



Brian Ardire
Director, Corporate Counsel
Pennsylvania-American Water Company
800 West Hersheypark Drive, Hershey, PA 17033
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February 1, 2018

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

In Re: Application of Pennsylvania-American Water Company for approval to acquire Nutrient Credits from Dover Township and Dover Township Sewer Authority.

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company, I am e-filing an original copy of the above-referenced Application, together with payment in the amount of \$350 for the Commission's filing fee.

Very truly yours,



Brian Ardire

Enclosure

cc: Office of Consumer Advocate
Office of Small Business Advocate
Department of Environmental Protection
Bureau of Investigation and Enforcement

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Pennsylvania-American Water Company for approval of the right to acquire Nutrient Credits from Dover Township and Dover Township Sewer Authority.

Application No. _____

To Pennsylvania Public Utility Commission:

I. INTRODUCTION

1. Pennsylvania-American Water Company (“Pennsylvania American” or “Applicant”) hereby requests that the Pennsylvania Public Utility Commission (“Commission”) issue a certificate of public convenience evidencing its approval under Section 1102(a) of the Public Utility Code, 66 Pa.C.S. § 1102(a), of the Applicant’s request to acquire Nutrient Credits from Dover Township and Dover Township Sewer Authority (“Dover Township”).

2. The name and address of Applicant is:

Pennsylvania-American Water Company
 (“Pennsylvania American”)
 800 West Hersheypark Drive
 Hershey, PA 17033

3. The names and address of the Applicant’s attorneys are:

Brian A. Ardire
 Susan Simms Marsh, Esquire
 Pennsylvania-American Water Company
 800 West Hersheypark Drive
 Hershey, PA 17033

II. DESCRIPTION OF THE APPLICANT

4. Pennsylvania American is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and is a wholly owned subsidiary of the American Water Works Company, Inc. (“AWW”). Pennsylvania American furnishes water service in a certificated service territory encompassing portions of 36 counties across the Commonwealth. As of December 31, 2017 Pennsylvania-American provided water service to approximately 657,854 customers in the following classifications:

Residential:	605,770
Commercial:	45,020
Industrial:	525
Municipal, Resale and Other:	2,249
Fire Protection:	4,290

In addition, Pennsylvania-American furnishes wastewater service to approximately 64,917 customers.

5. Attached hereto as Exhibit A is pertinent information with respect to the corporate history, authority, and service territory of Pennsylvania American.

III. BACKGROUND

6. The Dover Township Sewer Authority and Dover Township own a wastewater treatment facility and holds NPDES Permit No. PA 002085 (“DTSA Permit”) issued by the Pennsylvania Department of Environmental Protection (“DEP”).

7. Pennsylvania American owns and operates a wastewater facility in York County and holds a NPDES Permit No. PA0082589 (“PA NPDES Permit”) issued by DEP.

8. Under PA NPDES Permit, Applicant is required to meet and maintain certain Chesapeake Bay Nutrient Requirements. Applicant became aware that it was not in compliance with the nutrient requirement under said PA NPDES Permit.

9. Per a Chesapeake Bay Supplemental Report Annual Nutrient Budget PAWC was advised that it needed 3,657 TN Credits to be in compliance attached as Exhibit B.

10. Dover Township was able to certify excess nitrogen and phosphorus water quality credits within the Susquehanna Basin of the Chesapeake Bay Watershed by a Verification issued by DEP. This Verification allows Dover Township to transfer its excess credits to Applicant. The Verification is attached as Exhibit C.

11. Pennsylvania American desires to purchase the certain credits generated by Dover Township. A copy of the Agreement is attached as Exhibit D.

12. Under the Agreement between Dover Township and Pennsylvania American, Pennsylvania American agrees to purchase 3,657 Nitrogen Credits at the price of One Dollar and Fifty Cents (\$1.50) per credit for a total amount of \$5,485.50.

13. A copy of the Nutrient Credit Registration Request submitted by Dover Township to DEP to transfer these credits to Pennsylvania American is attached as Exhibit D.

14. No additional capital will be required by the Applicant for the purpose of financing the matters and things involved in this Application.

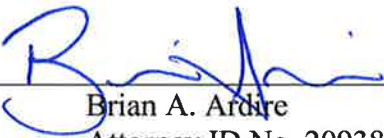
III. RELIEF REQUESTED

15. Together with its Order approving this Application, Pennsylvania American requests that the Commission issue a Certificate of Public Convenience pursuant to Section

1102(a) of the Public Utility Code, 66 Pa.C.S. §1102(a), authorizing Pennsylvania-American to purchase said nutrient credits needed in order to achieve compliance with DEP Regulations.

WHEREFORE, Pennsylvania-American respectfully requests that the Pennsylvania Public Utility Commission approve this Application and grant the relief requested in Paragraph 15, above.

