



Brian Ardire

Director, Corporate Counsel

Pennsylvania-American Water Company

800 West Hersheypark Drive, Hershey, PA 17033

P: 717.531.3362 F: 717.531.3399 C:

717.218.4636

brian.ardire@amwater.com

February 12, 2018

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

**In re: Agreement between Pennsylvania-American Water Company
and Dover Township Sewer Authority and Dover Township
for the purchase of 2017 Nutrient Credits.
Docket No. U-2017-2636119**

Dear Secretary Chiavetta:

In response to your letter dated December 6, 2017, attached for filing is Pennsylvania-American Water Company's answers to the data requests regarding the above referenced docket number.

Sincerely,

Brian Ardire

blg

Enclosure

cc: C. McKinley

Bureau of Technical Utility Services
Water/Wastewater Division
Data Request 1

Agreement between Pennsylvania-American Water Company and Dover Township Sewer Authority and Dover Township for the Purchase of 2017 Nutrient Credits at Docket No. U-2017-2636119

Note: Restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

U-1. Please explain why the Agreement is not being submitted for approval under the standards of Section 1102(a)(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(3).

Response: A formal application was filed with the Public Utility Commission with Docket No. A-2018-2645573.

Responsible Witness: David D. Boore, Operations Supervisor

U-2. Please explain why the Agreement was not filed with the Commission 30 days prior to its implied effective date, pursuant to Section 507 of the Public Utility Code, 66 Pa. C. S. §507.

Response: The process to obtain the required nutrient credits involved multiple deadlines which had to be met before PAWC could file the Agreement. In order for Dover Township Sewer Authority and Dover Township (“Dover”) to sell its excess the nutrient credits had to be certified by DEP. Once DEP certified those credits, PAWC signed the agreement with Dover in order to meet the permit deadline for DEP. Once, all those steps were taken, PAWC was able to file the agreement.

Responsible Witness: David D. Boore, Operations Supervisor

U-3. Please identify how the purchase price of \$1.50 per nitrogen credit was determined and provide evidence that this price is comparable to the current market value of nutrient credits.

Response: The purchase price per nitrogen credit was determined by Dover and agreed to by PAWC. Nutrient credits vary from \$2.25 - \$2.66 per credit per an auction site for Pennsylvania located at <http://www.markit.com/Product/Pennvest>. Also, please see attached.

Responsible Witness: David D. Boore, Operations Supervisor

U-4. It appears that the additional 3,657 nitrogen credits will exceed Pennsylvania-American Water Company's (PAWC's) need for additional nitrogen credits to meet National Pollutant Discharge Elimination System permit limitations. Please state how it was determined that PAWC would purchase 3,657 nitrogen credits.

Response: Please see the attached Chesapeake Bay Supplemental Report, Annual Nutrient Budget from the Pennsylvania Department of Environmental Protection indicating the number of credits to be purchased in order to achieve compliance.

Responsible Witness: David D. Boore, Operations Supervisor

VERIFICATION

I, DAVID D. BOORE, hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.



David D. Boore
Operations Supervisor

Dated: 2-8-18

Public Results for Pennvest Auction 09-06-17 Round 2

Credit: SU-N-17				
Winners:	Bid/Offer	Total Quantity Won	Total Quantity Traded	Final Price (\$)
LEAR Corporation	BID	3,873	3,873	2.66
County of Lycoming	OFFER	3,873		

Credit: SU-P-17
No winners for the auction

Response U-3
 Attachment

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
	Violation	Compliance

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

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