

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

The Municipal Authority of the
Township of Robinson

v.

Pennsylvania-American Water Company

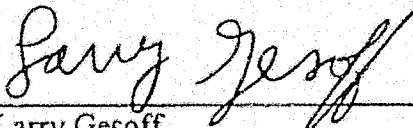
Pennsylvania Municipal Authorities Association,
Intervenor

C-20030092

FIRST INTERIM ORDER

In consideration of the Petition of the Western Allegheny County Municipal Authority to Intervene (Petition) and the Answer to Petition of Western Allegheny County Municipal Authority's Petition to Intervene which the Municipal Authority of the Township of Robinson filed, the Petition is granted. The Western Allegheny County Municipal Authority is a party to this proceeding.

Date: July 24, 2003



Larry Gesoff
Administrative Law Judge

DOCUMENT
FOLDER

DOCKETED
AUG 06 2003

Law Offices

VUONO & GRAY, LLC

John A. Vuono
William A. Gray
Mark T. Vuono
Dennis J. Kusturiss
Christine M. Dolfi
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Susan C. Indrisano+
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Richard R. Wilson
of Counsel

2310 Grant Building

Pittsburgh, PA 15219-2383

July 24, 2003

Telephone
412-477-1800

Facsimile
412-477-1800

ORIGINAL

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

DOCKETED

AUG 19 2003

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JUL 28 2003

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCUMENT

Dear Mr. McNulty:

We represent the Western Allegheny County Municipal Authority ("WACMA") which has filed a Petition to Intervene and Request for Expedited Action in the above proceeding and which has been participating in the proceeding pending action on the Petition to Intervene.

We received today a copy of the Answer to the WACMA Petition filed by The Municipal Authority of the Township of Robinson.

The Answer points out that WACMA's Petition does not contain a Verification. In reviewing this matter, we note that we inadvertently failed to attach the Verification.

We are enclosing the original and three (3) copies of a Verification signed by Judith A. Dewey, Vice-Chairman of WACMA. We respectfully request that the Commission accept the enclosed for filing *nunc pro tunc* and that they be attached to the corresponding original and copies of the Petition which the Commission has previously acknowledged as having been filed on July 12.

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Mr. James J. McNulty
Page Two
July 24, 2003

We are sending a copy of this letter and a copy of the Verification to Judge Gesoff and all parties of record.

Sincerely yours,

VUONO & GRAY, LLC


John A. Vuono

CW/27067

Enclosure

cc: Honorable Larry Gesoff (by facsimile)
Parties of Record

VERIFICATION

I, Judith A. Dewey, hereby state that I am the Vice-Chairman of the Western Allegheny County Municipal Authority ("WACMA"); I have been authorized to execute this Verification on behalf of WACMA; and the facts set forth in WACMA's Petition to Intervene and Request for Expedited Action to which this Verification is attached 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).

WESTERN ALLEGHENY COUNTY
MUNICIPAL AUTHORITY

Date: July 10, 2003

By: Judith A. Dewey
Judith A. Dewey, Vice-Chairman

127067

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JUL 28 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No:	C-20030092		YES	NO
Case Name:	Municipal Authority of the Township of Robinson v. Pennsylvania-American Water Company	Prehearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Location:	Pittsburgh	Hearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date:	July 18, 2003	Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Larry Gesoff	Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
		Further Hearing Needed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:	3	
		RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		DATE:	Jan 21, 22, 23 9:00 AM <i>each day</i>	
		Briefs to be Filed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		DATE:	March 1 ; March 15	
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		

DOCUMENT FOLDER

PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
Albert J. Zangrilli, Jr. Telephone: 412-261-1677	11 Stanwix St. Suite 201024 Pgh PA 15222-1324	Mun. Auth. of Twp. of Robinson by Telephone
Thomas P. Gadsden Anthony D. DeCusatis Anthony D. DeCusatis Telephone:	1701 Market St. Phila PA 19103	PAWC by Telephone
Anthony D. DeCusatis Telephone:	One Logan Square Suite 2000 Phila PA 19103	PAWC by Telephone
Telephone:	E-mail Address:	Fax Number:

Check this box if additional parties or attendees appear on back of form.

Anne Thompson
Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Law Offices

VUONO & GRAY, LLC

John A. Vuono
William A. Gray
Mark T. Vuono*
Dennis J. Kusturiss
Christine M. Dolfi
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2310 Grant Building

Pittsburgh, PA 15219-2383

August 1, 2003

Richard R. Wilson
of Counsel

Telephone
412-471-1800

Facsimile
412-471-4477

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

DOCKETED

AUG 20 2003

Albert J. Zangrilli, Jr., Esq.
Yukevich, Marchetti, Liekar & Zangrilli, P.C.
11 Stanwix Street
Suite 1024
Pittsburgh, PA 15222

BY TELECOPIER
412-261-6782
ORIGINAL BY MAIL

DOCUMENT

Dear Al:

This will confirm our telephone conversation this morning in which I advised you that because of the vacation schedule for one of the key representatives of The Western Allegheny County Municipal Authority we were having difficulty meeting the August 5 due date for responses to your subpoena *duces tecum*. You kindly agreed to extend the due date from Tuesday, August 5 to Friday, August 8.

