

Pennsylvania Public Utility Commission  
66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater

**Circle No or Yes. If yes, identify the document, section, and page number containing the item as found within the filing.**

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|---|----|-----|----------------|
| 1. Transmittal letter with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.   | No | Yes |                |
| 2. Verification form that is signed by an officer of the company, dated, and accurately references the case.  | No | Yes |                |
| 3. Certificate of Service indicating that a complete copy of the application with exhibits was served by registered or certified mail, return receipt requested, upon the statutory advocates (OCA, OSBA) and the Bureau of Investigation and Enforcement. <sup>1</sup> | No | Yes |                |
| 4. Provide electronic working documents (i.e., Excel spreadsheets) for all the filing’s schedules, studies, and working papers.   | No | Yes |                |
| 5. Provide copies of two appraisals performed by separate utility valuation experts establishing the system’s fair market value.  | No | Yes | Page No. _____ |
| 6. State the purchase price of the seller as agreed to by the buyer and seller. <sup>2</sup>  | No | Yes | Page No. _____ |
| 7. Provide a verification statement that one utility valuation expert was selected by the buyer and the other utility valuation expert was selected by the seller.  | No | Yes | Page No. _____ |
| 8. State the total fees paid to the utility valuation experts for providing the completed appraisals for the acquisition and provide documentation, i.e., the valuation service agreement and all associated invoices, justifying the subject fee amounts.              | No | Yes | Page No. _____ |
| 9. Provide a verification statement that the utility valuation expert has no affiliation with the buyer or seller as specified in 66 Pa. C.S. § 1329.   | No | Yes | Page No. _____ |
| 10. Provide a verification statement that the appraisals performed by the utility valuation experts determined fair market value in compliance with the Uniform Standards of Professional Appraisal Practice, employing the cost, market and income approaches.         | No | Yes | Page No. _____ |

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<sup>1</sup> See Notes on last page of this Checklist; Filers will be instructed to also serve other parties when the application is accepted.

<sup>2</sup> “seller” refers to the selling municipality; “buyer” refers to the acquiring entity.

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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11. State the ratemaking rate base as required in 66 Pa. C.S. § 1329 and specify whether it is based on either the fair market value determined by the valuation experts or the asset purchase price. No Yes Page No. \_\_\_\_\_
12. Quantify the transaction and closing costs incurred by the buyer that will be included in its rate base. No Yes Page No. \_\_\_\_\_
13. Provide a proposed tariff containing a rate equal to the existing rates of the seller at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition. No Yes Page No. \_\_\_\_\_
14. Provide direct testimony for the application. No Yes Page No. \_\_\_\_\_
15. Plant in Service.
- a. Provide an inventory of the used and useful plant assets to be transferred. Identify separately any utility plant that is held for future use.<sup>3</sup> No Yes Page No. \_\_\_\_\_
- b. Provide a list of all non-depreciable property such as land and rights-of-way.
- c. State the DEP-permitted productive or treatment capacity of sources or treatment facility and the pipe sizes and material used for construction for all transmission and distribution or collection facilities. No Yes Page No. \_\_\_\_\_
- d. State the elevations of major facilities and service areas. No Yes Page No. \_\_\_\_\_
- e. State the approximate time schedule for installation of the various component facilities. No Yes Page No. \_\_\_\_\_
- f. State the tentative journal entries for booking the acquisition. No Yes Page No. \_\_\_\_\_
16. Map of Service Area. Provide a scalable map or plan of suitable scale highlighting the boundaries of the proposed service area, that includes:
- a. The extent of the proposed service area with any existing adjoining service areas identified. No Yes Page No. \_\_\_\_\_
- b. A north arrow depicting map orientation. No Yes Page No. \_\_\_\_\_
- c. A graphic scale. No Yes Page No. \_\_\_\_\_

<sup>3</sup> The inventory is to be developed from available records, maps, work orders, debt issue closing documents funding construction projects, and other sources to ensure an accurate listing of utility plant by utility account.

