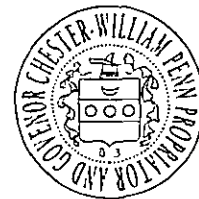




THE COUNTY OF CHESTER



COMMISSIONERS

Colin A. Hanna, Chairman
Karen L. Martynick
Andrew E. Dinniman

WILLIAM H. FULTON, AICP
Executive Director

PLANNING COMMISSION

Government Services Center, Suite 270
601 Westtown Road
P.O. Box 2747
West Chester, PA 19380-0990
610-344-6285
Fax: 610-344-6515

DOCKETED
FEB 23 2004

ORIGINAL

December 23, 2003

RECEIVED
03 DEC 31 AM 8:50
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utilities Commission
North Street and Commonwealth Avenue
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Application of Pennsylvania-American Water Company for approval of: (1) the transfer, by sale, of public water system within the Township of East Fallowfield, Chester County; (2) the transfer of the wastewater system of the Township of East Fallowfield, Chester County to Pennsylvania-American Water Company; and (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield, Chester County, Pennsylvania. Dockets No. A-212285F0115 and A-230073F0008.

Dear Mr. McNulty:

The Chester County Planning Commission (CCPC) is the designated planning agency for the County of Chester. A copy of the above referenced application was mailed to the Planning Commission by the Pennsylvania-American Water Company (PAWCo). Section 619.2 of Act 247 as amended states, "Commonwealth agencies shall consider and may rely upon comprehensive plans and zoning ordinances when reviewing applications for the funding or permitting of infrastructure or facilities." Upon completion of our review, and in consultation with the Chester County Water Resources Authority, we are providing you with comments on this application as they relate to land planning issues under Act 247. Please be advised that this letter is only intended to provide you with our comments regarding the application and is not intended as a letter of protest.

We acknowledge that PAWCo is seeking this addition to its territory with the support of East Fallowfield Township. We also acknowledge that based on the map included with the application, the existing PAWCo franchise territory for water and wastewater is adjacent to the proposed area. However, we have the following concerns:

1. The application's inconsistency with the Chester County Comprehensive Policy Plan Element known as *Landscapes*; and
2. The application's inconsistency with the East Fallowfield Draft Act 537 Sewage Facilities Plan dated October 2003.

DOCUMENT

30

1. Inconsistency with *Landscapes*

The *Landscapes* Comprehensive Plan was adopted by the County Board of Commissioners in July of 1996 with this vision for our future: **Preserve and enhance the unique character of Chester County landscapes by concentrating growth in the most appropriate areas.**

The 1996 Chester County Comprehensive Plan, *Landscapes* as amended, designates the area of the proposed additional territory as being in **Urban, Suburban, and Rural Landscapes**. The area also includes a **Natural Landscape Overlay** area. In reviewing this application, the Planning Commission finds that the additional water and wastewater service area requested by PAWCo south of Mortonville Road and east of Hephzibah Hill Road (see enclosed map), is inconsistent with the following Goals & Policies contained in *Landscapes*:

- A. Policy 1.3.3 listed under the Objectives for Rural Landscapes states: "Influence development by providing necessary sewer and water services to existing rural centers and villages while restricting these services in agricultural areas." The Livable Landscapes Map of Chester County – 2020 as amended depicts the area proposed for addition to PAWCo's service area as part of a Rural Landscape and Natural Landscape Overlay. The Rural Landscape is characterized by farms, farm related businesses, villages, and scattered housing sites. The Natural Landscape Overlay areas are typified by woodlands, stream corridors, steep hillsides, ridge tops, wetlands, and marshes. These resources are permanent and essential elements of the physical environment, and are the foundation of all landscapes. *Landscapes* encourages the preservation of these sensitive natural areas and discourages development from occurring in natural areas. The inclusion of the area described above in the proposed water and wastewater service territory is inconsistent with the characteristics of a Rural Landscape.
- B. Policy 6.1.3 listed under the *Landscapes* Utilities Goal states: "Restrict the extension of sewer and water facilities in Rural Landscapes." The extension of sewer facilities to these sites is inconsistent with the policy for utilities in the Rural Landscape.

Further, this area is excluded from the area identified within the application where PAWCo will expand its pipelines, apparently because no specific locations of need have as yet been identified for new service.

2. Inconsistency with Draft 537 Plan

The Planning Commission has recently reviewed the East Fallowfield Draft Act 537 Sewage Facilities Plan dated October 2003. This Plan was prepared by the Township to identify and select the preferred wastewater disposal approaches for areas of the Township. In the copy of the plan we received for review, portions of the proposed PAWCo wastewater territory expansion are identified by the Township to be served by individual on-lot systems in the Agricultural/Rural Area and either individual on-lot disposal systems or community systems in the Large Lot Single Family Detached and Large Lot Single Family Detached In-fill Areas. The recommendations set forth in the Draft 537 Plan are apparently inconsistent with PAWCo's application to expand their wastewater service territory.

Page: 3

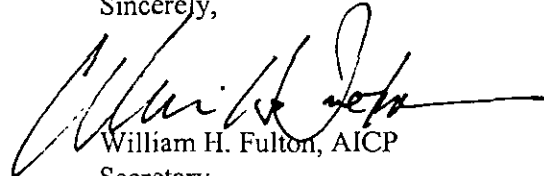
December 23, 2003

Re: PUC Review Dockets No. A-212285F0115 and A-230073F0008

While we understand that East Fallowfield Township is supporting PAWCo's application (Exhibit D), we recommend that the Township and East Fallowfield resolve these inconsistencies before action is taken on the application by the PUC.

Thank you for considering our comments.

Sincerely,



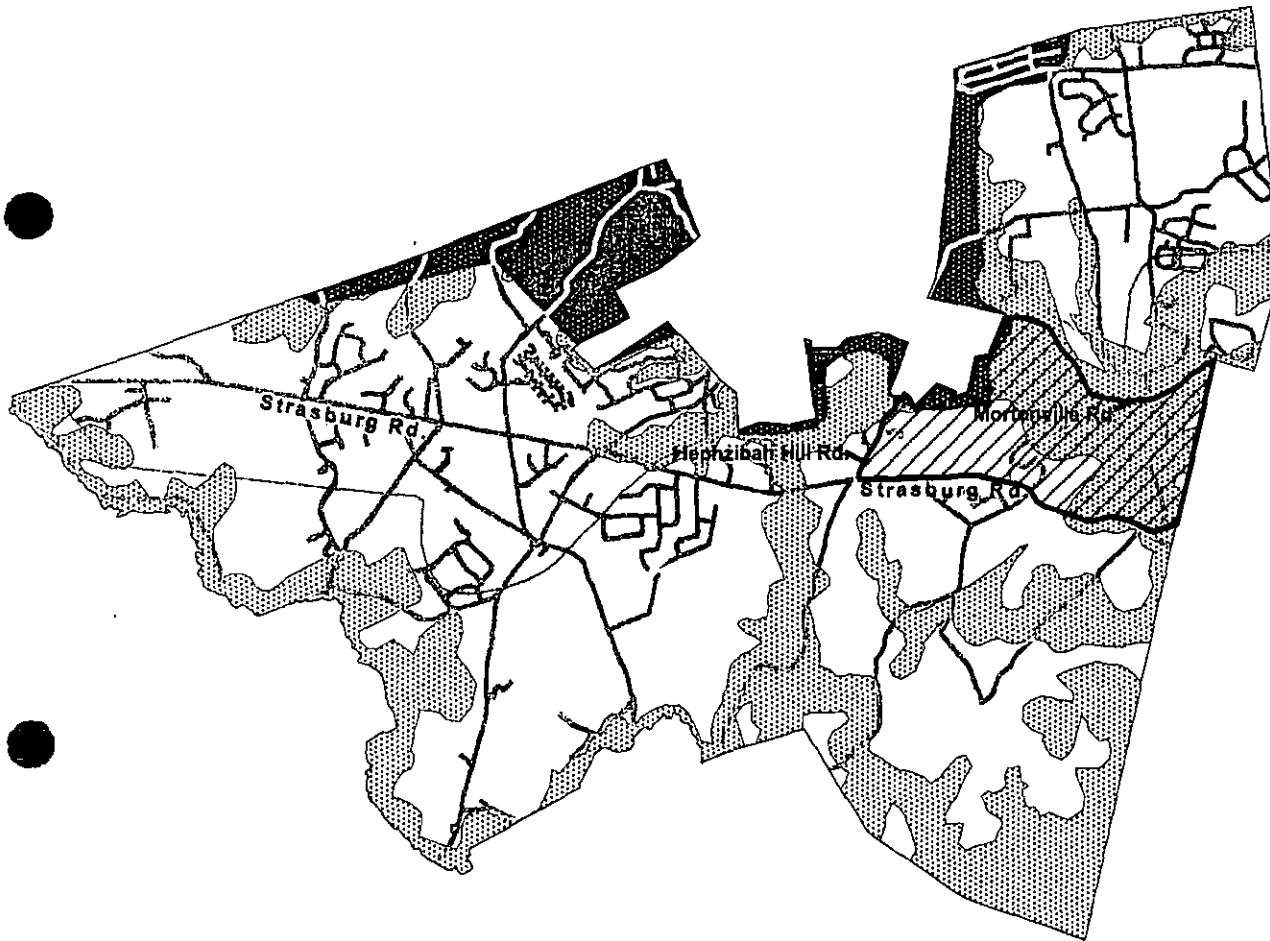
William H. Fulton, AICP
Secretary

WHF/CD/kp

Enclosures

cc: Wayne Rothermel, Chester County Commissioner's Office
Janet Bowers, Chester County Water Resources Authority
David Jackson, Chester County Health Department
Carl J. Engleman, Jr., Ryan, Russell, Ogden, & Seltzer LLP
Velma A. Redmond, PAWCo
Brian J. Hassinger, PAWCo
Robert A. Sparr, East Fallowfield Township Board of Supervisors
Clinton Cleaver, PADEP

Pennsylvania American Water Company
PUC Application
Docket No. A-212285F0115 and
Docket No. A-230073F0008
East Fallowfield Township
Chester Co., PA



 Area Not Recommended for Inclusion

 Roads

Livable Landscapes

 Rural

 Suburban

 Urban

 Natural Landscape Overlay Area

1" = 1 mile
1:63360



CCPC, December 2003

Sources:

Roads: Chester County Bureau of Land Records, 2003.

Livable Landscapes: Chester County Planning Commission, 2003.



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

IN REPLY PLEASE
REFER TO OUR FILE

January 6, 2004

DOCKETED
APR 11 2005

CARL J ENGLEMAN JR ESQ
RYAN RUSSELL OGDEN & SELTZER LLP
SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING PA 19610-1222

Re: Application of Pennsylvania-American Water Company for approval of (1) the transfer, by sale of public water system within the Township of East Fallowfield, Chester County, Pennsylvania; (2) the transfer of the wastewater system of the Township of East Fallowfield, Chester County, Pennsylvania; (3) the right of Pennsylvania American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield Township, Chester County, Pennsylvania; and (4) the water and wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania American Water Company

Docket Nos. A-212285F0115, A-230073F0008, U-00035002 and U-00035003

Dear Mr. Engleman:

In order for us to complete our analysis of the aforementioned filings, the Water/Wastewater Industry Group requires answers to the enclosed data requests. This information is necessary for completion of our recommendation to the Commission.

An early and expeditious conclusion of your requested application is dependent upon full and responsive answers to the enclosed data requests which should be received by this office no later than ten (10) working days from the date of this letter.

Answers to these data requests need not be typed but restate each data request and its corresponding number before answering. Internal and informal worksheets, as long as they are legible, will suffice. It is requested that three (3) copies of the data requests be provided to:

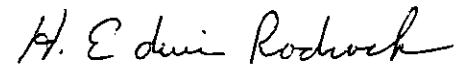
Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Attention: J. Elaine McDonald / (717) 787-1869
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

**DOCUMENT
FOLDED**

If any problems should arise that prevent a full response within ten (10) working days, or any clarification of these data requests is required, please contact the above staff person. Thank you for your cooperation in the foregoing matter.

