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November 5, 2018

Via Electronic Filing

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

Re: PaPUC Docket No. M-2018-2645983
Pa. P.U.C. v. North Heidelberg Sewer Company

PaPUC Docket No. I-2018-3001161
Section 529 Investigation – North Heidelberg Sewer Company

Dear Secretary Chiavetta:

We are counsel to Aqua Pennsylvania Wastewater, Inc. (“Aqua”) concerning the above matters. In its Order entered February 9, 2018, at M-2018-2645983, the Public Utility Commission identified Aqua as receiver for the North Heidelberg Sewer Company and, in Appendix 1o of that Order, directed Aqua to “[s]ubmit an initial status report with the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.” As required by subpart 1o of Appendix A, we are submitting, via electronic filing with this letter, Aqua’s Third Status Report dated November 5, 2018. We are also filing the Third Status Report at I-2018-3001161, the Section 529 Investigation Docket. Please contact me with any questions concerning this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By

Thomas T. Niesen

Enclosure

cc: The Honorable Steven K. Haas (via email, w/encl.)
Carrie Wright, Prosecutor (via email, w/encl.)
Christine Maloni Hoover, Senior Assistant Consumer Advocate (via email, w/encl.)
Elizabeth Triscari, Assistant Small Business Advocate (via email, w/encl.)
Sean Cooper, Esq. (via email, w/encl.)
Tori L. Giesler, Esq. (via email, w/encl.)
Susan Simms Marsh, Esq. (via email, w/encl.)
John D. Hollenbach (via email, w/encl.)
Alexander R. Stahl, Esq. (via email, w/encl.)



**THIRD STATUS REPORT TO THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**NORTH HEIDELBERG SEWER COMPANY
AQUA PENNSYLVANIA WASTEWATER, INC. RECEIVERSHIP**

DOCKET NO. M-2018-2645983

DOCKET NO. I-2018-3001161

Dated: November 5, 2018

A. BACKGROUND

On February 9, 2018, the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) entered an Order in Docket No. M-2018-2645983 (“February 9 Order”) naming Aqua Pennsylvania Wastewater, Inc. (“Aqua” or the “Company”) as receiver for the North Heidelberg Sewer Company (“NHSC”). Aqua was ordered to assume its receivership role on March 5, 2018. Included within the PUC’s February 9 Order, the Company was directed to “[s]ubmit an initial status report with the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.”¹

Aqua submitted its initial status report on the operations of NHSC as directed by the Commission on May 4, 2018. Aqua submitted its second status report to the Commission on August 6, 2018. Aqua now submits its third status report on the operations of NHSC to the Commission.

B. THIRD STATUS REPORT

1. Operations and Capital Expenditures

On March 5, 2018, Aqua assumed its role as receiver for NHSC. Since the second status report, filed by Aqua on August 6, 2018, Aqua has completed the following improvements to the system:

- i. Pump Station No. 0 (Ski Slope Pump Station): Aqua installed electrical control panel fans and vents to stop variable frequency drive (“VFDs”) and circuit breakers from overheating.
- ii. Pump Station No. 1 (Golf Course Pump Station): Aqua installed electrical control panel fans and vents to stop VFDs and circuit breakers from overheating. Aqua also installed a new autodialer, and replaced a flange on pump number 1 at the station.
- iii. Other System Improvements:
 - a. Replaced broken PVC discharge piping with new stainless-steel piping,
 - b. Replaced bar screen with a new stainless-steel unit,
 - c. Cleaned and inspected the equalization tank,
 - d. Installed new coarse bubble stainless-steel diffusers in the equalization tank,
 - e. Finished installing handrails for safety around the aeration tank,
 - f. Replaced cables on all pump hoists at the treatment plant,
 - g. Replaced improperly sized control panel breakers with correct size breakers at the treatment plant,

¹ Pa. P.U.C. v. North Heidelberg Sewer Co., Docket No. M-2018-2645983, Opinion and Order Appendix A Paragraph 1.o. (Feb. 9, 2018).

- h. Replaced a potable water service line from a pit located outside of the fence line to the treatment plant building.

There were no Pennsylvania Department of Environmental Protection (“DEP”) violations since the second status report, August 6, 2018.

As Aqua continues to operate the system to ensure compliance with the PUC Order, Aqua will make improvements necessary to provide safe and reliable service. Aqua will have further information on operational issues in later reports.

2. Financial

Aqua is continuing to work with the contract accountant to bring the books of NHSC current and receive a trial balance for calendar year end 2017. Aqua has received the 2017 financials from the contract accountant, however, tax provision and depreciation expense calculations are being worked on to finalize calendar year end 2017. The contract accountant is also working to establish the financial status of NHSC as of the date Aqua became receiver, March 5, 2018. Aqua will provide further updates in subsequent reports.

C. CONCLUSION

Aqua will continue to investigate the system’s operations and financial status, and will make necessary improvements to operate NHSC to ensure quality service to the NHSC customers for the period of its receivership duties during the 529 proceeding. Aqua will provide its next status report on or before February 4, 2019.