Thank you for your cooperation.

Sincerely yours,

VUONO & GRAY, LLC


John A. Vuono

cl/27209

cc: The Honorable Larry Gesoff
✓ Mr. James J. McNulty, Secretary
Thomas P. Gadsden, Esq.
Michael J. Witherel, Esq.
Ronald J. Brown, Esq.
Bohdan R. Pankiw, Esq.

SECRETARY'S BUREAU

2003 AUG -1 11 9:30

ORIGINAL

Law Offices

VUONO & GRAY, LLC

2310 Grant Building

Pittsburgh, PA 15219-2383

August 8, 2003

Richard R. Wilson
of Counsel

Telephone
412-471-1800

Facsimile
412-471-4477

John A. Vuono
William A. Gray
Mark T. Vuono*
Dennis J. Kusturiss
Christine M. Dolh
Louise R. Schrage
Susan C. Indrisano+
*Also Admitted in Florida
+Also Admitted in Maryland

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

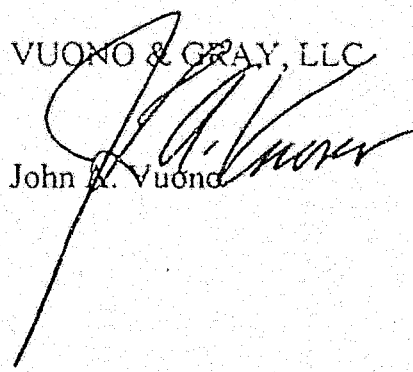
Dear Mr. McNulty:

We enclose for filing with the Commission the original and three (3) copies of a Certificate of Service evidencing service by the undersigned on the parties shown on the Certificate of copies of the Answers of Intervenor, Western Allegheny County Municipal Authority, to the Request for Production of Documents submitted by Complainant, The Municipal Authority of Robinson Township.

Sincerely yours,

VUONO & GRAY, LLC

John A. Vuono



CW/27298

Enclosures

cc: Honorable Larry Gesoff
Certificate of Service

DOCUMENT
FOLDER

SECRETARY'S BUREAU

2003 AUG 11 AM 11:42

RECEIVED

86

YUKEVICH, MARCHETTI, LIEKAR & ZANGRILLI, P.C.

Writer's Direct Dial:
(412) 261-6780

ATTORNEYS AT LAW
11 STANWIX STREET
SUITE 1024
PITTSBURGH, PENNSYLVANIA 15222-1324

October 16, 2003

TELEPHONE 412/261-6777
FAX 412/261-6789

RECEIVED

OCT 16 2003

Via Federal Express

Pennsylvania Public Utility Commission
Secretary's Bureau
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCUMENT
FOLDER

ATTN: Docket Section

RE: THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON VS.
PENNSYLVANIA-AMERICAN WATER COMPANY
PUC Docket No. C-20030092

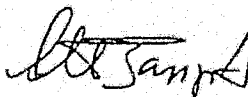
Gentlemen:

Please find enclosed the original Direct Testimony of Anthony T. Lenze and Raymond H. Antonelli, P.E. Copies of the testimony have been served on the below-listed attorneys via both e-mail and first class mail. Copies of the Exhibits have been served on Judge Gesoff via hand delivery and on all attorneys via first class mail.

Thank you very much.

DOCKETED
OCT 23 2003

Very truly yours,


Albert J. Zangrilli, Jr

AJZ/ph

Enclosures

cc: The Honorable Larry Gesoff, ALJ (w/encl.)
Thomas P. Gadsden, Esq. and
Anthony C. DeCusatis, Esq. (w/encl.)
Susan Simms Marsh, Esq. (w/encl.)
Michael J. Witherel, Esq. (w/encl.)
John A. Vuono, Esq. (w/encl.)
John A. Pillar, Esq. (w/encl.)
Bohdan R. Pankiw, Esq. (w/encl.)

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MEMO

Date: August 26, 2003

Subject: The Municipal Authority of the Township of Robinson v.
Pennsylvania-American Water Company
Docket No. C-20030092

To: ~~James J. McNulty~~ Wanda Zeiders
Secretary Docket Management
ATTN: DOCKET SECTION

From: Larry Gesoff
Administrative Law Judge LG

RECEIVED
03 OCT 20 AM 9:28
SECRETARY'S BUREAU
P.U.C.