Sincerely,

A handwritten signature in cursive script that reads "H. Edwin Rodrock".

H. Edwin Rodrock, Supervisor
Water/Wastewater Industry Group
Bureau of Fixed Utility Services

cc: Velma A. Redmond, Esq.

Enclosure

**BUREAU OF FIXED UTILITY SERVICES
Water/Wastewater Industries**

DISCOVERY

Application of Pennsylvania-American Water Company for approval of (1) the transfer, by sale of public water system within the Township of East Fallowfield, Chester County, Pennsylvania; (2) the transfer of the wastewater system of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-America Water Company; (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield Township, Chester County, Pennsylvania; and (4) the water and wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company

Docket Nos. A-212285F0115, A-230073F0008, U-00035002 and U-00035003

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

RE-1. The Agreement states that East Fallowfield Township (Township) will sell substantially all the assets and other rights of the Township used in connection with its water and wastewater systems. Provide a list of those assets and other rights that the Township will retain.

RE-2. Provide a breakdown of the annual expenses Pennsylvania-American Water Company (PAWC) has incurred for operating and maintaining the Township's water and wastewater system since PAWC's acquisition of the City of Coatesville Authority's systems in 2001. How much does PAWC pay annually to lease systems?

RE-3. Provide the book value for both the water and wastewater system broken down by asset classification, i.e., plant, land, real property, etc. Justify the sale price of \$1.

RE-4. Identify the developments off Martingale Circle/Sawmill Road and Bailey Road as shown on "Exhibits B-1 and B-2." Do these developments currently receive wastewater service from PAWC? Will these developments receive water service from PAWC upon approval of the application? If so, how many customers will PAWC gain?

RE-5. Regarding the Scott Development, Beagle Development and the Mendenhall Development:

1. Provide a complete description of the facilities that will be installed for each water and sewer main extension, including cost.
2. How will these main extensions be funded?
3. Who will be responsible for the installation of these facilities? Who will own these facilities?
4. Are main extension agreements with the developers of these developments required? If yes, provide copies.
5. Who will pay for the hydrants and their installation? How will this service be billed under PAWC's tariff?
6. What is the expected annual water usage for these developments?
7. Have all the necessary approvals been received from local government officials and state governmental agencies for these developments? If not, when do you anticipate approvals to be received?
8. Has the County of Chester found these developments to be acceptable to the Chester County Comprehensive Plan *Landscapes*?

RE-6. Regarding the sewer and water line extensions in Section 3.3(d) of the Agreement:

1. Provide a complete description of the wastewater line extension in the Cardinal Drive Area, including cost.
2. Has construction begun on the off-site developer funded facilities? If not, when will construction begin? What will be the total cost for constructing these facilities? Who will own these facilities upon completion?
3. Provide a complete description of the water line extension in the Strasburg Road area. Will fire hydrants be installed along this extension? If so, who will pay for the hydrants and their installation. How will this service be billed under PAWC's tariff?
4. Schedule 3.3(d)B states that PAWC will install up to \$350,000 of water main along Strasburg Road. How will this main be funded?
5. How many customers will PAWC gain from the installation of the water main along Strasburg Road? What is the timeframe for adding these customers to the system?
6. Has the Township enacted a mandatory tap-in ordinance?

RE-7. The requested service territory outlined on "Exhibits B-1 and B-2" shows areas that fall outside the range of the Scott Development, Beagle Development and Mendenhall Development.

1. Provide a description of the area outside these developments.
2. How many potential customers would PAWC acquire upon receiving approval to serve these areas?
3. Has a request for water service been received for these areas?
4. Provide justification for receiving approval to provide service in the areas located outside of the proposed developments.

5. Do Township and County officials, as well as the Department of Environmental Protection, approve of PAWC's request to serve these areas?
- RE-8. On Exhibit B-2, the proposed territory borders an area called "Modena". Explain this territory. Who currently provides water/wastewater service there?
- RE-9. The Agreement states that the "Systems and Assets do not include any community system not part of or connected to the Water System or Wastewater System." Does the Township own such a community system(s)? If so, state the intended disposition of this system(s)
- RE-10. Schedule 1.3 of the Agreement lists land as an asset to be transferred.
1. How many acres does this entail?
 2. What assets are situated on this land?
 3. Provide a map that positions the franchise territory of the former Chester County Utilities, Ltd. Who currently owns the franchise territory? Who provides wastewater service to this territory?
- RE-11. Provide a list of assets associated with the Strasburg Hills Water and Sewer District #2 and #2A.
- RE-12. Provide a map showing Water District #2B and list any assets associated with this District.
- RE-13. Regarding Schedule 1.3, explain the statement "Willow Rock and other existing residential properties on Rebecca and Elizabeth Drives, Hannum Drive and the western side of Park Avenue - water only (District #2B)."
- RE-14. Provide a list of all the contracts, agreements, leases, etc. as stated in Paragraph 1.3(d) of the Agreement. Will any of these items need Commission approval?
- RE-15. Has the revised 537 Plan for the wastewater treatment plant upgrade been approved by the Department of Environmental Resources? If not, when do you anticipate receiving approval?
- RE-16. Has the Township received all the necessary approvals, authorizations, consents and permits required for the sale of these assets?
- RE-17. Provide a copy of the notice that was published in the local newspapers and a Certificate of Publication. Also, provide a copy of the Certificate of Service confirming that the application has been served upon the appropriate parties, as per the Secretary's letter of December 3, 2003.

RE-18. Who provides water and wastewater service to the balance of the Township outside PAWC's territory and requested territory?

RE-19. Page 10 of the Agreement states that PAWC will make refunds to the Township over a 10 year period after the start-up of the booster station required to service the Robins Cove Development.

1. Provide a map showing the location of the Robins Cove Development.
2. When will construction of the booster station begin?
3. What will be the approximate cost for building the booster station?
4. When will upgrade to East End trunk line be completed? What will be cost of this upgrade?

ORIGINAL

LAW OFFICES

RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222

TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM

January 21, 2004

HARRISBURG OFFICE

SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025

TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

VIA UPS OVERNIGHT

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

DOCUMENT
FOLDER

RECEIVED

JAN 21 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: In Re Application of Pennsylvania-American Water Company for
Approval of (1) the Transfer, by Sale of Public Water System
Within the Township of East Fallowfield, Chester County,
Pennsylvania; (2) Transfer of the Wastewater System of the
Township of East Fallowfield, Chester County, Pennsylvania to
Pennsylvania-American Water Company; (3) the Right of
/Pennsylvania-American Water Company to Begin to Offer and
Furnish Water and Wastewater Service to the Public in Additional
Areas of East Fallowfield, Chester County, Pennsylvania; and (4)
the Water and Wastewater Service and Asset Purchase Agreement
between the Township of East Fallowfield, Chester County,
Pennsylvania and Pennsylvania-American Water Company
Docket Nos. A-212285F0115; U-00035002;
A-230073F0008; and U-00035003

Dear Secretary McNulty:

Enclosed for filing by Pennsylvania-American Water Company are an
original and three (3) copies of a Certificate of Service in the above-referenced matter
evidencing service of an Application upon all parties of record.

If you have any questions, please contact me.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP



Carl J. Engleman, Jr.

Enclosures
CJE:jab

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re Application of Pennsylvania-American:
Water Company for Approval of (1) the :
Transfer, by Sale of Public Water System :
Within the Township of East Fallowfield, :
Chester County, Pennsylvania; (2) Transfer :
of the Wastewater System of the Township :
of East Fallowfield, Chester County, :
Pennsylvania to Pennsylvania-American :
Water Company; (3) the Right of :
Pennsylvania-American Water Company :
to Begin to Offer and Furnish Water :
and Wastewater Service to the Public in :
Additional Areas of East Fallowfield, :
Chester County, Pennsylvania; and (4) :
the Water and Wastewater Service and Asset:
Purchase Agreement between the Township :
of East Fallowfield, Chester County, :
Pennsylvania and Pennsylvania-American :
Water Company :

DOCKETED
MAR 11 2004

Docket Nos.
A-212285F0115; U-00035002;
A-230073F0008; U-00035003

RECEIVED

JAN 21 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Application upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by UPS Overnight, postage prepaid, addressed as follows:

Aqua America, Inc.
762 W Lancaster Avenue
Bryn Mawr, PA 19010

Pennsylvania Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Pennsylvania Department of
Environmental Protection
Southeast Regional Office
Lee Park, Suite 6010555
North Lane
Conshohocken, PA 19428
Attn: Water Supply Program

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

**DOCUMENT
FOLDER**

County of Chester Planning Commission
 Government Services Center, Suite 270
 601 Westtown Road
 P.O. Box 2747
 West Chester, PA 19380-0990

Borough of South Coatesville - Sewer
 136 Modena Road
 Coatesville, PA 19320
 Attn: Greg Hines, Council President

Borough of Modena – Sewer
 P.O. Box 116
 Modena, PA 19358-0116


Valley Township – Water & Sewer
 P.O. Box 467
 Coatesville, PA 19320
 Attn: Board of Supervisors

Sadsbury Township – Sewer
 P.O. Box 261
 Sadsburyville, PA 19369-0261
 Attn: Ralph T. Garris, Jr., Chairman

Vincent M. Pompo, Esquire
 Lamb, Windle & McLarnie P.C.
 24 East Market Street
 P.O. Box 565
 West Chester, PA 19381-3322
 Counsel for East Fallowfield Township

County of Chester
 Government Services Center
 601 Westtown Road
 West Chester, PA 19380-0990

Dated: January 21, 2004


 Jeffrey A. Franklin
 Carl J. Engleman, Jr.
 RYAN, RUSSELL, OGDEN & SELTZER LLP
 1105 Berkshire Boulevard, Suite 330
 Wyomissing, Pennsylvania 19610-1222
 (610) 372-4761

Attorneys for
 Pennsylvania-American Water Company

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222

TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM

January 22, 2004

HARRISBURG OFFICE

SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025
TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

VIA UPS OVERNIGHT

Attn: J. Elaine McDonald
Bureau of Fixed Utility Services
Water/Wastewater Industry Group
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

DOCUMENT
FOLDER

Re: In Re Application of Pennsylvania-American Water Company for Approval of (1) the Transfer, by Sale of Public Water System Within the Township of East Fallowfield, Chester County, Pennsylvania; (2) Transfer of the Wastewater System of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (3) the Right of /Pennsylvania-American Water Company to Begin to Offer and Furnish Water and Wastewater Service to the Public in Additional Areas of East Fallowfield, Chester County, Pennsylvania; and (4) the Water and Wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company
Docket Nos. A-212285F0115; U-00035002;
A-230073F0008; and U-00035003

Dear Ms. McDonald:

Enclosed please find three (3) copies of Answers to Data Requests received by our office on January 12, 2004.

If you have any questions, please feel free to contact me.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP



Carl J. Engleman, Jr.

Enclosures
CJE:jab

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re Application of Pennsylvania-American:
Water Company for Approval of (1) the :
Transfer, by Sale of Public Water System :
Within the Township of East Fallowfield, :
Chester County, Pennsylvania; (2) Transfer :
of the Wastewater System of the Township :
of East Fallowfield, Chester County, : Docket Nos.
Pennsylvania to Pennsylvania-American : A-212285F0115; U-00035002;
Water Company; (3) the Right of : A-230073F0008; U-00035003
Pennsylvania-American Water Company :
to Begin to Offer and Furnish Water :
and Wastewater Service to the Public in :
Additional Areas of East Fallowfield, :
Chester County, Pennsylvania; and (4) :
the Water and Wastewater Service and Asset:
Purchase Agreement between the Township :
of East Fallowfield, Chester County, :
Pennsylvania and Pennsylvania-American :
Water Company :


CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Answers on behalf of Pennsylvania-American Water Company to Data Requests upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by UPS Overnight, postage prepaid, addressed as follows:

J. Elaine McDonald, Bureau of Fixed Utility Services
Water/Wastewater Industry Group
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

Dated: January 22, 2004



Jeffrey A. Franklin
Carl J. Engleman, Jr.
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Pennsylvania-American Water Company

Discovery

Application of Pennsylvania-American Water Company for approval of (1) the transfer, by sale of public water system within the Township of East Fallowfield, Chester County, Pennsylvania; (2) the transfer of the wastewater system of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield Township, Chester County, Pennsylvania; and (4) the water and wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company

Docket Nos. A-212285F0115, A-230073F0008, U-00035002 and U-00035003

RE-1. The Agreement states that East Fallowfield Township (Township) will sell substantially all the assets and other rights of the Township used in connection with its water and wastewater systems. Provide a list of those assets and other rights that the Township will retain.