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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|---|----|-----|----------------|
| d. A written description of the boundaries for the service territory utilizing bearing angles and distances.  | No | Yes | Page No. _____ |
| e. Size of the service territory area in terms of acres or square miles.  | No | Yes | Page No. _____ |
| f. Identification and depiction of all municipal boundaries relative to the service area.   | No | Yes | Page No. _____ |
| g. Identification and depiction of all private and public roads relative to the service area.   | No | Yes | Page No. _____ |
| h. Depiction of the location or route of the waterworks or wastewater collection, treatment or disposal facilities.   | No | Yes | Page No. _____ |
| <br>  |    |     |                |
| 17. Customers.  |    |     |                |
| a. State the seller's actual number of customers by class and quantify the related consumption or gallons treated in the current calendar year and future number of connections anticipated for the next 10 years.          | No | Yes | Page No. _____ |
| b. Buyer shall demonstrate its ability to provide adequate water supply, treatment, storage and distribution or adequate wastewater collection, treatment or disposal capacity to meet present and future customer demands. | No | Yes | Page No. _____ |
| c. For <b>water</b> system acquisitions, quantify the number of public and private fire hydrants.   | No | Yes | Page No. _____ |
| <br>  |    |     |                |
| 18. Rates.  |    |     |                |
| a. State the current rates of the seller.   | No | Yes | Page No. _____ |
| b. Provide a copy of the seller's current rules and regulations for service.  | No | Yes | Page No. _____ |
| c. Provide a proposed tariff or tariff supplement showing the rates, proposed rules, and conditions of service.   | No | Yes | Page No. _____ |
| d. Provide a copy of the notification sent to affected customers describing the filing and the proposed rates.  | No | Yes | Page No. _____ |
| <br>  |    |     |                |
| 19. Cost of Service.  |    |     |                |
| a. Provide a copy of the seller's audited financial statement for the previous two years.   | No | Yes | Page No. _____ |
| b. Provide a copy of the seller's adopted budget from the previous two years.   | No | Yes | Page No. _____ |
| c. If the seller is a municipal authority, provide a copy of the most recent annual report filed with the Commonwealth's Department of Community and Economic Development.  | No | Yes | Page No. _____ |

Pennsylvania Public Utility Commission  
66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater

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| d. Provide calculations quantifying the projected revenues and expenses for the acquisition.   | No    Yes | Page No. _____ |
| e. State whether the seller has any outstanding loans on the utility plant and identify the nature, terms, and payment history.  | No    Yes | Page No. _____ |
| 20. Proof of Compliance. Provide proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:   |           |                |
| a. For <b>water</b> system acquisitions, provide copies of the public water supply/water quality management permits for the utility plant.   | No    Yes | Page No. _____ |
| b. For <b>wastewater</b> system acquisitions, provide copies of the water quality management and National Pollution Discharge Elimination System (NPDES) permits for the utility plant.  | No    Yes | Page No. _____ |
| c. For <b>wastewater</b> system acquisitions, provide a copy of the Chapter 94 Municipal Wasteload Management Report that was most recently submitted to DEP.  | No    Yes | Page No. _____ |
| d. Valid buyer's certified operators' certificates appropriate to the facilities being acquired.   | No    Yes | Page No. _____ |
| e. Provide documentation evidencing a 5-year compliance history with DEP with an explanation of each violation for the seller's utilities that have been providing service as well as provide a copy of any DEP-approved corrective action plans.                    | No    Yes | Page No. _____ |
| f. Provide documentation evidencing a 5-year compliance history with DEP of other utilities owned or operated, or both, by the buyer, including affiliates, and their officers and parent corporations with regard to the provision of utility service. <sup>4</sup> | No    Yes | Page No. _____ |
| g. Provide a statement clarifying whether the acquired plant will be physically interconnected to the buyer's system or be operated as a standalone system.  | No    Yes | Page No. _____ |
| h. Provide a statement that explains how the acquisition will fit into the current operations of the buyer.  | No    Yes | Page No. _____ |

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<sup>4</sup> Regarding Checklist Item 20(f), Class A public utilities need only submit compliance history for operations in the neighboring areas or a statement attesting to their compliance with this item.