Please docket on the MIS system and insert into the Document Folder of the referenced proceeding (1) the attached letter from Albert J. Zangrilli, Jr. Esquire, dated October 15, 2003 (delivered to me in facsimile format so it is unsigned), and (2) the copy of my email response in the subject proceeding.

Thank you.

Writer's Direct Dial:
(412) 261-6780

October 15, 2003

*Via E-Mail
and First Class Mail*

THE HONORABLE LARRY GESOFF
Administrative Law Judge
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

RECEIVED
03 OCT 20 AM 9:26
PENNSYLVANIA
SECRETARY'S BUREAU

RE: THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON
VS. PENNSYLVANIA-AMERICAN WATER COMPANY
PUC Docket No. C-20030092

Dear Judge Gesoff:

I just received a telephone call from the Court Reporter who is preparing the Direct Testimony of two witnesses, Anthony T. Lenze and Raymond H. Antonelli, P.E. Even though this testimony had been taken some time ago, I was informed that it will not be delivered to me until tomorrow.

The purpose of this letter is to request a one-day extension within which to file and serve the above-referenced direct testimony. Given the brief nature of the requested extension, I am assuming that a formal motion requesting the extension is not required. However, if your Honor requires such a motion, please let me know and I will have a motion delivered to your Honor this morning.

Thank you very much.

Very truly yours,

Albert J. Zangrilli, Jr.

AJZ/ph

cc: Thomas P. Gadsden, Esq.
and Anthony C. DeCusatis, Esq.
Susan Simms Marsh, Esq.
Michael J. Witherel, Esq.
John A. Vuono, Esq.
John A. Pillar, Esq.
(via e-mail and first class mail as to the foregoing)
Bohdan R. Pankiw, Esq. (via first class mail)

DOCUMENT
FOLDER

DOCKETED
OCT 28 2003

Gesoff, Larry

From: Gesoff, Larry
Sent: Wednesday, October 15, 2003 11:48 AM
To: 'Patricia D. Halpin'; Gesoff, Larry
Cc: Albert J. Zangrilli, Jr.; Anthony C. DeCusatis; John A. Pillar; John A. Vuono; Kevin J. O'Hare; Mark Fischer; Michael J. Witherel; Susan Simms Marsh; Thomas P. Gadsden
Subject: RE: Township request for one day continuance. Munic. Auth. Of Twp. Of Robinson v. Pennsylvania-American Water Company C-20030092

Mr. Zangrilli,

Your request for a one-day extension of the due date for the Township's Direct Testimony is granted. I will send a copy of your letter request and a copy of this email to the Secretary of the Commission so it can be docketed and inserted into the record folder of this proceeding.

Judge Gesoff

-----Original Message-----

From: Patricia D. Halpin [mailto:phalpin@YMLZ.com]
Sent: Wednesday, October 15, 2003 11:29 AM
To: Honorable Larry Gesoff
Cc: Albert J. Zangrilli, Jr.; Anthony C. DeCusatis; John A. Pillar; John A. Vuono; Kevin J. O'Hare; Mark Fischer; Michael J. Witherel; Susan Simms Marsh; Thomas P. Gadsden
Subject:
Importance: High

FROM: Al Zangrilli, Jr.

Please see the attached letter.

<<Gesoff ltr. 10.15.03.doc>>

RECEIVED
03 OCT 20 AM 9:26
SECRETARY'S BUREAU

DOCUMENT DOCKETED
FOLDER OCT 28 2003

ORIGINAL

Law Offices
VUONO & GRAY, LLC
2310 Grant Building
Pittsburgh, PA 15219-2383

Telephone
(412) 471-1800

Facsimile
(412) 471-4477

November 17, 2003

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
(Western Allegheny County Municipal Authority Intervenor)
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

U. S. POSTAL SERVICE
CERTIFICATE OF MAILING
FORM 3817

Dear Mr. McNulty:

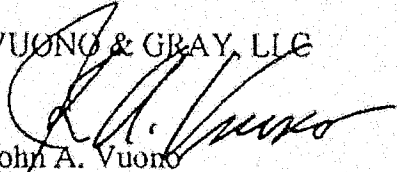
We enclose for filing with the Commission the Direct Testimony of Witnesses Phillip W. Morris, Sr. and David G. Nichols in behalf of Western Allegheny County Municipal Authority, Intervenor in the above proceeding.

Simultaneously, we are serving copies of the enclosures on Judge Gesoff and the parties of record in the manner indicated below.