RESPONSE: Pennsylvania-American Water Company (PAWC) is not aware of any assets pertaining to the water and wastewater system that the Township will retain.

RE-2. Provide a breakdown of the annual expenses Pennsylvania-American Water Company (PAWC) has incurred for operating and maintaining the Township's water and wastewater system since PAWC's acquisition of the City of Coatesville Authority's systems in 2001. How much does PAWC pay annually to lease systems?

RESPONSE: PAWC does not maintain accounting of annual expenses for each specific municipality in the Coatesville service area. Costs are based upon average water and sewer operation and maintenance for the entire Coatesville system. The annual expenses for water and sewer are estimated to be \$126,000 and \$74,000, respectively. There are currently 653 water customers and 518 sewer customers within the Township. PAWC pays no annual fee to lease the Township's systems.

RE-3. Provide the book value for both the water and wastewater system broken down by asset classification, i.e. plant, land, real property, etc. Justify the sale price of \$1.

RESPONSE: The Original Cost study is in process. The Company will forward a copy to the Commission, upon completion. Nevertheless, given the quantity and quality of assets involved and the Company's familiarity with those assets under the existing

**DOCUMENT
FOLDER**

lease agreements, the Company is confident that the Original Cost study will support the sale price of \$1.

RE-4. Identify the developments off Martingale Circle/Sawmill Road and Bailey Road as shown on "Exhibits B-1 and B-2". Do these developments currently receive wastewater service from PAWC? Will these developments receive water service from PAWC upon approval of the application? If so, how many customers will PAWC gain?

RESPONSE: The developments do not currently receive wastewater service from PAWC. At a future date discussions may be held with residents concerning water and wastewater service for the development along Martingale Circle/Sawmill Road. PAWC did not request water or wastewater service territory for the existing development located on Bailey Road.

RE-5. Regarding the Scott Development, Beagle Development and Mendenhall Development:

1. Provide a complete description of the facilities that will be installed for each water and sewer main extension, including cost.

RESPONSE: Mendenhall Development

sewer gravity main	4,890ft.	\$452,000
sewer force main	3,595ft.	\$211,000
water main	11,685 ft	\$791,000
sewer pump station		\$307,000

The Scott and Beagle developments are in design and engineering stages and utility plans have not been provided to PAWC. Therefore details and costs cannot be provided at this time.

2. How will these main extensions be funded?

RESPONSE: The water and sewer main extensions will be completed in accordance with Extension Deposit Agreements and PAWC's tariff.

3. Who will be responsible for the installation of these facilities? Who will own these facilities?

RESPONSE: PAWC will install the water facilities in accordance with the Extension Deposit Agreement. The developer will install the wastewater facilities in accordance with the Extension Deposit Agreement. The facilities will be owned by PAWC.

4. Are main extension agreements with the developers of these developments required? If yes, provide copies.

RESPONSE Main extension agreements are required and will be completed in the future in accordance with PAWC's tariff.


5. Who will pay for the hydrants and their installation? How will this service be billed under PAWC's tariff?

RESPONSE: PAWC will pay for the installation and maintenance of the hydrants. The hydrants will be billed in accordance with PAWC's tariff.

6. What is the expected annual water usage for these developments?

RESPONSE: The annual water usage for the 363 customers will be approximately 21,780,000 gallons based upon 15,000 gallons per quarter consumption.

7. Have all the necessary approvals been received from local government officials and state governmental agencies for these developments? If not, when do you anticipate approvals to be received?


RESPONSE: The developers for the Scott and Beagle developments expect all approvals by December 2004. Mendenhall development has received local approvals and is awaiting Pennsylvania Department of Environmental Protection ("PaDEP") approval. 

8. Has the County of Chester found these developments to be acceptable to the Chester County Comprehensive Plan *Landscapes*?

RESPONSE: Chester County Planning Commission sent a letter to the Pennsylvania Public Utility Commission dated December 23, 2003 that provided comments to the PAWC Application. They have raised a concern with water and sewer service being provided to an area in the southeast corner of the Township that is bordered by Hephzibah Road, Mortonville Road, Strasburg Road and the Township line. The Mendenhall, Beagle and Scott developments do not fall within this area of concern.

RE-6. Regarding the sewer and water line extensions in Section 3.3(d) of the Agreement:

1. Provide a complete description of the wastewater line extension in the Cardinal Drive area, including costs.

RESPONSE: The Cardinal Drive sewer project will consist of approximately 8,000 feet of sewer gravity main. The projected cost of construction is \$600,000. 

2. **Has construction begun on the off-site developer funded facilities? If not, when will construction begin? What will be the total cost for constructing these facilities? Who will own these facilities upon completion?**

RESPONSE: Construction has not begun on the off-site developer funded facilities. PAWC expects construction to begin in the fall of 2004. It is estimated the facilities will cost \$300,000. PAWC will own the facilities upon completion of the project.

3. **Provide a complete description of the water line extension in the Strasburg Road area. Will fire hydrants be installed along this extension? If so, who will pay for the hydrants and their installation? How will this service be billed under PAWC's tariff?**

RESPONSE: The Township needs to complete a survey of the residents along Strasburg Road to determine the exact location of the main. It is expected that the main will be installed between Mt. Carmel Road and Route 82. Fire hydrants will be installed and paid for by PAWC. The hydrants will be billed as Public Fire Hydrants in accordance with PAWC's tariff.

4. **Schedule 3.3(d)B states that PAWC will install up to \$350,000 of water main along Strasburg Road. How will this main be funded?**

RESPONSE: The main will be installed at PAWC's cost.

5. **How many customers will PAWC gain from the installation of the water main along Strasburg Road? What is the time frame for adding these customers to the system?**

RESPONSE: PAWC will gain approximately 50 customers including an elementary school located at the intersection of Route 82 and Strasburg Road. The customers will be added upon activation of the water main.

6. **Has the Township enacted a mandatory tap-in ordinance?**

RESPONSE: The Township has not enacted a mandatory tap-in ordinance as of the writing of this response.

RE-7. The requested service territory outlined on "Exhibits B-1 and B-2" shows are that fall outside the range of the Scott Development, Beagle Development and Mendenhall Development.

1. **Provide a description of the area outside these developments.**

RESPONSE: Attached is a map that shows the boundaries of the Mendenhall, Beagle, and Scott developments.

2. How many potential customers would PAWC acquire upon receiving approval to serve these areas?

RESPONSE: No specific request for service has been received for the areas outside of the three developments. ~~The Township has requested that PAWC have the ability to serve these areas since they have received~~ ← “numerous complaints over the years concerning water well yields and septic systems”, as stated in their letter to the PUC dated September 30, 2003.

3. Has a request for water service been received for these areas?

RESPONSE: The Township has determined that there is a need for water and sewer service based upon well and septic complaints received from citizens. A letter from the Township to the PUC has been attached in Exhibit D of the application.

4. Provide justification for receiving approval to provide service in the areas located outside of the proposed developments.

RESPONSE: The Township has provided a letter in support of the Application and the County has provided its comments.

5. Do Township and County officials, as well as the Department of Environmental Protection, approve of PAWC's request to serve these areas?

RESPONSE: The Township has provided a letter in support of the Application. The Chester County Planning Commission provided a letter to the PUC on December 23, 2003 that provided comments to the Application. The Pennsylvania Department of Environmental Protection has been served with a copy of the Application, but has not issued any comments or approvals as of this date.

RE-8. On Exhibit B-2, the proposed territory borders an area called “Modena”. Explain this territory. Who currently provides water/wastewater service there?

RESPONSE: The Borough of Modena consists of approximately 200 households and a population of 610 as per the 2000 census. The Borough of South Coatesville currently provides wastewater service to Modena and there is no public water service within the community.

RE-9. The Agreement states that the “Systems and Assets do not include any community system not part of or connected to the Water System or

**Wastewater System." Does the Township own such a community system(s)?
If so, state the intended disposition of this system(s).**

RESPONSE: PAWC is not aware of any Township owned community systems.

**RE-10. Schedule 1.3 of the Agreement lists land as an asset to be transferred.
How many acres does this entail?**

RESPONSE: Schedule 1.3 is a description of water and sewer districts that PAWC provides service to. There is no land being transferred to PAWC from the Township. ?

1. What assets are situated on this land.

RESPONSE: Water and sewer facilities are within the service districts.

**2. Provide a map that positions the franchise territory of the former
Chester County Utilities, Ltd. Who currently owns the franchise
territory? Who provides wastewater service to this territory?**

RESPONSE: Attached is a map that has been copied from the Water and Sewer District #1 Agreement between the City of Coatesville and the Township, dated July 25, 1991. This map shows the franchise territory for Chester County Utilities, LTD (CCU). One of the purposes of this Agreement was to allow the City of Coatesville to provide sewer service within the development that CCU provided water service to. At a later date the City of Coatesville purchased the water system of CCU. PAWC through the acquisition of the City of Coatesville Authority has the right to provide both water and sewer service to the prior franchise area of CCU.

**RE-11. Provide a list of assets associated with the Strasburg Hills Water and Sewer
District #2 and #2A.**

RESPONSE: The Sewer District #2 was renamed #2A in the December 9, 1992 Agreement between the City of Coatesville and the Township.
List of Assets for Sewer Districts #2A(formerly labeled #2).

1,200 ft.	4" water main
825ft.	6" water main
2,450ft.	8" water main
6,400ft.	8" sewer gravity main
486ft.	2" sewer force main
258ft.	2.5" sewer force main

**RE-12. Provide a map showing Water District #2B and List any assets associated
with this District.**

RESPONSE: Attached is a map which has been copied from the December 9, 1992 Agreement between City of Coatesville Authority and the Township. The map describes Districts #2A and #2B. The assets within District #2B are 4,850ft. of 8" water main.


RE-13. **Regarding Schedule 1.3, explain the statement "Willow Rock and other existing residential properties on Rebecca and Elizabeth Drives, Hannum Drive and the western side of Park Avenue - water only (District #2B)."**

RESPONSE: This is a description for District #2B that is one of the areas subject to the current lease agreement with the Township.


RE-14. **Provide a list of all the contracts, agreements, leases, etc. as stated in Paragraph 1.3(d) of the Agreement. Will any of these items need Commission approval?**

RESPONSE: None. 

RE-15. **Has the revised 537 Plan for the wastewater treatment plant upgrade been approved by the Department of Environmental Resources? If not, when do you anticipate receiving approval?**

RESPONSE: The revised Act 537 Plan has recently been submitted to PaDEP. PAWC anticipates approval by the end of 2004. 

RE-16. **Has the Township received all the necessary approvals, authorizations, consents and permits required for the sale of these assets?**

RESPONSE: To the best of PAWC's knowledge the Township has received all the necessary approvals, authorizations, consents, and permits for sale of the assets. 

RE-17. **Provide a copy of the notice that was published in the local newspapers and a Certificate of Publication. Also, provide a copy of the Certificate of Service confirming that the application has been served upon the appropriate parties, as per the Secretary's letter of December 3, 2003.**

RESPONSE: A copy of the notice that was published is attached. The affidavit will be submitted upon receipt. Also attached is the Certificate of Service confirming the service of the filing upon the appropriate parties.

RE-18. **Who provides water and wastewater service to the balance of the Township outside PAWC's territory and requested territory?**

RESPONSE: There are no other public wastewater providers within the Township. Pennsylvania Suburban Water Company (aka, Aqua America, Inc.) provides water service to one small existing development located on Bailey Road at the Township easterly boundary. There are no other public water providers within the Township.

RE-19. Page 10 of the Agreement states that PAWC will make refunds to the Township over a 10 year period after the start-up of the booster station required to service the Robins Cove Requirement.

