



Brian Ardire

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November 30, 2017

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

**Re: Agreement of Sale dated November 18, 2017 between
Pennsylvania-American Water Company and Dover Township
Sewer Authority and Dover Township for the purchase of 2017
Nutrient Credits**

Dear Secretary Chiavetta:

On behalf of Pennsylvania American Water, I am electronically filing with you,
according to Section 507 of the Public Utility Code, a copy of the above referenced agreement.

Very truly yours,

Brian Ardire

blg
Enclosure

AGREEMENT OF SALE

THIS **AGREEMENT OF SALE** (the "Agreement") is made this 13TH day of NOVEMBER, 2017 by and among **DOVER TOWNSHIP SEWER AUTHORITY**, a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania, with an address at 2480 West Canal Road, Dover, PA 17315 ["Authority"]; **DOVER TOWNSHIP**, a municipality organized and existing under the laws of the Commonwealth of Pennsylvania, with an address at 2480 West Canal Road, Dover, PA 17315 ["Township"] (collectively the Authority and the Township are the "Seller"); and **PENNSYLVANIA AMERICAN WATER**, with an address at 852 Wesley Dr., Mechanicsburg, PA 17055 ("Buyer").

WITNESSETH:

WHEREAS, Authority is located in Dover Township, York County, Pennsylvania, and governed by the Municipality Authorities Act, 53 Pa.C.S.A. §5601 *et seq.* (the "Authorities Act"); and

WHEREAS, Authority owns and the Township operates a certain wastewater treatment facility (the "Seller WWTP") located in Conewago Township; and

WHEREAS, the Seller WWTP was issued NPDES Permit No. PA0020826 by the Pennsylvania Department of Environmental Protection ("DEP"); and

WHEREAS, Buyer operates a waste water treatment facility in York County, Pennsylvania ("Buyer's WWTP")

WHEREAS, the Buyer was issued NPDES Permit No. PA0082589 (the "Permit") by DEP; and

WHEREAS, the Permit requires the Buyer to meet certain "Chesapeake Bay Nutrient Requirements" with respect to the Buyer's WWTP, including nitrogen and phosphorus, as more particularly described in the Permit (the "Requirements"); and

WHEREAS, Seller has operated the Seller's WWTP in a manner which has allowed Seller to certify nitrogen and phosphorus water quality nutrient credits ("Credits") within the Susquehanna Basin of the Chesapeake Bay Watershed; and

WHEREAS, the Buyer desires to purchase from Seller, and Seller desires to sell to the Buyer, certain Credits generated during the 2017 water year on the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of mutual promises set forth herein, the sufficiency

of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Sale and Purchase of the Credits. Seller hereby agrees to sell, and the Buyer hereby agrees to purchase the Credits, upon the following terms and conditions:

1.1 The Buyer agrees to purchase from Seller, and Seller agrees to sell to the Buyer, 2017 Nitrogen Credits in an amount verified by DEP and for a purchase price of One Dollars and Fifty Cents (\$1.50) per credit for Three Thousand Six Hundred Fifty Seven (3,657) Nitrogen Credits, as indicated on the Seller's Verification of Nutrient Credits marked as Exhibit "A", attached hereto and incorporated herein by reference. The total purchase price is \$5,485.50, which purchase price is exclusive of all sales, use, excise, or similar taxes, which shall be paid (to the extent applicable) solely by the Buyer.

1.2 The Buyer agrees to remit full payment for all Credits to Seller within thirty (30) days of the Buyer's receipt of notification by DEP of the registration of the Credits purchased pursuant to this Agreement and as required by 25 Pa. Code § 96.8.

1.3 The Buyer acknowledges and agrees that (i) the Credits may only be used for the Buyer's WWTP, and may not be assigned, conveyed, or transferred in any fashion (whether by operation of law or otherwise) by the Buyer without Seller's prior written consent, which consent may not be unreasonably withheld by Seller; (ii) Seller is not making any, and has made no, representation, warranty, or covenant regarding (A) the suitability of the Credits for the Buyer's WWTP, and (B) the likelihood of the Credits satisfying the requirements of the Permit (or any successor permit); and (iii) Seller has, and shall have, no duty, liability, or responsibility in any way relating to or arising out of the Buyer's WWTP.

1.4 Seller consents to DEP transmitting a copy of said Verification directly to the Buyer. Seller consents to the Buyer transmitting a copy of this Agreement to DEP for the purpose of Credit registration.

