



June 27, 2017

VIA E-FILE

Jonathan P. Nase

Direct Phone 717-773-4191

Direct Fax 215-372-2340

jnase@cozen.com

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

Re: Application of Pennsylvania-American Water Company-Wastewater under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, for approval of the use for ratemaking purposes of the lesser of the fair market value or the negotiated purchase price of The Municipal Authority of the City of McKeesport's assets related to its wastewater collection and treatment system and other related transactions; Docket No. A-2017-2606103

STIPULATION OF THE PARTIES REGARDING OBJECTIONS AND PRESERVATION OF ISSUES

Dear Secretary Chiavetta:

Enclosed for filing is the fully-executed Stipulation of the Parties Regarding Objections and Preservation of Issues ("Stipulation") in the above-referenced proceeding.

If you have any questions regarding this filing, please direct them to me. Thank you for your attention to this matter.

Sincerely,

COZEN O'CONNOR

By: Jonathan P. Nase

Counsel for *Pennsylvania-American Water Company*

JPN:kmg
Enclosure

cc: Honorable Mark A. Hoyer
Per Certificate of Service

CERTIFICATE OF SERVICE
Docket No. A-2017-2606103

I hereby certify that I have this day served a true copy of the foregoing Stipulation of the Parties Regarding Objections and Preservation of Issues, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA ELECTRONIC AND FIRST CLASS MAIL:

Gina Miller, Esquire
Erika McLain, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Susan Simms Marsh, Esquire
Pennsylvania-American Water Company
800 West Hersheypark Drive
PO Box 888
Hershey, PA 17033

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

DATED: June 27, 2017



Jonathan P. Nase, Esquire
Counsel for *Pennsylvania-American Water Company*

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge
Mark A. Hoyer

Application of Pennsylvania-American Water Company- :
Wastewater under Section 1329 of the Pennsylvania :
Public Utility Code, 66 Pa. C.S. § 1329, for approval of :
the use for ratemaking purposes of the lesser of the fair : Docket No. A-2017-2606103
market value or the negotiated purchase price of The :
Municipal Authority of the City of McKeesport’s assets :
related to its wastewater collection and treatment system :
and other related transactions :

**STIPULATION OF THE PARTIES REGARDING
OBJECTIONS AND PRESERVATION OF ISSUES**

Pennsylvania-American Water Company (“PAWC”), the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) and the Pennsylvania Office of Consumer Advocate (“OCA”) (collectively, the “Parties”) in the above-captioned matter stipulate as follows:

1. On May 24, 2017, PAWC filed an application in the above matter under Section 1102(a) of the Pennsylvania Public Utility Code (“Code”), 66 Pa. C.S. § 1102(a), and Section 1329 of the Code, 66 Pa. C.S. § 1329, requesting (among other things) issuance of Certificates of Public Convenience to PAWC for the transfer to PAWC, by sale, of substantially all of The Municipal Authority of the City of McKeesport’s (“MACM”) assets, properties, and rights related to MACM’s wastewater collection and treatment system (the “System”) and to set the fair market

value of the acquisition for rate-base ratemaking purposes (the “Application”). The Application was accepted for filing by the Commission on June 14, 2017.

2. The Parties anticipate the exchange of discovery during the Application proceedings, including without limitation data or discovery requests from I&E, OCA, and/or OSBA (and any other parties that may become part of the proceedings) for information regarding the appraised fair market value for rate-base ratemaking purposes of the System and related information.

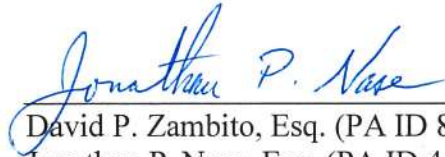
3. The Parties have competing views regarding the proper scope of Section 1329 proceedings, including the proper scope of discovery and the Commission’s scope and standard of review, as expressed in their respective briefs filed in the matter of *Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Sections 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of New Garden Township*, Docket No. A-2016-2580061 (the “*Aqua Application Proceeding*”). The Commission has not yet entered its Order in that proceeding and, even after the entry of a Commission order, there is a likelihood that certain issues may be appealed by parties to that proceeding.

4. In an effort to streamline the instant proceedings and avoid situations in which the parties are compelled to lodge objections to data or discovery requests and litigate those matters in order to raise, preserve, and resolve any issues, objections, or arguments, and in recognition of the six-month application processing period set by Section 1329, the Parties hereby stipulate that the issues, objections, and arguments raised in their respective briefings in the *Aqua Application Proceeding* shall be treated as though the Parties have raised and preserved any and all such issues, objections, and arguments in this proceedings.

5. Nothing in this stipulation constitutes a waiver of any rights, objections, or issues that the Parties intend to raise and preserve or advance before the Commission or in any further appeal from an order of the Commission.

[Signature page follows.]

Accepted and agreed to this 26th day of June, 2017.



David P. Zambito, Esq. (PA ID 80017)
Jonathan P. Nase, Esq. (PA ID 44003)
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
(717) 703-5892

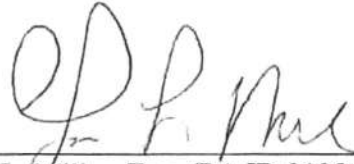
Gina L. Miller, Esq. (PA ID 313863)
Erika L. McLain, Esq. (PA ID 320526)
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Susan Simms Marsh, Esquire (PA ID 044689)
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033
(717) 531-3208

Christine Maloni Hoover, Esq. (PA ID 50026)
Erin L. Gannon, Esq. (PA ID 83487)
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

*Attorneys for Pennsylvania-American
Water Company*

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Pennsylvania Public Utility Commission
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