1. Provide a map showing the location of the Robins Cove Development.

RESPONSE: The Robins Cove Development is shown on the map that PAWC provided in response to RE-7.1.

2. When will construction of the booster station begin?

RESPONSE: Construction of the booster is expected to begin in the first quarter of 2004.

3. What will be the approximate cost for building the booster station?

RESPONSE: The estimated cost for construction of the booster station is \$280,000.

4. When will upgrade to East End trunk line be completed? What will be the cost of this upgrade.

RESPONSE: Construction of the East End Trunk Line will be completed by the end of 2004. The estimated cost of the project is \$200,000.

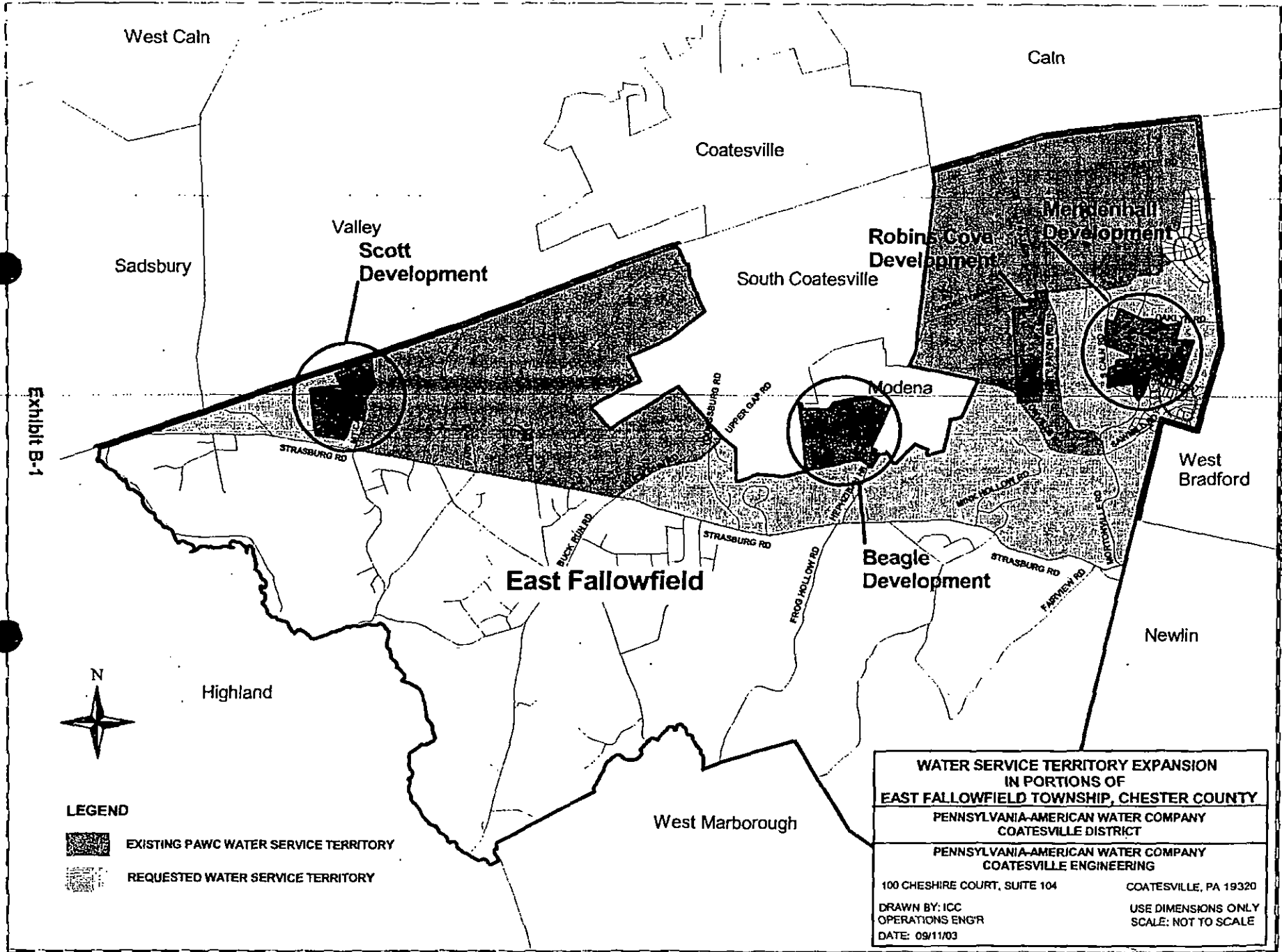




Exhibit B-1

Response to KE-7(1)

LEGEND

-  EXISTING PAWC WATER SERVICE TERRITORY
-  REQUESTED WATER SERVICE TERRITORY

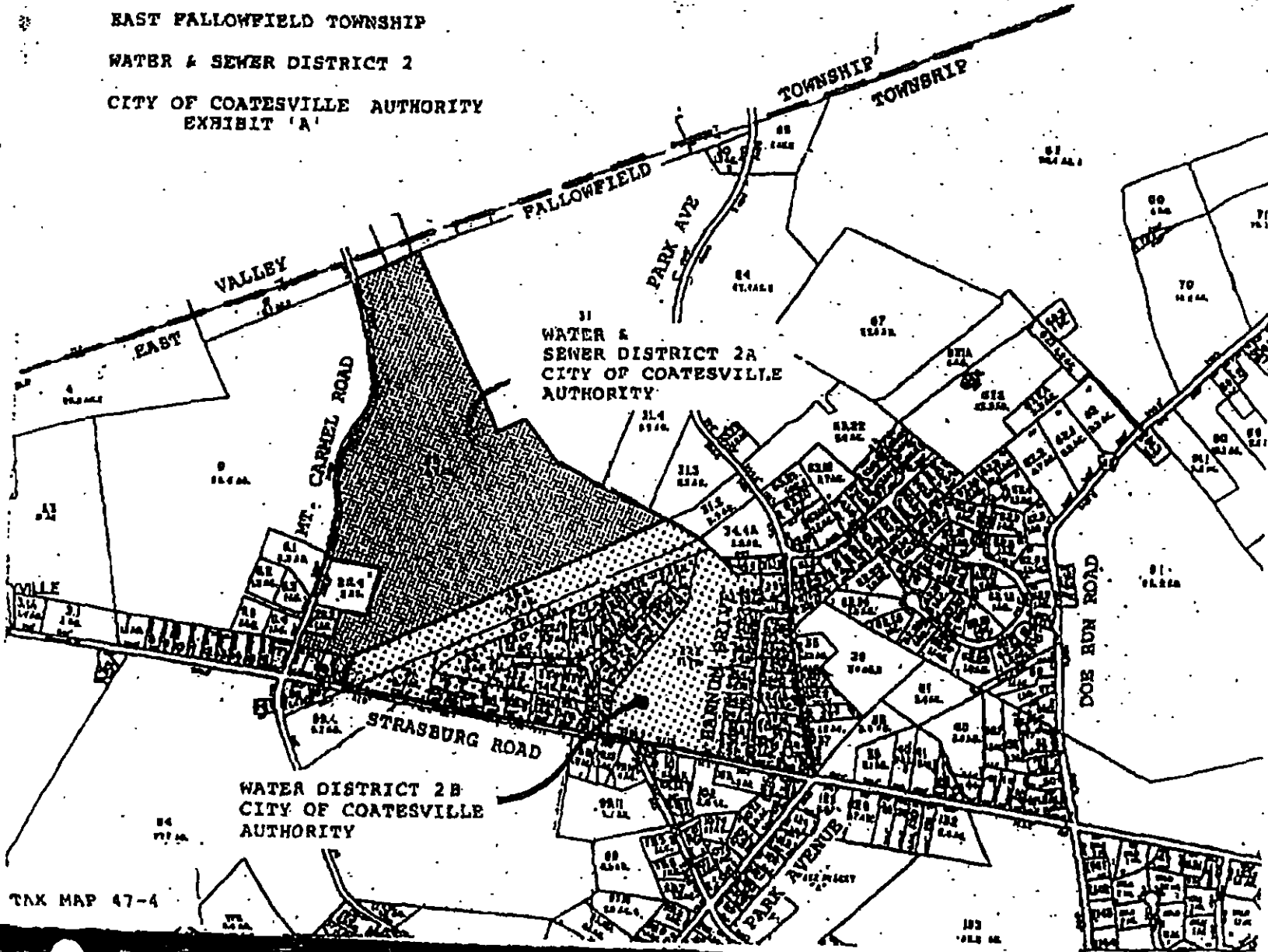
**WATER SERVICE TERRITORY EXPANSION
IN PORTIONS OF
EAST FALLOWFIELD TOWNSHIP, CHESTER COUNTY**

PENNSYLVANIA-AMERICAN WATER COMPANY
COATESVILLE DISTRICT

PENNSYLVANIA-AMERICAN WATER COMPANY
COATESVILLE ENGINEERING

100 CHESHIRE COURT, SUITE 104 COATESVILLE, PA 19320
 DRAWN BY: ICC USE DIMENSIONS ONLY
 OPERATIONS ENG'R SCALE: NOT TO SCALE
 DATE: 09/11/03

EAST FALLOWFIELD TOWNSHIP
 WATER & SEWER DISTRICT 2
 CITY OF COATESVILLE AUTHORITY
 EXHIBIT 'A'



TAX MAP 47-4

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE TO BE PUBLISHED**

Application of Pennsylvania American Water Company for approval of: 1) the transfer, by sale, of Public Water System within the Township of East Fallowfield, Chester County, PA; 2) the transfer of the Wastewater System of the Township of East Fallowfield, Chester County, PA, to Pennsylvania American Water Company; and 3) the right of Pennsylvania-American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield, Chester County, PA. Docket Numbers: A-212285 F0115; A-230073F0008.

Formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code. All filings must be made with the Secretary of the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the Applicant, on or before December 29, 2003. The documents filed in support of the Application are available for inspection and copying at the Office of the Secretary between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, and at the Applicant's business address.

Applicant:

Pennsylvania-American Water Company
East Fallowfield Township

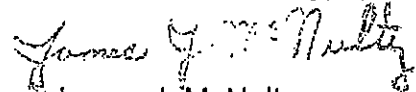
Through and By Counsel:

Jeffrey A. Franklin, Esquire
Carl J. Engleman, Jr., Esquire
Ryan, Russell, Ogden and Seltzer, LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, PA 19610-1222

AND

Velma A. Redmond, Esquire
800 West Hershey Park Drive
P. O. Box 888
Hershey, PA 17033-0888

BY THE COMMISSION


James J. McNulty
Secretary

AQUA
Pennsylvania.

ORIGINAL

Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Christopher P. Luning, Esquire
Assistant General Counsel

T: 610.645.1068
F: 610.520.9127
cpluning@aquaaamerica.com
www.aquapennsylvania.com

January 27, 2004

Sent Via Federal Express

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

RECEIVED

JAN 28 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKETED

FEB 18 2004

DOCUMENT

Re: Application of Pennsylvania-American Water Company for approval of the transfer, by sale, of public water and wastewater systems within additional areas of East Fallowfield Township, Chester County, PA; and the right to begin to offer and furnish same services,
PUC Docket Nos. A-212285F0115, U-00035002, A-230073F0008, U-00035003

Dear Secretary McNulty:

On or around January 23, 2004, Aqua Pennsylvania, Inc. ("Aqua Pennsylvania"), formerly known as Pennsylvania Suburban Water Company, received a copy of the "Application of Pennsylvania-American Water Company for approval of the transfer, by sale, of public water and wastewater systems within additional areas of East Fallowfield Township, Chester County, PA; and the right to begin to offer and furnish same services" which is captioned at PUC Docket Nos. A-212285F0115, U-00035002, A-230073F0008, U-00035003 (the "Application"). The Application was mailed to the attention of Aqua America, Inc., at our address via a letter dated January 21, 2004 from Carl J. Engleman, Jr., Esq. (Applicant's attorney) and was Aqua Pennsylvania's first formal notice of the filing of the Application. Following a review of the Application, Aqua Pennsylvania intends to file a formal protest to the Application.