1.5 Each party agrees to execute any and all documents and take such other actions as the other party may reasonably request in order to consummate the transaction provided for herein and to accomplish the purposes of this Agreement.

1.6 This Agreement may be declared null and void at the Buyer's sole option in the event that 2017 Credits are not verified by DEP or registered to the Buyer's Permit prior to November 27, 2017 or the end of the 2017 water year true-up period.

2. Miscellaneous.

2.1 This Agreement contains the entire agreement and understanding between the parties concerning the subject matter hereof, and supersedes any and all prior understandings or agreements, written or oral, between the parties respecting the subject matter hereof.

2.2 This Agreement may not be amended, modified, superseded, cancelled,

renewed or extended, nor may any term or condition hereof be waived, except by a written instrument or document signed by all-parties hereto or, in the case of a waiver, signed by the party sought to be charged therewith. No waiver by any party of the breach of any provision hereof shall be deemed to constitute a waiver of any continuing or subsequent breach of such provision or any other provision hereof. Except as otherwise provided herein, the rights and remedies expressly granted hereunder shall be cumulative with respect to, and shall not be deemed to exclude, any other rights and remedies to which any party shall be entitled at law or in equity.

2.3 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but shall not be assigned by any party without the prior written consent of the other parties (which consent shall not be unreasonably withheld or delayed), as well as any necessary consents or approvals of the applicable regulatory authorities.

2.4 This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. The parties agree that jurisdiction and venue for any questions or disputes hereunder shall only be in the Court of Common Pleas in and for York County, Pennsylvania, and/or the United States District Court serving such County.

2.5 Headings have been set forth for convenience of reference only and shall not be used in construing this Agreement. References to persons or things shall be deemed to refer to such persons or things in the singular or plural and in the masculine, feminine or neuter gender as the context shall require.

2.6 This Agreement shall be deemed to be severable, so that if any provision hereof shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to remain valid and enforceable in accordance with their terms.

2.7 All notices shall be in writing, shall be sent to the address contained in the introductory section and shall be considered as delivered: (i) on the next business day, if sent by telex, telecopy, telegram or overnight carrier; or (ii) three (3) days after the postmark, if sent by first class mail.

2.8 Nothing in this Agreement shall be deemed to create any agency, partnership, joint venture, or fiduciary relationship (or duties) between the parties.

2.9 The Buyer and Seller acknowledge and understand that this Agreement may be subject to the Pennsylvania Right to Know Law, 65 P.S. § 67.101 *et seq.* The Buyer's and Seller's duties regarding the Right To Know Law are continuing duties that survive the expiration of this Agreement.

2.10 This Agreement may be executed in any number of counterparts (and delivered by overnight express mail, or by fax with confirmation in writing delivered by overnight express mail), each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same

instrument. This Agreement shall be binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected on this Agreement as the signatories.

2.11 Terms used in this Agreement shall be as defined in 25 Pa. Code §96.8.

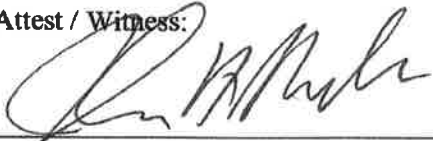
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, intending to be legally bound, this Agreement of Sale has been duly executed by the parties hereto as of the day and year first above written.

SELLER

DOVER TOWNSHIP SEWER AUTHORITY

Attest / Witness:



Secretary



Chairman

SELLER

DOVER TOWNSHIP

Attest / Witness:



Secretary

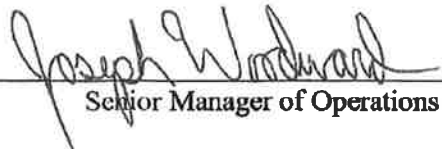


Chairman

BUYER

PENNSYLVANIA AMERICAN WATER

REVIEWED AND APPROVED:

By: 

Senior Manager of Operations

Date: 11/8/17



November 1, 2017

Sophie Simon
 Dover Twp WWTF
 851 Graffuis Rd.
 York, PA 17404
 717-292-4911
doverwwtp@comcast.net

Re: Verification of Nutrient Reduction Credits – Dover Twp WWTF

Dear Ms. Simon,

The Department of Environmental Protection (DEP) is in receipt of a request for verification (“request”), including a Nutrient Credit Verification Request form (3800-FM-BCW0506) and Annual Chesapeake Bay Spreadsheet demonstrating credit generation.