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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| i. Provide a statement that identifies the staff, district or division of the buyer that will operate and manage the acquisition.   | No | Yes | Page No. _____ |
| j. Provide a statement quantifying the distance in miles the acquisition is from the buyer's existing system or facilities.   | No | Yes | Page No. _____ |
| k. Provide a statement that identifies all planned physical, operational and managerial changes of the buyer that will occur after closing and state the timeframe and cost for each.   | No | Yes | Page No. _____ |
| 21. Affected Persons. State the identity of all public utilities, municipalities, municipal authorities, cooperatives and associations which provide public water service or wastewater collection, treatment or disposal service within each municipality, or a municipality directly adjacent to the municipality(ies), in which the applicant seeks to provide service that abuts or is situated within one mile of the applicant's proposed facilities. | No | Yes | Page No. _____ |
| 22. Other requirements. Demonstrate compliance with the following:  |    |     |                |
| a. For <b>wastewater</b> system acquisitions, demonstrate compliance with the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities (including the extent of the requested service territory).  | No | Yes | Page No. _____ |
| b. For <b>wastewater</b> system acquisitions, provide a copy of the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities.  | No | Yes | Page No. _____ |
| c. For <b>wastewater</b> system acquisitions, state the method of water service being provided in the requested wastewater service territory (i.e., public water or private wells) and identify the name of water utility, if applicable.   | No | Yes | Page No. _____ |
| d. For <b>water</b> system acquisitions, state the method of wastewater service being provided in the requested water service territory (i.e., public wastewater or private on-lot) and identify the name of wastewater utility, if applicable.   | No | Yes | Page No. _____ |
| e. Provide evidence the filing is consistent with the affected municipality and county's comprehensive plans.   | No | Yes | Page No. _____ |

Pennsylvania Public Utility Commission  
66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater

## 23. Verification.

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|--|-----------------------------|
| a. For <b>water</b> system acquisitions, provide a verification that the water sources and customers are metered in accordance with 52 Pa. Code § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission. | No    Yes    Page No. _____ |
| b. Include a statement that there is no affiliation between the buyer and seller.  | No    Yes    Page No. _____ |
| c. Include a statement that the agreement was conducted at arm's length.   | No    Yes    Page No. _____ |
| d. Include a statement explaining how the customers will benefit from the ownership.   | No    Yes    Page No. _____ |

## 24. Asset Purchase Agreement (APA).

- |   |                             |
|---|-----------------------------|
| a. Provide a copy of the APA that is signed by all parties.   | No    Yes    Page No. _____ |
| b. APA clearly states the purchase price and terms.   | No    Yes    Page No. _____ |
| c. APA clearly states whether all assets or only a portion of the assets are to be purchased (e.g., water treatment and distribution or wastewater collection and treatment). | No    Yes    Page No. _____ |
| d. APA adequately describes the assets to be acquired.  | No    Yes    Page No. _____ |
| e. APA adequately describes the assets to be excluded.  | No    Yes    Page No. _____ |
| f. APA contains a copy of all agreements to be assumed by the buyer as part of the acquisition.   | No    Yes    Page No. _____ |

*Notes:*

*All information disclosed within this application is considered public information unless specifically labeled confidential. Applicants are responsible for disclosing to the Secretary's Bureau that which is privileged or confidential information and not otherwise available to the public. **Submit one copy of all confidential information, on documents stamped CONFIDENTIAL at the top in clear and conspicuous letters, in a separate envelope (but still attached to the application) to the Secretary's Office along with the Application.***

*If you e-file your application, separately mail in any confidential information specifically identifying that you have e-filed the application. Be sure to specify the Applicant's name, and provide the e-filing confirmation page.*

Pennsylvania Public Utility Commission  
66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater

*Once the application is reviewed and accepted as filed, the Commission will issue a secretarial letter instructing the Applicant to publish notice in local newspapers of general circulation and to serve the following:*

- *each city, borough, town, township, county and related planning office which is included whole or in part in the proposed service area;*
- *a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment or disposal service to the public and whose service area abuts or is within 1 mile of the service area proposed in the application; and*
- *the Department of Environmental Protection's central and regional offices.*