attached the current rate schedule for water service within the Abbey Woods Development.

Association Fee = \$10.00/month

\$0.667/100 gallons for the first 9,000 gallons

Minimum charge (9,000 gallons or \$60.00 + \$10.00/month Association Fee) = \$70.00/month

\$3.80/100 gallons for 9,100 to 12,000 gallons

\$4.50/100 gallons for additional usage over 12,000 gallons

A-14. Please provide calculations identifying the cost a typical Abbey Woods customer currently pays for water service.

Response: The typical customer's water bill is \$70.00 per month based on usage of 5,500 gallons. This is based on the monthly minimum charge of \$70.00 that includes 9,000 gallons of water.

A-15. Please provide calculations identifying the cost a typical Abbey Woods customer will pay for water service after the proposed transfer to PAWC.

Response: The typical customer's water bill under PAWC's Zone 1 Rates will be \$71.77 after the transfer to PAWC. The calculations are as follows:

Customer Charge	\$15.00
Usage Charges (5.5 @ \$10.214)	<u>56.77</u>
	\$71.77

A-16. Please state the entity that provides wastewater service to the lot owners within the Abbey Woods Development.

Response: The Abbey Woods Homeowners Association owns and maintains a sewer system that provides wastewater service to the Abbey Woods Development.

A-17. Please provide calculations that provide the basis for the proposed revenues and expenses identified in the application's Exhibit L.

Response: The proposed revenues and expenses in Exhibit L were developed as follows:

**Estimated Revenue:**

No. of Customers	54
Annual Customer Charge	<u>\$180.00</u>
Total Customer Charge Revenue	\$9,720.00
Annual Consumption (thousand gallons)	3,600.0
Consumption Charge	<u>\$10.214</u>
	\$36,770.40
Total Estimated Residential Revenue	\$46,490.40
Fire Hydrants (6 x \$15.10 x 12)	<u>1,087.20</u>
Total Estimated Revenues	\$47,577.60

**Estimated Expenses:**

Water Production Costs	\$1,179.00
Postage	660.00
Maintenance	500.00
Miscellaneous	<u>500.00</u>
Total Estimated Expenses	\$2,839.00

A-18. Please state the age of the Abbey Woods water system.

Response: The age of the Abbey Woods water system is approximately 22 years.

A-19. Please state the municipal approval date of the Abbey Woods subdivision plan as well as state if the development was approved in phases.

Response: The Abbey Woods subdivision plan was approved by Jackson Township, Butler County, PA on May 24, 1995. The development was not approved in phases.

A-20. If the Abbey Woods subdivision plan was approved in phases, please state the final municipal approval date for each phase.

Response: Not applicable.

A-21. It appears the existing dwellings within the Abbey Woods Development consist of both townhomes and single family detached homes. Please state the total number of each type of existing dwelling.

Response: The Abbey Woods Development consists of 36 single family homes and 18 townhomes.

A-22. Please state the number of undeveloped lots remaining in the Abbey Woods Development by lot type (i.e., townhome and single family detached home).

Response: There is 1 undeveloped lot for a single family home remaining in the Abbey Woods Development.

A-23. The application's Exhibit H states the Abbey Woods resolutions are to be filed upon receipt. Please provide a signed copy of the Abbey Woods Homeowners Association's resolution to sell.

Response: Attached is a copy of Abbey Woods Homeowners Association's resolution, Exhibit H, that was filed with the Commission on March 13, 2015.

A-24. Please clarify who owns the road rights-of-ways within the Abbey Woods Development.

Response: The road rights-of-ways within the Abbey Woods Development are owned by the Township of Jackson, Butler County, PA.

A-25. The application's Schedule 4.8 does not include a list of right-of-ways or easements and instead states the schedule will be updated prior to closing. Please provide a list of rights-of-way and/or easements to be acquired.

Response: PAWC has retained a company to prepare a title commitment of the Abbey Woods development. Once the title commitment is complete, PAWC and the Abbey Woods HOA will execute any right-of-ways that are required prior to the closing date.

A-26. Please provide a map that depicts the location and describes the assets of the Abbey Woods water system.

Response: See attached the Abbey Woods water system map.

A-27. Please provide an inventory for the Abbey Woods water system assets that describe the assets and states their sizes and quantities.