Specifically, Aqua Pennsylvania believes that Public Utility Commission ("PUC") approval of the Application would negatively impact Aqua Pennsylvania, as an adjacent water and wastewater supplier, as a proposed supplier of water services to residents of East Fallowfield Township, and as a water customer of Pennsylvania American Water Company. Given the short time that Aqua Pennsylvania has had to review the Application, Aqua Pennsylvania has not had an opportunity to fully evaluate all of the potential issues that the Application presents. However, Aqua Pennsylvania's protest will most likely include the assertion that the Application seeks PUC approval of an excessive service area and excessive main extensions for which no need can be established. Aqua Pennsylvania reserves its right to raise additional issues when it files its formal protest, which it will do by February 6, 2004 (two weeks from receipt of the Application).

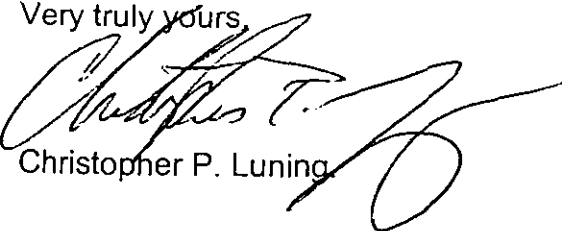
An Aqua America Company

RJP
§

Letter to McNulty
January 27, 2004
Page 2 of 2

Thank you for your consideration of this matter. Should you have any questions, please do not hesitate to contact either Mark Kropilak, Fran Orth, or me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Christopher P. Luning". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Christopher P. Luning

cc: Velma A. Redmond, Esq.
Carl J. Engleman, Jr., Esq.



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

IN REPLY PLEASE
REFER TO OUR FILE

February 3, 2004

CARL J ENGLEMAN JR ESQ
RYAN RUSSELL OGDEN & SELTZER LLP
SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING PA 19610-1222

DOCKETED
APR 11 2005

Re: Application of Pennsylvania-American Water Company for approval of (1) the transfer, by sale, of the public water system with the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (2) the transfer, by sale, of the public wastewater system within the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield Township, Chester County, Pennsylvania; and (4) the Water and Wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company

Docket Nos. A-212285F0115, A-230073F0008, U-00035002 and U-00035003

Dear Mr. Engleman:

In order for us to complete our analysis of the above-referenced filings, answers to the second set of data requests are required by the Water/Wastewater Industry Group. This information is necessary for completion of our recommendation to the Commission.

An early and expeditious conclusion of your requested filings is dependent upon full and responsive answers to the enclosed data requests which should be received by this office no later than ten (10) working days from the date of this letter.

Answers to these data requests need not be typed, but restate each data request and its corresponding number before answering. Internal and informal worksheets, as long as they are legible, will suffice. It is requested that three (3) copies of the data requests be provided to:

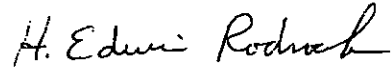
Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Attention: J. Elaine McDonald / (717) 787-1869
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

**DOCUMENT
FOLDER**

Carl J. Engleman, Jr. Esq.
Page 2
February 3, 2004

If any problems should arise that prevent a full response within ten (10) working days or any clarification of these data requests is required, please contact the above staff person. Thank you for your cooperation in the foregoing matter.

Sincerely,



H. Edwin Rodrock, Supervisor
Water/Wastewater Industry Group
Bureau of Fixed Utility Services

cc: Velma Redmond, Esq.

Enclosure

**BUREAU OF FIXED UTILITY SERVICES
Water/Wastewater Industries**

**DISCOVERY
SET II**

Application of Pennsylvania-American Water Company for approval of (1) the transfer, by sale of public water system within the Township of East Fallowfield, Chester County, Pennsylvania; (2) the transfer of the wastewater system of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-America Water Company; (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield Township, Chester County, Pennsylvania; and (4) the water and wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company

Docket Nos. A-212285F0115, A-230073F0008, U-00035002 and U-00035003

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

- RE-20. Provide the original price the East Fallowfield Township (Township) paid to construct both the water system and wastewater system. How was the One Dollar (\$1) selling price determined?
- RE-21. The Service and Asset Purchase Agreement states that Pennsylvania American Water Company (PAWC) will construct, at its own expense, a sewer line extension in the Cardinal Drive area and a water line extension in the Strasburg Road area. How will PAWC finance these projects?
- RE-22. Regarding PAWC's answer to Data Request RE-6.3, the water line extension in the Strasburg Road area is expected to be installed between Mt. Carmel Road and Route 82. According Exhibit B-1 – the map showing the water service territory expansion -- this water line will be installed at the edge of PAWC's existing territory. What prompted the installation of this water line? Has this extension been approved by local and county officials?
- RE-23. Regarding the sewer line extension to the Cardinal Drive area, has this extension received approval from the local and county officials?

RE-24. Regarding the off-site developer funded facilities needed for the sewer line extension to the Cardinal Drive area, is an Extension Deposit Agreement required for the construction of these facilities? If so, provide a copy of the Agreement.

RE-25. The Extension Deposit Agreements included in PAWC's water and wastewater tariffs states that PAWC will provide refunds to the Depositor during a ten-year period. Section 3.3(f) of the Agreement states that PAWC will provide refunds to the Township for ten years after the start-up of the booster station. Explain why the Township will receive refunds for these upgrades. Will the Developer who enters into the Extension Deposit Agreement also receive refunds from PAWC?

RE-26. Provide copies of the requests for service PAWC received from the Developers of the Mendenhall Development, Scott Development and Beagle Development.

RE-27. The letter from the Township, dated September 30, 2003, states that it has received numerous complaints over the years concerning water well yields and septic systems.

1. On average, how many complaints does the Township receive each year?
2. In the past, how have these complaints been resolved?
3. Were the well and septic systems mentioned in the complaints located outside PAWC's existing territory?
4. How many customers from the proposed service territory can PAWC anticipate receiving if existing residences on alternate water and wastewater systems request connection to PAWC's system?
5. Does PAWC have the proper infrastructure in place to service these customers, if the need arises?
6. If the proper infrastructure is not currently in place, what will be the estimated cost PAWC will endure to construct these facilities? How long would it take to install these facilities?

RE-28. Schedule 1.3 infers that PAWC will purchase existing residential properties on Rebecca and Elizabeth Drives. Provide an explanation.

RE-29. Provide a list of the contracts, agreements, leases, etc as stated in Paragraph 1.3(d) of the Agreement.

RE-30. Describe any plans PAWC may have regarding repairs or improvements to the Township's water and wastewater. What is the estimated cost for these improvements?

Thomas, Thomas, Armstrong & Niesen
Attorneys and Counsellors at Law

SUITE 500
212 LOCUST STREET
P. O. BOX 9500
HARRISBURG, PA 17108-9500

www.ttanlaw.com

FIRM (717) 255-7600

FAX (717) 236-8278

February 6, 2004

THOMAS T. NIESEN

Direct Dial: (717) 255-7641

E-Mail: tniesen@ttanlaw.com

ORIGINAL

CHARLES E. THOMAS
(1943 - 1998)

HAND DELIVERY

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
2004 FEB - 6 PM 4: 10
SECRETARY'S BUREAU

In re: Dockets Nos. A-212285F0115; U-00035002; A-230073F0008; and U-00035003
Application of Pennsylvania-American Water Company

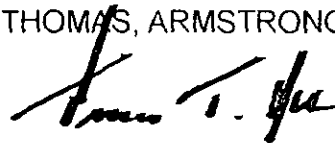
Dear Secretary McNulty:

Enclosed for filing on behalf of Aqua Pennsylvania, Inc., formerly known as Pennsylvania Suburban Water Company, are an original and three (3) copies of its Protest to the above referenced Application of Pennsylvania-American Water Company. Copies of the Protest are being served upon the persons and in the manner set forth on the certificate of service attached to it. Please enter our appearance in the matter on behalf of Aqua Pennsylvania, Inc.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



Thomas T. Niesen

Encl.

cc: Certificate of Service
Frances P. Orth, Esq. (w/encl.)
Christopher P. Luning, Esq. (w/encl.)

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Application of Pennsylvania- : Dockets Nos.A-212285F0115; U-
American Water Company for : 00035002; A-230073F0008; and U-
Approval of: 1) the Transfer, by Sale : 00035003
of Public Water System Within the :
Township of East Fallowfield, :
Chester County, Pennsylvania; 2) :
Transfer of the Wastewater System :
of the Township of East Fallowfield, :
Chester County, Pennsylvania to :
Pennsylvania-American Water :
Company; 3) the Right of :
Pennsylvania-American Water :
Company to Begin to Offer and :
Furnish Water and Wastewater :
Service to the Public in Additional :
Areas of East Fallowfield, Chester :
County, Pennsylvania; and (4) the :
Water and Wastewater Service and :
Asset Purchase Agreement between :
the Township of East Fallowfield, :
Chester County, Pennsylvania and :
Pennsylvania-American Water :
Company :

RECEIVED
2004 FEB - 6 PM 4:10
SECRETARY'S BUREAU

DOCKETED
MAR 16 2004

DOCUMENT
FOLDER

PROTEST OF
AQUA PENNSYLVANIA, INC.,
formerly known as
PENNSYLVANIA SUBURBAN WATER COMPANY

AND NOW comes Aqua Pennsylvania, Inc., formerly known as Pennsylvania Suburban Water Company, ("Aqua" or "Protestant"), by its attorneys, and, pursuant to the Rules and Regulations of the Public Utility Commission ("Commission"), protests the above-captioned Application of Pennsylvania-American Water Company ("PAWC"). In support thereof, Aqua submits as follows:

BACKGROUND

1. This proceeding concerns the application of PAWC at Dockets Nos. .A-212285F0115, U-00035002; A-230073F0008; and U-00035003 for approval of the transfer of the water and wastewater property of East Fallowfield Township ("Township"), Chester County, to PAWC, the expansion of PAWC's service territory to additional areas of the Township and the proposed underlying Assets Purchase Agreement.

2. Aqua was served with a copy of PAWC's Application under cover of letter dated January 21, 2004, addressed to Aqua America, Inc. Aqua received the service copy on or about January 23, 2004. By letter dated January 27, 2004, Aqua advised the Commission that it would be filing a formal Protest to the Application by February 6, 2004.

3. Aqua is a large regional water utility serving customers throughout the Commonwealth of Pennsylvania. Aqua or its predecessors have been in the water supply profession for over 100 years. Aqua serves over 375,000 customers in Pennsylvania, representing a population of approximately 1.3 million people. Aqua's address and telephone number are as follows:

Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
(610) 525-1400

4. The names, addresses and telephone numbers of Aqua's attorneys for this matter are as follows:

Thomas T. Niesen, Esquire
THOMAS, THOMAS, ARMSTRONG & NIESEN
212 Locust Street, Suite 500
Harrisburg, PA 17101
(717) 255-7641

Frances P. Orth, Esquire
Assistant General Counsel
Christopher P. Luning, Esquire
Assistant General Counsel
AQUA PENNSYLVANIA, INC.
762 West Lancaster Avenue
Bryn Mawr, PA 19010
(610) 645-1126

PROTESTANT'S INTEREST IN THIS PROCEEDING

5. Aqua presently provides water service to over 53,000 customers in Chester County in 33 Townships and Boroughs, including East Fallowfield Township. Aqua is also a PAWC customer.

6. PAWC's proposed acquisition of the East Fallowfield Township water system and expansion of service to "additional areas" in the Township would adversely impact Aqua's interests as an adjacent water supplier and as an existing authorized provider of water service in East Fallowfield Township with a desire to further expand its service territory in Chester County in response to requests for service and in accordance with the Public Utility Code and the Commission's Rules and Regulations.

