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November 2, 2016

VIA E-FILE

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

Re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of the Borough of New Cumberland's assets, properties and rights related to its wastewater collection and treatment system to Pennsylvania-American Water Company (2) the right of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Borough of New Cumberland, Cumberland County, Pennsylvania, and (3) the right of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to three residential customers in Lower Allen Township, Cumberland County, Pennsylvania; Docket No. A-2016-2544151

Dear Secretary Chiavetta:

Pursuant to the Commission's Order entered October 27, 2016, Ordering Paragraph 6, I am filing with the Commission a copy of the Assignment of Contracts Agreement dated October 31, 2016 between The Borough of New Cumberland and Pennsylvania-American Water Company.

Should you have any questions, please do not hesitate to contact me.

Respectfully yours,

Melanie J. El Atieh

Enclosure

ASSIGNMENT OF CONTRACTS AGREEMENT

THIS ASSIGNMENT OF CONTRACTS AGREEMENT, made and entered into the 31ST day of October, 2016, by and between **THE BOROUGH OF NEW CUMBERLAND**, a public body corporate organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "Borough"), and **PENNSYLVANIA-AMERICAN WATER COMPANY**, a Pennsylvania corporation (hereinafter referred to as "PAWC").

WHEREAS, PAWC and Borough are parties to that Asset Purchase Agreement dated as of May 5, 2016 (the "Purchase Agreement"), pursuant to which Borough will transfer to PAWC substantially all of Borough's assets used in the business of collecting, treating, transporting and disposing of wastewater for the public in certain areas of the Commonwealth of Pennsylvania.

WHEREAS, pursuant to the Purchase Agreement, Borough agreed to sell, assign and transfer to PAWC the contractual rights of Borough related to the contracts, agreements and arrangements identified on Exhibit A attached hereto and made a part hereof (the "Assigned Contracts").

WHEREAS, pursuant to the Purchase Agreement, Borough is to assign and transfer to PAWC all of Borough's rights, title and interest in and to the Assigned Contracts, and PAWC is to assume Borough's duties and obligations arising after the date hereof under the Assigned Contracts.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Borough hereby assigns and transfers to PAWC all of its rights, title and interest in and to the Assigned Contracts, as listed in Exhibit A, attached hereto and made a part hereof, free and clear of all liens and encumbrances of every kind. In furtherance of the assignment contemplated by this Section 1, Borough warrants that, as of the date hereof, Borough has obtained the consent of the other contracting party (or other contracting parties) to each Assigned Contract, if prior consent is required to assign such Assigned Contract or if such Assigned Contract is, by its terms, not assignable.

2. PAWC hereby assumes all liabilities expressly contained in the Assigned Contracts that are to become due after the date hereof (excluding liabilities for non-performance, breach, default or other circumstances that occurred on or prior to the date hereof).

3. Borough assigns no liabilities of any kind or nature whatsoever to PAWC, and PAWC assumes no such liabilities, hereunder, except for those contained in the express terms of the Assigned Contracts (excluding liabilities for non-performance, breach, default or other circumstances that occurred on or prior to the date hereof).

4. This Assignment and Assumption Agreement shall be binding upon the parties and their respective heirs, successors and assigns.

5. Borough hereby covenants and agrees that it will, upon the request of PAWC, perform, execute and deliver (and cause to be performed, executed and delivered), such and all other instruments, documents, acts, transfers, assignments and assurances as PAWC may reasonably require in order to better assure, confirm and accomplish the purposes and benefits of this Assignment of Contracts Agreement.


6. This instrument shall be construed and governed in accordance with the internal laws of the Commonwealth of Pennsylvania, without giving effect to principles of conflicts of law.

7. This instrument may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

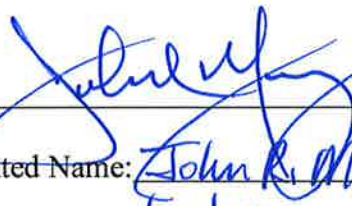
[Remainder of page intentionally left blank and signature page follows]

IN WITNESS WHEREOF, this Assignment of Contracts Agreement has been executed as of the date and year first above written.


WITNESS:

By: 
Printed Name: David W. DeLuca
Date: 10/31/16

THE BOROUGH OF NEW CUMBERLAND

By: 
Printed Name: John R. Murray
Date: 10/31/16

WITNESS:

By: 
Printed Name: Andrew L. Sware
Date: 10/31/2016

PENNSYLVANIA-AMERICAN WATER COMPANY

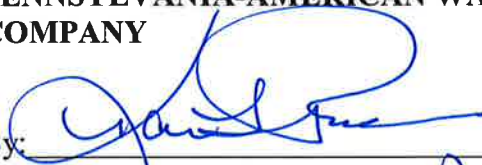
By: 
Printed Name: Kathy L. PAPE
Date: 10/31/16

Exhibit A

(See Attached.)

Schedule 5.1(c)

Assigned Contracts

(Updated as of October 31, 2016)

1. Capital Region Water Process Waste Hauling (as renewed by Borough)
 - Discharge processes waste to Capital Region Water's Advanced Wastewater Treatment Facility
2. Penn Waste, Inc.
 - Disposal of Centrifuge Solids
3. Modern Landfill (as renewed by Borough)
 - Disposal of Centrifuge Solids
4. Suburban Testing Labs
 - NPDES Analysis
5. Kruger, Inc.
 - PLC Disclosure Agreement for SCADA computer system program
6. WIN-911 Software Annual Renewal
 - Annual renewal of software maintenance and support
7. DynaTech Industries
 - Generator maintenance agreement
8. Three Firestone Red Shield Roofing System Limited Warranties
 - Warranty No. RO062619 (Wastewater Treatment Plant)
 - Warranty No. RD130843 (Walnut Alley Sewer Pump Station)
 - Warranty No. RD124210 (Carlisle Road Pump Station)
9. Sewer Agreement with Lower Allen Township and #90, #92, and #94 residents of Poplar Avenue