Response: Based on information provided by Abbey Woods to PAWC, the following asset detail was provided:

8" DI Pipe	6,600'
2" PVC Pipe	800'
Services	54
Meters	54
Fire Hydrants	6

A-28. The application's Schedule 4.4.3 contains DEP Permits for the Abbey Woods water system that lists both the T.D. Kelly Company and the Abbey Woods Homeowner Association as the permittee. Please explain the T.D. Kelly Company's interest in the water system as well as the relationship between the T.D. Kelly Company and the Abbey Woods Homeowner Association.

Response: The Abbey Woods Homeowners Association owns and manages the water system and performs/submits all testing and reporting to the DEP. As stated previously, T.D. Kelly Company was one of the developers of Abbey Woods Plan of Lots and constructor of the water system, and as such may have been the original permittee. There is no current relationship between Abbey Woods Homeowners Association and T.D. Kelly Company.

A-29. Please state the permits needed to transfer the Abbey Woods water distribution system to PAWC along with the anticipated schedule to obtain the permits.

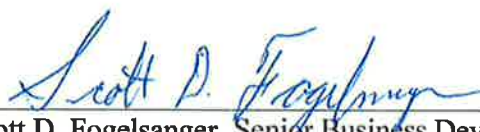
Response: Based on discussions with DEP, No permits are needed to transfer the Abbey Woods water distribution to PAWC.

A-30. Please state if the Abbey Woods Homeowner Association's has any outstanding debt related to its water system.

Response: The Abbey Woods Homeowner Association does not have any outstanding debt related to its water system.

## VERIFICATION

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



\_\_\_\_\_  
Scott D. Fogelsanger, Senior Business Development  
Manager

Dated: 4-16-15





PENNSYLVANIA  
AMERICAN WATER

**Seth A. Mendelsohn**  
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March 13, 2015

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

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of the water works property and rights of the Abbey Woods Homeowner Association to Pennsylvania-American Water Company; (2) the rights of Pennsylvania-American Water Company to furnish water service to the public in an additional portion of Jackson Township, Butler County, Pennsylvania. Docket No. A-2015-2470483**

Dear Ms. Chiavetta:

On March 4, 2015, PAWC filed the above referenced application. At that time, the Company did not include Exhibit H as part of the application filing. Attached please find Exhibit H and we ask that you accept and make this Exhibit H a part of the public record with this application.

Respectfully submitted,

Seth A. Mendelsohn

Enclosure

cc: Office of Consumer Advocate  
Office of Small Business Advocate  
Department of Environmental Protection

ABBEY WOODS HOMEOWNERS ASSOCIATION

RESOLUTION

AUTHORIZING THE APPROPRIATE OFFICERS OF THE ABBEY WOODS HOMEOWNERS ASSOCIATION TO EXECUTE AN AGREEMENT OF SALE WITH PENNSYLVANIA AMERICAN WATER COMPANY.

WHEREAS, at a special meeting of the Abbey Woods Homeowners Association ("Association"), held on January 20, 2015, the Board approved, by motion made, seconded and unanimously approved, to sell the water distribution system and its assets to Pennsylvania American Water Company ("PAWC").

NOW, THEREFORE, the Board of the Association hereby resolves as follows:

1. The Association shall sell the water distribution system and its assets to PAWC according to the terms and conditions of the Purchase Agreement.
2. Members of the Association will become customers of PAWC.
3. The appropriate officers of the Association are hereby authorized, empowered and directed on behalf of the Association to execute any and all papers and documents and to do and cause to be done any and all actions and things necessary or proper to execute or carry out the sale of the water distribution system and its assets to PAWC.
4. All resolutions or parts of resolutions inconsistent herewith are hereby rescinded, cancelled and annulled.

ATTEST:

  
Secretary

  
President Jeffrey L. Conrad

3/7/2015  
Date



**PENNSYLVANIA**  
PUBLIC UTILITY COMMISSION

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eFiling Confirmation	
Docket Number:	A-2015-2470483
Description:	PAWC application to acquire Abbey Woods Homeowner Association water system, Jackson Twp., Butler County
Transmission Date:	3/16/2015 11:13:35 AM
Filed On:	3/16/2015 11:13:35 AM
eFiling Confirmation Number:	1584167

### Uploaded File List

File Name	Document Class	Document Type
Abbey Woods Homeowners Association Application Exhibit H.pdf	Supporting Documentation	Application Updates/Revisions

# Abbey Woods Homeowners Association