PENNSYLVANIA-AMERICAN WATER COMPANY

By:  _____
Brian A. Ardre
Attorney ID No. 209386
Counsel for
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
717-533-5000

Dated: 2/1/18 _____

VERIFICATION

I, DAVID D. BOORE, hereby state that the facts set forth in the Application to acquire nutrient credits from Dover Township and Dover Township Sewer Authority, are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



David D. Boore, Operations Supervisor
Pennsylvania-American Water Company

Date: 2-1-18

PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 800 West Hershey Park Drive, Hershey, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Lackawanna County Water System at Montage (Lackawanna County, April 11, 1997); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh

Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shippenville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallaceton Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011); Wildcat Park Corporation (Schuylkill County, November 17, 2011); Estate of George Spangenberg d/b/a Lake Spangenberg Water Company (Lackawanna County, May 3, 2012); North Fayette County Municipal Authority-Balsinger Public Water System and Springfield Pike Public Water System (Fayette County, October 4, 2012); All Seasons Water Company (Pike County, December 20, 2012); Ha Ra Corporation-Fernwood Community Water System (Monroe County, December 31, 2012); Olwen Heights Water Service Company, Inc. (Lackawanna County, February 4, 2013); Indian Rocks Water Association (Wayne County, March 13, 2013); Koppel Borough (Beaver County, May 31, 2013); Pocono Mountain Lake Forest Community Association (Pike County, July 22, 2013); Clean Treatment Sewage Company (Pike County, August 21, 2013); Franklin Township Municipal Authority (Adams County, August 29, 2013); Berry Hollow Water Company (Northampton County, April 3, 2014); Scott Township (Lackawanna County, May 22, 2014); Paint-Elk Joint Sewer Authority (Clarion County, July 31, 2014); Hamiltonban Township Municipal Authority (Adams County, November 3, 2014); Abbey Woods Homeowners Association (Butler County, July 14, 2015); Shippenville Borough (Clarion County, August 4, 2015); Paint Township Municipal Water Authority (Clarion County, October 1, 2015); McEwensville Municipal Authority (Northumberland County, October 21, 2015); Fairview Township (York County, December 22, 2015); Borough of New Cumberland (Cumberland County, October 31, 2016) and Sewer Authority of the City of Scranton (Lackawanna County, December 29, 2016). On July 2, 1990, Brownsville Water Company (Fayette

Exhibit A

County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 654,770 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 28th, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mount Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applegold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence and Wyomissing and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallacetown and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Townships of Conewago, Derry, Londonderry, South Hanover and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville and South Connellsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, German, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Carbondale, Fell, Glenburn, Jefferson, North Abington, Roaring Brook, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono, the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud and the Village of Tobyhanna in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East

Exhibit A

Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitmarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Mount Bethel, Lower Nazareth, Plainfield, Upper Mount Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of McEwensville, Milton, Northumberland and Watsontown and the Townships of Delaware, East Chillisquaque, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, East Pike Run, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane and Union in Washington County;

Portions of the Townships of Clinton and Salem in Wayne County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 54,691 customers in the following municipalities:

Portions of, the Townships of Franklin, Hamiltonban and Highland in Adams County;

All of the Borough of Koppel in Beaver County;

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

Exhibit A

All, or portions of, the Boroughs of Clarion and Shippenville and the Townships of Clarion, Elk, Monroe and Paint in Clarion County;

All, or portions of, the Borough of New Cumberland and the Township of Lower Allen in Cumberland County.

All of the City of Scranton and the Borough of Dunmore in Lackawanna County.

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

All of the Borough of McEwensville in Northumberland County;

Portions of the Townships of Delaware and Lehman in Pike County;

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County;
and

A portion of the Township of Fairview in York County.

[399 municipalities in 36 counties.]

12/31/2016

Facility Name: Fairview South STP
 Municipality: Fairview Township County: York
 Watershed: 7-E
 Were **Credits Purchased** During Compliance Year?
 Were **Credits Sold** During Compliance Year?
 Were **Offsets Generated** During Compliance Year?

Compliance Year: 2017 Outfall: 001
 NPDES Permit No.: PA0082589
 This permit will expire on: August 31, 2021
 TN Delivery Ratio: 0.961
 TP Delivery Ratio: 0.436

SUMMARY

	TN	TP
Annual Total Mass Load (lbs)	< 12937	< 376
Lbs from Credits Purchased	0	0
Lbs from Credits Sold	0	0
Lbs from Offsets Generated	0	0
Annual Net Mass Load (lbs)	< 12937	< 376
Cap Load (lbs)	9,132	1,218

(Annual Total Mass Load + Lbs from Credits Sold - Lbs from Credits Purchased - Offsets)

Violation **Compliance**

3805 lbs TN from Credits/Offsets are needed to achieve compliance. If credits are purchased, 3657 TN Credits would be needed.

I certify under penalty of law that this document was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel gather and evaluate 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. See 18 Pa. C.S. § 4904 (relating to unsworn falsification).

Prepared By: Sean Shoemaker
 Title: Lead Operator

License No.: 194481
 Date: 11/2/2017



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:

Dover Twp WWTF

- 2 -

November 1, 2017

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

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


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	P 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>
	
	<p>Name: Sophie G. Simon</p>
<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>	