DEP approval of a verification request indicates that the generator has verified the pollutant reduction activity using the Annual Chesapeake Bay Spreadsheet and that other verification requirements of the Nutrient Credit Trading Program, such as baseline and threshold, have been met (See 25 Pa. Code §96.8(f)).

The following nutrient pollutant reduction activity has DEP approval for verification:

Verification ID	Cert ID	Generator	Pollutant Reduction Activity	N Credits Verified	P Credits Verified	Verification Date	Verification Expiration
642	328	Dover Twp WWTF	Advanced Wastewater Treatment	9,649	0	11/1/17	11/28/17

Assuming no contrary information comes to DEP’s attention, DEP is prepared to register the verified credits generated by the pollutant reduction activity listed above upon receipt of a Nutrient Credit Registration Request form (36800-FM-BCW0504) and related valid contract. These credits may only be used towards compliance with an NPDES permit for the 2017 compliance year until November 28, 2017.

Dover Twp WWTF shall furnish to DEP, within the timeframe specified by DEP, any information DEP may request related to this verification. All documents, records, data, or other information related to this verification shall be maintained by Dover Twp WWTF for a minimum of three (3) years from the expiration date of the related certification.

Pertinent information related to credit certification, verification, and registration, including data on credit generators and buyers, will be published on DEP’s Nutrient Trading website at:

www.dep.pa.gov/nutrient_trading

If you have any additional questions regarding this verification of credits, please do not hesitate to contact DEP at RA-EPPANutrientTrad@pa.gov or 717.787.6744.

Sincerely,

A handwritten signature in cursive script that reads "Theia Hofstetter".

Theia Hofstetter
Water Program Specialist
Operations Division




NUTRIENT CREDIT REGISTRATION REQUEST

Credits must be certified and verified before requesting registration.

A separate Registration Request is required for each credit buyer.

Registration Requests must include copies of all related valid contracts between generator and buyer.

1.	A. Registration Request Submitter: Dover Township Wastewater Treatment Facility					
	B. Aggregator Information (if applicable)					
	Address:					
	Responsible official or contact:				Phone:	
	Title:			Email:		
	C. Credit Generator Information					
	NPDES Permit Number or other identifier (if applicable): PA0020826					
	Site Name: Dover Township Wastewater Treatment Facility					
	Site Location		County: York		Municipality: Conewago Township	
	Address: 851 Graffius Rd York PA 17404					
Responsible official or contact: Sophie G. Simon				Phone: 717 764 4136		
Title: Supt			Email: doverwwtp@comcast.net			
2.	Total Credit Registration Requested		N Credits: 3657		P Credits:	
	For Compliance Year: October 1, 2016 through September 30, 2017					
3.	For Nonpoint Source – List one or more site names, water basins, certification and verification ID numbers, and corresponding N and P credits. Attach additional records if needed.					
	Site Name		Basin	Certif. ID	Verif. ID	N Credits
4.	Name of Credit Buyer: Pennsylvania American Water					
	NPDES Permit Number or other identifier (if applicable): PA0082589					
	Address: 852 Wesley Dr. Mechanicburg, PA 17055					
	Responsible official or contact: Joseph Woodward				Phone: 717 790 3028	
	Title: Senior Manager			Email: joseph.woodward@amwater.com		
5.	Contract Date: 11/17/2017					

6.	List the water basin for the receiving stream segment nearest the location of the proposed credit buyer. Unnamed tributary of Susquehanna River
7.	Is this a PennVEST sale? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Email or send this completed Registration Request form and all associated documentation to:	
<p>RA-EPPANutrientTrad@pa.gov</p> <p>or</p> <p>PA DEP PA Nutrient Trading Program 400 Market Street – 11th Floor Harrisburg, PA 17101-8774</p>	<p>Submitter/Responsible Official Signature:</p> <div style="text-align: center;">  </div> <hr/> <p>Name: Sophie G. Simon</p> <hr/> <p>Date: 11/20/17</p>
<p>I certify under penalty of law and subject to the penalties of 18 Pa. C.S. Section 4904 (relating to unsworn falsification to authorities) that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.</p>	
<p>Information related to the PA Nutrient Trading Program is available on the DEP Nutrient Trading website: www.dep.pa.gov/nutrient_trading</p>	