7. Aqua identifies the following issues to be addressed at hearing in this matter while reserving the right to present additional issues as the matter progresses. Aqua submits that this matter should be referred for hearing similar to what occurred in respect to PAWC's Application to acquire the City of Coatesville's water system at Commission Dockets Nos. A-212285F0071, *et al.* Aqua (then Philadelphia Suburban Water Company) protested PAWC's Coatesville Application and issues, including excessive service territory and proposed free hydrant service, were reviewed. See *Philadelphia Suburban Water Company v. Pa. P.U.C.*, 808 A.2d 1044 (Pa. Cmwlth. 2002). Aqua submits as follows:

- a. The Application and proposed transaction have several parts: a proposed acquisition of water and wastewater facilities; a proposed expansion of service territory to "additional areas;" a proposal to extend many thousands of feet of main in Chester County; and a proposed approval of a municipal agreement. There is, however, only one purchase price - \$1.00, plus agreements by PAWC to (1) construct sewer and water main line extensions and (2) "refund" monies to the Township up to \$1,000,000. The Application does not demonstrate what portion of the purchase consideration, if any, is to be allocated to the system facilities being acquired by PAWC (or even what the value of those facilities is). Perhaps more significantly, the Application is unclear as to the origin of and legal basis for the proposed "refunds." The Application does not demonstrate the reasonableness of the "refunds" totaling as much as \$1,000,000 for system assets that PAWC is already leasing and operating. Additionally, in Paragraph 15 of the Application, PAWC represents that the transaction will have no detrimental effect on current customers. Yet, it is unclear whether the "refunds" are intended to be treated as an element of rate base or as a donation.
- b. The Application does not demonstrate the existence of a need for service in the "additional areas" of East Fallowfield Township. While a Township letter in support is attached as Exhibit D to the Application, no requests for water service are presented with it. Schedule 1.3 of the Application states that the Township's water system is located between Route 82, Strasburg Road, Buck Run Road, South Coatesville Borough and Valley Township, with system facilities also in Strasburg Hills and to other

residential properties on certain identified streets. The Application does not explain how the Schedule 1.3 system facilities justifies the issuance of a certificate authorizing the expansion of service to the “additional areas” beyond the location of the existing system facilities.

- c. The Application does not demonstrate with specificity, either by map or metes and bounds description, the exact location of the referenced Scott, Beagle and Mendenhall Developments. The locations of these developments are, instead, shown simply as “penned in” circles on Exhibit B to the Application. Any demonstrated requests for service to these Developments would not support an expansion of certificated service authority throughout the entirety of the “additional areas” of East Fallowfield Township as proposed in the Application. The area of the proposed Mendenhall Development is, moreover, part of the area originally included by PAWC in its Coatesville Application referenced above. PAWC and Aqua (then known as Philadelphia Suburban Water Company) stipulated to the removal of the area of the proposed Mendenhall Development from the Coatesville Application. The Application does not adequately demonstrate the basis for a now renewed request for service authority there.
- d. In Paragraph 17 of the Application, PAWC represents that water line extensions associated with the Scott, Beagle and Mendenhall Developments shall consist of 7,300 feet, 10,600 feet and 8,300 feet, respectively. A water main line extension of 7,000 feet will also be installed along Strasburg Road. With the apparent exception of the Strasburg Road extension, the Application does not demonstrate where

these extensions will be located. The Application, moreover, does not demonstrate how these extensions would be consistent with The County of Chester's Comprehensive Policy Plan Element known as **Landscapes** or **Watersheds**, the water resources element of the County's Comprehensive Plan or offer any explanation why the lines are needed to provide service to a satellite system or systems that are within close proximity to Aqua's existing service area.

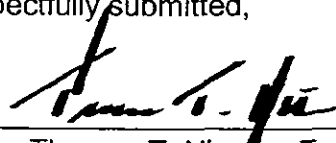
8. As the proponent of a Commission order approving the proposed transaction, PAWC bears the burden of proof. 66 Pa. C.S. §332(a). Similar to *Philadelphia Suburban Water Company v. Pa. P.U.C.*, *supra*, this matter should be referred for hearing to address the purchase price consideration, service territory and other issues presented above and such other issues that arise during the course of the proceeding.

WHEREFORE, for the reasons set forth above, Aqua Pennsylvania, Inc., formerly known as Pennsylvania Suburban Water Company protests the Application of

Pennsylvania-American Water Company at Dockets Nos. A-212285F0115,
U-00035002; A-230073F0008; and U-00035003.

Respectfully submitted,

By



Thomas T. Niesen, Esquire
THOMAS, THOMAS, ARMSTRONG & NIESEN
212 Locust Street, Suite 500.
P.O. Box 9500
Harrisburg, PA 17108-9500

Frances P. Orth, Esquire
Christopher P. Luning, Esquire
AQUA PENNSYLVANIA, INC.
762 West Lancaster Avenue
Bryn Mawr, PA 19010

Attorneys for
Aqua Pennsylvania, Inc.

Dated: February 6, 2004

Protest.wpd

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Pennsylvania- : Dockets Nos.A-212285F0115; U-
American Water Company for : 00035002; A-230073F0008; and U-
Approval of: 1) the Transfer, by Sale : 00035003
of Public Water System Within the :
Township of East Fallowfield, :
Chester County, Pennsylvania; 2) :
Transfer of the Wastewater System :
of the Township of East Fallowfield, :
Chester County, Pennsylvania to :
Pennsylvania-American Water :
Company; 3) the Right of :
Pennsylvania-American Water :
Company to Begin to Offer and :
Furnish Water and Wastewater :
Service to the Public in Additional :
Areas of East Fallowfield, Chester :
County, Pennsylvania; and (4) the :
Water and Wastewater Service and :
Asset Purchase Agreement between :
the Township of East Fallowfield, :
Chester County, Pennsylvania and :
Pennsylvania-American Water :
Company :

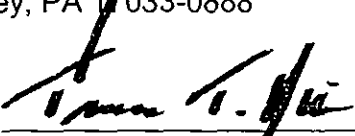
CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of February 2004 served a true and correct copy of the foregoing Protest upon the persons and in the manner set forth below:

FIRST CLASS MAIL, POSTAGE PREPAID

Jeffrey A. Franklin, Esquire
Carl J. Engleman, Jr., Esquire
Ryan, Russell, Ogden & Seltzer LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, PA 19610-1222

Velma A. Redmond, Esquire
Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
P.O. Box 888
Hershey, PA 17033-0888


Thomas T. Niesen, Esquire

MEMO

ORIGINAL

February 10, 2004

Subject: Application of Pennsylvania-American Water Company
Docket Nos. A-212285F0115; U-00035002; A-230073F0008; and
U-00035003

To: James J. McNulty
Secretary

From: Robert A. Rosenthal, Director
Bureau of Fixed Utility Services

DOCUMENT

The above-referenced Applications and Agreements were filed on November 24, 2003. On February 6, 2004, the Commission received a protest from Aqua Pennsylvania, Inc. This protest states that Aqua Pennsylvania, Inc. was served with a copy of the Applications and Agreements on or about January 23, 2004 (see attachment).

In light of the aforementioned, please have these Applications and Agreements reassigned to the Office of Administrative Law Judge for appropriate adjudication.

Attachment

DOCKETED
APR 06 2004

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222

TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM

February 17, 2004

HARRISBURG OFFICE
SUITE 101

800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025

TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

VIA UPS OVERNIGHT

Attn: J. Elaine McDonald
Bureau of Fixed Utility Services
Water/Wastewater Industry Group
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

DOCUMENT
FOLDER

Re: In Re Application of Pennsylvania-American Water Company for Approval of (1) the Transfer, by Sale of Public Water System Within the Township of East Fallowfield, Chester County, Pennsylvania; (2) Transfer of the Wastewater System of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (3) the Right of /Pennsylvania-American Water Company to Begin to Offer and Furnish Water and Wastewater Service to the Public in Additional Areas of East Fallowfield, Chester County, Pennsylvania; and (4) the Water and Wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company
Docket Nos. A-212285F0115; U-00035002;
A-230073F0008; and U-00035003

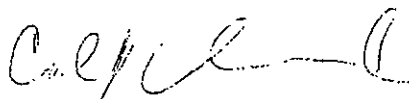
Dear Ms. McDonald:

Enclosed please find three (3) copies of Answers to Data Requests, Set II.

If you have any questions, please feel free to contact me.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP



Carl J. Engleman, Jr.

Enclosures
CJE:jab

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re Application of Pennsylvania-American:
Water Company for Approval of (1) the :
Transfer, by Sale of Public Water System :
Within the Township of East Fallowfield, :
Chester County, Pennsylvania; (2) Transfer :
of the Wastewater System of the Township :
of East Fallowfield, Chester County, : Docket Nos.
Pennsylvania to Pennsylvania-American : A-212285F0115; U-00035002;
Water Company; (3) the Right of : A-230073F0008; U-00035003
Pennsylvania-American Water Company :
to Begin to Offer and Furnish Water :
and Wastewater Service to the Public in :
Additional Areas of East Fallowfield, :
Chester County, Pennsylvania; and (4) :
the Water and Wastewater Service and Asset:
Purchase Agreement between the Township :
of East Fallowfield, Chester County, :
Pennsylvania and Pennsylvania-American :
Water Company :

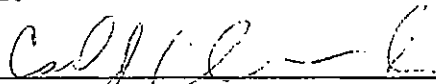
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Answers on behalf of Pennsylvania-American Water Company to Data Requests, Set II upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by UPS Overnight, postage prepaid, addressed as follows:

J. Elaine McDonald, Bureau of Fixed Utility Services
Water/Wastewater Industry Group
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

Dated: February 17, 2004



Jeffrey A. Franklin
Carl J. Engleman, Jr.
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Pennsylvania-American Water Company

BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP

Discovery
Set II

DOCKETED
APR 11 2005

Application of Pennsylvania-American Water Company for approval of (1) the transfer, by sale of public water system within the Township of East Fallowfield, Chester County, Pennsylvania; (2) the transfer of the wastewater system of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water and wastewater service to the public in additional areas of East Fallowfield Township, Chester County, Pennsylvania; and (4) the water and wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company

Docket Nos. A-212285F0115, A-230073F0008, U-00035002 and U-00035003

RE-20. Provide the original price the East Fallowfield Township (Township) paid to construct both the water system and wastewater system. How was the One Dollar (\$1) selling price determined.

RESPONSE: Pennsylvania-American Water Company (PAWC) does not know the original price the Township paid for the system. The \$1 purchase price was determined at arms length by agreement of the parties based upon the negotiation of the mutual covenants contained in the Water and Wastewater Service and Asset Purchase Agreement.

RE-21. The Service and Asset Purchase Agreement states that Pennsylvania American Water Company (PAWC) will construct, at its own expense, a sewer line extension in the Cardinal Drive area and a water line extension in the Strasburg Road area. How will PAWC finance these projects?

RESPONSE: PAWC will initially finance these projects by short term debt.

RE-22. Regarding PAWC's answer to Data Request RE-6.3, the water line extension in the Strasburg Road area is expected to be installed between Mt. Carmel Road and Route 82. According Exhibit B-1-the map showing the water service territory expansion – this water line will be installed at the edge of PAWC's existing territory. What prompted the installation of this water line? Has this extension been approved by local and county officials?

RESPONSE: The Township requested that the water main be installed along Strasburg Road. In a letter to the Commission, dated September 30, 2003, the Township mentioned they have received numerous complaints over the years concerning water well yields and septic systems in this area. The conceptual extension has

**DOCUMENT
FOLDER**

been approved by local and county officials. The Chester County Planning Commission, in a letter to the PUC dated December 23, 2003, attached a map which depicted the referenced area along Strasburg Road as suburban. Water service within this designated area is consistent with the Landscapes Comprehensive Plan.

RE-23 **Regarding the sewer line extension to the Cardinal Drive area, has this extension received approval from the local and county officials?**

RESPONSE: The Township has provided a letter of support to the Application. The Chester County Planning Commission provided a letter to the PUC on December 23, 2003 that provided comments to the Application. Cardinal Drive is located in the suburban area. Sewer service within this area is consistent with the Landscapes Comprehensive Plan.

RE-24. **Regarding the off-site developer funded facilities needed for the sewer line extension to the Cardinal Drive area, is an Extension Deposit Agreement required for the construction of these facilities? If so, provide a copy of the Agreement.**

RESPONSE: An Extension Deposit Agreement is required for the off-site developer funded facilities, however, an agreement has not been executed as of this date. The developer expects to receive all approvals by summer and then an Extension Deposit Agreement will be executed.

