

**Application of SUEZ Water Pennsylvania Inc. for the Acquisition of Wastewater Assets of
the Township of Mahoning Pursuant to 66 Pa. C.S. §1329
Application Filing Checklist –Wastewater
Docket No. A-2018-_____**

1. Transmittal letter with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.

RESPONSE: See enclosed transmittal letter from David P. Zambito, Esq. with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.

July 20, 2018

VIA HAND DELIVERY

David P. Zambito

Direct Phone 717-703-5892

Direct Fax 215-989-4216

dzambito@cozen.com

CONTAINS CONFIDENTIAL INFORMATION

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

Re: In re: Application of SUEZ Water Pennsylvania Inc. under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of the Township of Mahoning's assets, properties and rights related to its wastewater collection and conveyance system to SUEZ Water Pennsylvania Inc., and (2) the rights of SUEZ Water Pennsylvania Inc. to begin to offer or furnish wastewater collection and conveyance service to the public in portions of the Townships of Mahoning, Cooper and Valley, Montour County, Pennsylvania; Docket No. A-2018-_____

In re: Application of SUEZ Water Pennsylvania Inc. 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 Township of Mahoning's assets related to its wastewater collection and conveyance system; Docket No. A-2018-_____

Petition of SUEZ Water Pennsylvania Inc., related to its acquisition of the Township of Mahoning's assets related to its wastewater collection and conveyance system, for approval under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) for book and ratemaking purposes, accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the distribution system improvement charge, and (ii) for book and ratemaking purposes, defer depreciation related to post-acquisition improvements not recovered through the distribution system improvement charge; Docket No. P-2018-_____

In re: Filing by SUEZ Water Pennsylvania Inc. under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of (i) the Asset Purchase Agreement Between SUEZ Water Pennsylvania Inc. and the Township of Mahoning, and (ii) four agreements with municipal corporations to be assumed by SUEZ Water Pennsylvania Inc. upon closing of its acquisition of substantially all of the Township of Mahoning's assets, properties and rights related to its wastewater collection and

**conveyance system; Docket No. U-2018-_____ ; U-2018-_____ ; U-2018-_____ ;
U-2018-_____ and U-2018-_____**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the above-referenced application and related filings of SUEZ Water Pennsylvania Inc. ("SWPA") for its acquisition of the wastewater collection and conveyance system of the Township of Mahoning. This filing is made pursuant to Sections 507 (related to filing of contracts with municipal corporations), 1102 (related to certificates of public convenience), and 1329 (determination of fair market value for ratemaking purposes) of the Pennsylvania Public Utility Code ("Code"), Pa. C.S. §§ 507, 1102, and 1329.

Copies of the Application have been served upon the public advocates in accordance with the attached Certificate of Service and in accordance with the Commission's *Final Implementation Order* entered October 27, 2016, at Docket No. M-2016-2543193. Due to the size of the filing, I have also enclosed the following four CD-Roms for your convenience: (1) the PUC Application filing (without Confidential Documents); (2) Live Excel Spreadsheets of the Seller Utility Valuation Expert's workpapers in appraising the System; (3) Live Excel Spreadsheets of the Buyer Utility Valuation Expert's workpapers in appraising the system; and, (4) **Confidential Documents**. I have also enclosed the required \$350 application filing fee (Check No. 246697).

SWPA has placed Confidential appendices to the Application in a separate sealed envelope. These Confidential appendices include Appendix A-24-a. Such attachments should be placed in a non-public folder by the Secretary's Bureau in accordance with the Commission's standard practice for proprietary information.

Enclosed on behalf of SWPA as part of the Section 1329 filing requirements are the direct testimonies and accompanying exhibits of the following:

1. Direct Testimony of John D. Hollenbach, Vice President and General Manager, SUEZ Water Pennsylvania Inc. (**SWPA St. No. 1**);
2. Direct Testimony of Michael Watkin, Director of Finance, SUEZ Water Pennsylvania Inc. (**SWPA St. No. 2**); and
3. Direct Testimony of Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants, LLC (**SWPA St. No. 3**).

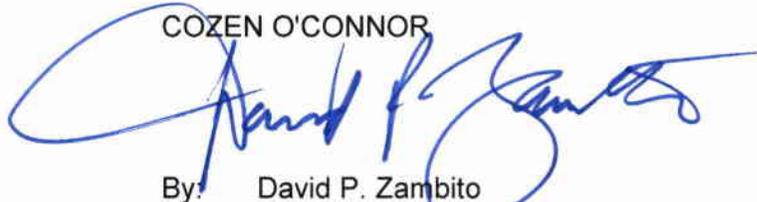
In addition, as a courtesy, also enclosed is the Direct Testimony of Dylan D'Ascendis, Director, ScottMadden, Inc., the utility valuation expert ("UVE") for Mahoning Township ("Mahoning"). It is expected that Mahoning will intervene in this proceeding and sponsor the direct testimony of its UVE. Copies of the prepared direct testimony and accompanying exhibits can be found at **Appendix A-14** of the Application

In compliance with Code Section 507, 66 Pa. C.S. § 507, SWPA has also included copies of the Asset Purchase Agreement for this transaction and six agreements with municipal corporations that will be assumed by SWPA (four of which pertain to wastewater service). These agreements with municipal corporations can be found at **Appendices A-24-a** and **B-1** through **B-6** of the Application.

Thank you for your attention to this matter. Please date-stamp the extra copy of the filing and return it with our courier. Please do not hesitate to contact me if you have any questions.

Sincerely,

COZEN O'CONNOR



By: David P. Zambito
Counsel for SUEZ Water Pennsylvania Inc.

DPZ/kmg
Enclosures

cc: Per Certificate of Service
John Hollenbach
William Kelvington
Sean Donnelly, Bureau of Technical Utility Services