RE-25. **The Extension Deposit Agreements included in PAWC's water and wastewater tariffs states that PAWC will provide refunds to the Depositor during a ten-year period. Section 3.3(f) of the Agreement states that PAWC will provide refunds to the Township for ten years after the start-up of the booster station. Explain why the Township will receive refunds for these upgrades. Will the Developer who enters into the Extension Deposit Agreement also receive refunds from PAWC?**

RESPONSE: The refunds are part of the consideration for the transfer of the systems to PAWC. The Developer will receive refunds on the water extension. However, the Developer will not receive refunds on the sewer extension in accordance with PAWC's wastewater tariff.

RE-26. **Provide copies of the requests for service PAWC received from the Developers of the Mendenhall Development, Scott Development and Beagle Development.**

RESPONSE: Please see the attached service requests for each of the respective developments.

RE-27. The letter from the Township, dated September 30, 2003, states that it has received numerous complaints over the years concerning water well yields and septic systems.

- 1. On average, how many complaints does the Township receive each year.**

RESPONSE: This is information not contained within PAWC records.

- 2. In the past, how have these complaints been resolved?**

RESPONSE: This is information not contained within PAWC records.

- 3. Were the well and septic systems mentioned in the complaints located outside PAWC's existing territory?**

RESPONSE: Yes. East Fallowfield Township officials informed PAWC of well yield and septic system problems in areas of the Township covered by this Application.

- 4. How many customers from the proposed service territory can PAWC anticipate receiving if existing residences on alternate water and wastewater systems request connection to PAWC's system?**

RESPONSE: PAWC anticipates 330 additional water customers and 215 additional wastewater customers if existing residences on alternate water and wastewater systems request connection to PAWC's system.

- 5. Does PAWC have the proper infrastructure in place to service these customers, if the need arises?**

RESPONSE: PAWC has the appropriate source of supply and wastewater treatment in place to service these potential customers.

- 6. If the property infrastructure is not currently in place, what will be the estimated cost PAWC will endure to construct these facilities? How long would it take to install these facilities?**

RESPONSE: Not applicable.

RE-28. Schedule 1.3 infers that PAWC will purchase existing residential properties on Rebecca and Elizabeth Drives. Provide an explanation.

RESPONSE: PAWC will not purchase any existing properties from the Township. The description given in Schedule 1.3 is a partial description for District #2B, which is one of the areas subject to the current lease agreement. The full text of this description is contained in the March 10, 1993 Water and Wastewater Service

Agreement between the Township of East Fallowfield and the City of Coatesville Authority, already on file with the Commission.

RE-29. Provide a list of the contracts, agreements, leases, etc. as stated in Paragraph 1.3(d) of the Agreement.

RESPONSE: PAWC is not aware of any contracts, agreements, leases, etc. pertaining to Paragraph 1.3(d) of the Agreement.

RE-30. Describe any plans PAWC may have regarding repairs or improvements to the Township's water and wastewater. What is the estimated cost for these improvements.

RESPONSE: PAWC currently has no plans regarding major repairs or improvements to the water and wastewater systems, with the exception of the Cardinal Drive, Strasburg Road and the developments mentioned in the Application. Since there are no major repairs or improvements contemplated at this time, it is impossible for PAWC to provide a cost estimate.



October 31, 2003

Mr. Ian Crooks
Pennsylvania American Water Company
100 Cheshire Court
Suite 104
Coatesville, PA 19320

**Re: Request for Water Service Notification
Dilsheimer Communities, Inc.
The Beagle Club Townhomes
East Fallowfield Township, Chester County**

Dear Mr. Crooks:

Enclosed please find one (1) Sketch Plan for the above project. Dilsheimer Communities, Inc. is proposing to develop an existing tract of land in East Fallowfield Township. The site is currently vacant; they propose to develop 214 townhomes on a 107-acre tract.

This letter is to serve as a notification for public water service and public sewer availability. Upon determination of water and sewer service availability, please send a notification letter to my attention.

Should you have any questions or comments concerning this matter or require additional information, please contact me.

Sincerely,
D.L. Howell & Associates, Inc.

Laura Anne Mascio
Environmental Scientist



D.L. Howell & Associates, Inc.
Civil Engineering / Environmental / Land Planning

July 17, 2003

Mr. Ian Crooks
Pennsylvania American Water Company
114 East Lincoln Highway
Coatesville, PA 19320

**Re: Request for Water Service Notification
Stancato/Abdala LLC
Mendenhall Subdivision
East Fallowfield Township, Chester County**

Dear Mr. Crooks:

Enclosed please find one (1) Sketch Plan for the above project. Stancato/Abdala LLC is proposing to develop a 104 acre tract of land in East Fallowfield Township, Chester County. The tract is currently in agricultural production. The project proposes to construct a seventy-four lot subdivision.

This letter is to serve as a notification for public water service availability. Upon determination of water service availability, please send a notification letter to my attention.

Should you have any questions or comments concerning this matter or require additional information, please contact me.

Sincerely,

D.L. Howell & Associates, Inc.

Heather Steinbacher
Environmental Scientist

Enclosure

1195 McDermott Drive, Greenhill Corporate Park, West Chester, PA 19380
Phone: (610) 918-9002 • Fax: (610) 918-9003
Email: dhowell@dhowell.com • Website: www.dhowell.com

DOWNINGTOWN, PA 19340
 610-518-1380 FAX 610-518-1255
 Email: ABROWER@EBWALSHINC.COM

LETTER OF TRANSMITTAL

Pennsylvania American Water

DATE	8/20/2002	JOB NO.
ATTENTION	Mr. Ian Crooks	
RE	Scott Farms Estates	
VIA		

WE ARE SENDING YOU Attached Under separate cover via _____ the following items


- Shop Drawings
 Prints
 Plans
 Samples
 Specifications
 Copy of Letter
 Change Order
 Other _____ CAD file on disk

COPIES	DATE	NO.	DESCRIPTION

THESE ARE TRANSMITTED as marked below:

- For Approval
 Approved as submitted
 Resubmit _____ copies for approval
 For your use
 Approved as noted
 Submit _____ copies for distribution
 As requested
 Returned for corrections
 Return _____ corrected prints
 For review and comment
 Other _____
 FOR BIDS DUE _____ 20 _____
 PRINTS RETURNED AFTER LOAN TO US

REMARKS Enclosed please find plans for a 75 lot subdivision being proposed in East Fallowfield Township
along Mount Carmel Road. This is the project that you discussed with Kurt Diener of our office.
I did not want to send it to you until I was comfortable about the number of lots that would be allowed.
This was reviewed with the Township and appears at this point to be acceptable. We are now preparing
conditional use plans for submission. For that submission I need to document that service to the site
can be provided. Also can you provide plans of existing lines to tie into.

SIGNED:  COPY TO: _____

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222

TELEPHONE: (610) 372-4761

FACSIMILE: (610) 372-4177

WWW.RYANRUSSELL.COM

February 20, 2004

HARRISBURG OFFICE

SUITE 101

800 NORTH THIRD STREET

HARRISBURG, PENNSYLVANIA

17102-2025

TELEPHONE: (717) 236-7714

FACSIMILE: (717) 236-7816

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

RECEIVED

FEB 20 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: In Re Application of Pennsylvania-American Water Company for Approval of (1) the Transfer, by Sale of Public Water System Within the Township of East Fallowfield, Chester County, Pennsylvania; (2) Transfer of the Wastewater System of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (3) the Right of /Pennsylvania-American Water Company to Begin to Offer and Furnish Water and Wastewater Service to the Public in Additional Areas of East Fallowfield, Chester County, Pennsylvania; and (4) the Water and Wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company
Docket Nos. A-212285F0115; U-00035002;
A-230073F0008; and U-00035003

DOCUMENT
FOLDER

Dear Mr. McNulty:

Enclosed for filing by Pennsylvania-American Water Company are an original and three (3) copies of Certificates of Service in the above-referenced matter evidencing service of the Proof of Publication of Notice and Data Request Set I and II dated January 22, 2004 and February 27, 2004 upon all parties of record.

If you have any questions, please feel free to contact me at any time.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER



Carl J. Engleman, Jr.

Enclosures
CJE:jag

68

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re Application of Pennsylvania-American:
Water Company for Approval of (1) the :
Transfer, by Sale of Public Water System :
Within the Township of East Fallowfield, :
Chester County, Pennsylvania; (2) Transfer :
of the Wastewater System of the Township :
of East Fallowfield, Chester County, :
Pennsylvania to Pennsylvania-American :
Water Company; (3) the Right of :
Pennsylvania-American Water Company :
to Begin to Offer and Furnish Water :
and Wastewater Service to the Public in :
Additional Areas of East Fallowfield, :
Chester County, Pennsylvania; and (4) :
the Water and Wastewater Service and Asset:
Purchase Agreement between the Township :
of East Fallowfield, Chester County, :
Pennsylvania and Pennsylvania-American :
Water Company :

Docket Nos.
A-212285F0115; U-00035002;
A-230073F0008; U-00035003

RECEIVED

FEB 20 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE


I hereby certify that I have this day served a true copy of the supplemental response to Data Request 17 upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by UPS Overnight, postage prepaid, addressed as follows:

J. Elaine McDonald
Bureau of Fixed Utility Services
Water/Wastewater Industry Group
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

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

Dated: February 20, 2004


Carl J. Engleman, Jr.
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Pennsylvania-American Water Company

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re Application of Pennsylvania-American:
Water Company for Approval of (1) the :
Transfer, by Sale of Public Water System :
Within the Township of East Fallowfield, :
Chester County, Pennsylvania; (2) Transfer :
of the Wastewater System of the Township :
of East Fallowfield, Chester County, : Docket Nos.
Pennsylvania to Pennsylvania-American : A-212285F0115; U-00035002;
Water Company; (3) the Right of : A-230073F0008; U-00035003
Pennsylvania-American Water Company :
to Begin to Offer and Furnish Water :
and Wastewater Service to the Public in :
Additional Areas of East Fallowfield, :
Chester County, Pennsylvania; and (4) :
the Water and Wastewater Service and Asset:
Purchase Agreement between the Township :
of East Fallowfield, Chester County, :
Pennsylvania and Pennsylvania-American :
Water Company :

RECEIVED

FEB 20 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU


CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Answers to Data Requests dated January 22, 2004 and February 17, 2004 upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by UPS Overnight, postage prepaid, addressed as follows:

Thomas Niesen
Thomas, Thomas, Armstrong & Niesen
Suite 500
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108

Dated: February 20, 2004


Carl J. Engleman, Jr.
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Pennsylvania-American Water Company



Vincent M. Pompo
Voice 610-430-8000
Fax 610-692-6210
vpompo@chescolaw.com

ORIGINAL

February 20, 2004

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

DOCUMENT

RECEIVED
SECRETARY'S BUREAU

04 FEB 23 AM 9:46

RECEIVED

Re: Application of Pennsylvania-American Water Company
Docket Nos. A-212285F0115; U-00035002;
A-230073F0008; and U00035003

Dear Mr. McNulty:

Enclosed please find an original and three (3) copies of Petition to Intervene of East Fallowfield Township, Chester County and my Notice of Appearance for the above-captioned matter.

Kindly file the original and two copies of the Petition to Intervene and Notice of Appearance and return a time-stamped copy of the Petition and Notice to me in the self-addressed envelope provided.

Thank you for your courtesies in this matter.

Very truly yours,

LAMB McERLANE PC

By: 

Vincent M. Pompo

Enclosures
VMP/rtn

cc: Board of Supervisors
Aqua America, Inc.
Jeffrey A. Franklin, Esquire
Carl J. Engleman, Jr., Esquire
Pa. Department of Environmental Protection
Office of Small Business Advocate
Office of Consumer Advocate
Chester Water Authority
Chester County Planning Commission

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re:

: Application Docket Nos.
: A-212285F0115; U-00035002;
: A-230073F0008; U-00035003

APPLICATION OF PENNSYLVANIA- AMERICAN
WATER COMPANY FOR APPROVAL OF (1) THE
TRANSFER, BY SALE OF PUBLIC WATER SYSTEM
WITHIN THE TOWNSHIP OF EAST FALLOWFIELD,
CHESTER COUNTY, PENNSYLVANIA; (2) TRANSFER
OF THE WASTEWATER SYSTEM OF THE
TOWNSHIP OF EAST FALLOWFIELD, CHESTER
COUNTY, PENNSYLVANIA TO PENNSYLVANIA-
AMERICAN WATER COMPANY; (3) THE RIGHT OF
PENNSYLVANIA-AMERICAN WATER COMPANY
TO BEGIN TO OFFER AND FURNISH WATER AND
WASTEWATER SERVICE TO THE PUBLIC IN
ADDITIONAL AREAS OF EAST FALLOWFIELD,
CHESTER COUNTY, PENNSYLVANIA; AND (4) THE
WATER AND WASTEWATER SERVICE AND ASSET
PURCHASE AGREEMENT BETWEEN THE
TOWNSHIP OF EAST FALLOWFIELD, CHESTER
COUNTY, PENNSYLVANIA AND PENNSYLVANIA-
AMERICAN WATER COMPANY

RECEIVED
04 FEB 23 AM 9:46
SECRETARY'S BUREAU

**PETITION TO INTERVENE OF EAST FALLOWFIELD TOWNSHIP,
CHESTER COUNTY**

DOCUMENT

Pursuant to 57 Pa. Code §§ 5.71, 5.72 and 5.74, East Fallowfield Township, Chester County ("East Fallowfield") hereby files with the Pennsylvania Public Utility Commission ("Commission") this Petition to Intervene in the Application captioned above of Pennsylvania-American Water Company ("PAWC") by which PAWC seeks to furnish water service to the public in a portion of East Fallowfield Township, Chester County. In support of this Petition to Intervene, East Fallowfield provides the following information:

1. Petitioner, East Fallowfield Township, Chester County, is a Township of the Second Class organized and existing pursuant to the Second Class Township Code, 53 P.S. §65101 *et seq.*, and is a political subdivision of the Commonwealth, with an address of 2264 Strasburg Road, East Fallowfield, PA 19320.

2. The Application seeks to confer upon PAWC additional sewer and water service franchise area to portions of East Fallowfield, and an agreement between East Fallowfield and PAWC regarding water and systems with East Fallowfield.

DOCKETED

MAR 12 2004

3. Petitioner has an interest in the Application related to sewer and water service within its Township, and an interest as a party to the Agreement that is subject of this proceeding. East Fallowfield's interests are unique, and not represented by any other party in the proceeding. Accordingly, East Fallowfield asserts a right to intervene in this proceeding.

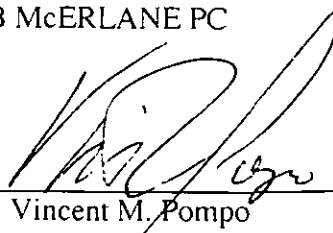
4. Participation by East Fallowfield in this proceeding is in the public interest.

WHEREFORE, East Fallowfield Township requests the Pennsylvania Public Utility Commission allow East Fallowfield to intervene in this proceeding and grant such further relief as found to be appropriate under the circumstances.

Respectfully submitted,

LAMB McERLANE PC

By:



Vincent M. Pompo

Dated: February 20, 2004

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re: : Application Docket Nos.
: A-212285F0115; U-00035002;
APPLICATION OF PENNSYLVANIA- AMERICAN : A-230073F0008; U-00035003
WATER COMPANY FOR APPROVAL OF (1) THE :
TRANSFER, BY SALE OF PUBLIC WATER SYSTEM :
WITHIN THE TOWNSHIP OF EAST FALLOWFIELD, :
CHESTER COUNTY, PENNSYLVANIA; (2) TRANSFER :
OF THE WASTEWATER SYSTEM OF THE :
TOWNSHIP OF EAST FALLOWFIELD, CHESTER :
COUNTY, PENNSYLVANIA TO PENNSYLVANIA- :
AMERICAN WATER COMPANY; (3) THE RIGHT OF :
PENNSYLVANIA-AMERICAN WATER COMPANY :
TO BEGIN TO OFFER AND FURNISH WATER AND :
WASTEWATER SERVICE TO THE PUBLIC IN :
ADDITIONAL AREAS OF EAST FALLOWFIELD, :
CHESTER COUNTY, PENNSYLVANIA; AND (4) THE :
WATER AND WASTEWATER SERVICE AND ASSET :
PURCHASE AGREEMENT BETWEEN THE :
TOWNSHIP OF EAST FALLOWFIELD, CHESTER :
COUNTY, PENNSYLVANIA AND PENNSYLVANIA- :
AMERICAN WATER COMPANY :

DOCKETED
MAR 12 2004

NOTICE OF APPEARANCE

Kindly enter my, Vincent M. Pompo, Esquire, appearance on behalf of East Fallowfield Township relative to the above-captioned matter.

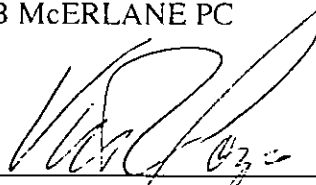
On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.

Vincent M. Pompo, Esquire
LAMB MCERLANE PC
24 East Market Street, Box 565
West Chester, PA 19381-0565
Telephone No. 610-430-8000

DOCUMENT

LAMB McERLANE PC

By: _____



Vincent M. Pompo
Attorney for Franklin Township

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re: : Application Docket Nos.
: A-212285F0115; U-00035002;
APPLICATION OF PENNSYLVANIA- AMERICAN : A-230073F0008; U-00035003
WATER COMPANY FOR APPROVAL OF (1) THE :
TRANSFER, BY SALE OF PUBLIC WATER SYSTEM :
WITHIN THE TOWNSHIP OF EAST FALLOWFIELD, :
CHESTER COUNTY, PENNSYLVANIA; (2) TRANSFER :
OF THE WASTEWATER SYSTEM OF THE :
TOWNSHIP OF EAST FALLOWFIELD, CHESTER :
COUNTY, PENNSYLVANIA TO PENNSYLVANIA- :
AMERICAN WATER COMPANY; (3) THE RIGHT OF :
PENNSYLVANIA-AMERICAN WATER COMPANY :
TO BEGIN TO OFFER AND FURNISH WATER AND :
WASTEWATER SERVICE TO THE PUBLIC IN :
ADDITIONAL AREAS OF EAST FALLOWFIELD. :
CHESTER COUNTY, PENNSYLVANIA; AND (4) THE :
WATER AND WASTEWATER SERVICE AND ASSET :
PURCHASE AGREEMENT BETWEEN THE :
TOWNSHIP OF EAST FALLOWFIELD, CHESTER :
COUNTY, PENNSYLVANIA AND PENNSYLVANIA- :
AMERICAN WATER COMPANY :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Petition to Intervene of East Fallowfield Township, Chester County and Entry of Appearance, upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

FIRST CLASS MAIL - POSTAGE PREPAID

Aqua America, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Jeffrey A. Franklin, Esquire
Carl J. Engleman, Jr., Esquire
Ryan, Russell, Ogden & Seltzer LLP
1105 Berkshire Blvd, Suite 330
Wyomissing, PA 19610-1222

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

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Borough of South Coatesville
136 Modena Road
Coatesville, PA 19320
Attn: Greg Hines, Council President

Borough of Modena
P.O. Box 116
Modena, PA 19358-0116

Chester County Planning Commission
601 Westtown Road, Suite 270
P.O. Box 2747
West Chester, PA 19380-0990

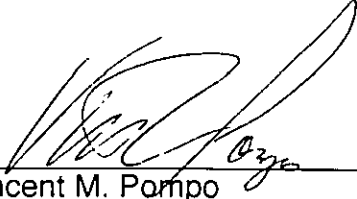
Valley Township
P.O. Box 467
Coatesville, PA 19320

Chester County
Government Services Center
601 Westtown road
West Chester, PA 19380-0990

Pa. Department of Environmental Protection
Lee Park, Suite 6010
555 North Lane
Conshohocken, PA 19428

Sadsbury Township
P.O. Box 261
Sadsburyville, PA 19369

Date: 2-20-4




Vincent M. Pompo

DATE: March 8, 2004

SUBJECT: A-212285 F0015, A-230073 F0008,
U-00035002, U-00035003

TO: Bureau of Fixed Utility Services

FROM:  James J. McNulty, Secretary

DOCUMENT

East Fallowfield Township, Chester County

Attached is a copy of a Petition to Intervene, filed by East Fallowfield Township, Chester County, in connection with the above docketed proceeding.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: LAW

jih

DOCKETED
MAR 12 2004

COMMONWEALTH OF PENNSYLVANIA

DOCKETED
APR 10 2004

DATE: March 18, 2004

SUBJECT: A-212285 F0115; A-230073 F0008; U-00035002 &
U-00035003

TO: Office of Administrative Law Judge

FROM:  James J. McNulty, Secretary

Pennsylvania-American Water Company

Per memo dated February 10, 2004,
from Robert A. Rosenthal, Director, Bureau of Fixed
Utility Services, the above docketed proceeding is
being reassigned to your Office for appropriate
action.

jih

pc: FUS

DOCUMENT

ORIGINAL
LAW OFFICES

RYAN, RUSSELL, OGDEN & SELTZER LLP

DOCUMENT

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222
TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM

April 23, 2004

HARRISBURG OFFICE

SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025
TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

RECEIVED

APR 23 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA UPS OVERNIGHT

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

Re: In Re Application of Pennsylvania-American Water Company for Approval of (1) the Transfer, by Sale of Public Water System Within the Township of East Fallowfield, Chester County, Pennsylvania; (2) Transfer of the Wastewater System of the Township of East Fallowfield, Chester County, Pennsylvania to Pennsylvania-American Water Company; (3) the Right of /Pennsylvania-American Water Company to Begin to Offer and Furnish Water and Wastewater Service to the Public in Additional Areas of East Fallowfield, Chester County, Pennsylvania; and (4) the Water and Wastewater Service and Asset Purchase Agreement between the Township of East Fallowfield, Chester County, Pennsylvania and Pennsylvania-American Water Company
Docket Nos. A-212285F0115; U-00035002;
A-230073F0008; and U-00035003

Dear Secretary McNulty:

Enclosed for filing by Pennsylvania-American Water Company are an original and three (3) copies of a Certificate of Service in the above-referenced matter evidencing service of the Interrogatories and Requests for Productions of Documents of Pennsylvania American Water Company (Set I) upon all parties of record.

If you have any questions, please contact me.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP



Carl J. Engleman, Jr.

Enclosures

CJE:jab

c: As per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re Application of Pennsylvania-American:
Water Company for Approval of (1) the :
Transfer, by Sale of Public Water System :
Within the Township of East Fallowfield, :
Chester County, Pennsylvania; (2) Transfer :
of the Wastewater System of the Township :
of East Fallowfield, Chester County, :
Pennsylvania to Pennsylvania-American :
Water Company; (3) the Right of :
Pennsylvania-American Water Company :
to Begin to Offer and Furnish Water :
and Wastewater Service to the Public in :
Additional Areas of East Fallowfield, :
Chester County, Pennsylvania; and (4) :
the Water and Wastewater Service and Asset:
Purchase Agreement between the Township :
of East Fallowfield, Chester County, :
Pennsylvania and Pennsylvania-American :
Water Company :

Docket Nos.

A-212285F0115; U-00035002;

A-230073F0008; U-00035003

RECEIVED

APR 23 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Interrogatories and Request for Production of Documents of Pennsylvania American Water Company (Set D) to Aqua Pennsylvania, Inc. upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by UPS Overnight, postage prepaid, addressed as follows:


James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

Service by First Class Mail, postage prepaid, addressed as follows:

Tom Niesen
Thomas, Thomas, Armstrong & Niesen
212 Locust Street
Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

J. Elaine McDonald
Bureau of Fixed Utility Services
Water/Wastewater Industry Group
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Dated: April 23, 2004



Jeffrey A. Franklin
Carl J. Engleman, Jr.
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Pennsylvania-American Water Company