DOCUMENT
FOLDER

Sincerely yours,

VUONO & GRAY, LLC


John A. Vuono

cw/28945

Enclosure

cc: Honorable Larry Gesoff (Messenger)
Albert J. Zangrilli, Esq. (Messenger)
Thomas P. Gadsden, Esq. (E-Mail/First Class Mail)
Anthony P. DeCusatis, Esq. (E-Mail/First Class Mail)
Michael J. Witherel, Esq. (E-Mail/First Class Mail)
Bohdan R. Pankiw, Esq. (First Class Mail)

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NOV 17 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

THE MUNICIPAL AUTHORITY OF)
THE TOWNSHIP OF ROBINSON)

Complainant-Petitioner,)

v.)

) Docket No. C-20030092

PENNSYLVANIA-AMERICAN)
WATER COMPANY)

Respondent.)

DIRECT TESTIMONY OF PHILLIP W. MORRIS, SR.
FOR WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY
INTERVENOR

DOCKETED
JAN 07 2004

DOCUMENT
FOLDER

John A. Vuono, Esq.
William A. Gray, Esq.
Attorneys for
Western Allegheny County
Municipal Authority
Intervenor

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NOV 17 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Of Counsel:

VUONO & GRAY, LLC
2310 Grant Building
Pittsburgh, PA 15219
(412) 471-1800

Due Date: November 17, 2003

1 **DIRECT TESTIMONY OF PHILLIP W. MORRIS, SR.**
2
3 **FOR WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY**
4

5 Q. Please state your name and address.

6 A. Phillip W. Morris, Sr., 4803 Main Street, McDonald, PA 15057.

7 Q. By whom are you employed?

8 A. Alex Paris Contracting Company

9 Q. What is the business of Alex Paris Contracting?

10 A. Our company constructs water lines and sewer lines, does site work for buildings
11 and roads. It does not construct buildings or roads.

12 Q. What is your capacity with Alex Paris Contracting?

13 A. I am the maintenance coordinator. I supervise our company's equipment, make
14 certain that it is ready for use and arrange scheduling of equipment and make
15 certain that the equipment is ready for use.

16 Q. How long have you been employed by Alex Paris Contracting?

17 A. Approximately 7 years.

18 Q. Prior to your employment with Alex Paris Contracting, by whom were you
19 employed?

20 A. I was employed by Russell Industries of Bridgeville, PA for approximately 21-1/2
21 years. That company is no longer in business.

22 Q. What is your educational background?

1 A. After graduating from high school I completed an eighteen month course in
2 drafting.

3 Q. Are you appearing in this proceeding in behalf of Western Allegheny County
4 Municipal Authority which I will hereafter refer to as WACMA?

5 A. Yes.

6 Q. What is your position with WACMA?

7 A. I am the Chairman of the Authority.

8 Q. Have you been authorized by WACMA to testify in this proceeding?

9 A. Yes.

10 Q. How long have you been a member of the Board of WACMA?

11 A. Since 1985--approximately 18 years.

12 Q. How long have you held the position of Chairman?

13 A. Approximately one year and nine months.

14 Q. How many members are there on the Board?

15 A. There are five members.

16 Q. Are the Board members elected or appointed?

17 A. They are appointed by the North Fayette Township Supervisors.

18 Q. Are the appointments for a term certain?

19 A. The appointments are for five years.

20 Q. How many years do you have remaining on your appointment?

21 A. Approximately three and one-half years.

22 Q. Do you presently serve on the Board of any other municipal authority?

1 A. No.

2 Q. Prior to becoming Chairman of the Board, did you serve in other capacities with
3 the Authority?

4 A. Yes. At various times, I have served as Vice Chairman and Treasurer.

5 Q. Who are the other members of the Board and what are their offices?

6 A. Judy A. Dewey – Vice Chairman
7 Patrick J. Fleck, Jr. – Secretary
8 John McGrogan – Treasurer
9 Tom Meyers – Assistant Secretary/Treasurer

10 Q. Does WACMA presently have a Manager?

11 A. No. However, the Board intends to begin interviewing for the position early next
12 year.

13 Q. How many employees does WACMA have at the present time?

14 A. WACMA has three office employees and four field employees.

15 Q. How often does the WACMA Board meet?

16 A. We have a regular monthly meeting and from time to time we convene special
17 meetings when necessary.

18 Q. Are you generally familiar with the business of WACMA?

19 A. I am not involved in the day-to-day operations of WACMA. However, I am
20 familiar with the policy issues and other matters that are the function of the Board.
21 I preside at the Board meetings and work with our employees to implement Board
22 policies.

- 1 Q. Is WACMA a municipal corporation?
- 2 A. Yes. It was formed in Pennsylvania in 1953 and was previously known as the
3 North Fayette Township Authority.
- 4 Q. Will you generally describe the scope of WACMA's business?
- 5 A. WACMA is engaged in the water distribution business. It does not produce water
6 and is a distribution -only authority. It is dependent on other parties to supply all
7 of its water.
- 8 Q. What is the WACMA distribution area?
- 9 A. WACMA serves customers in North Fayette and Findlay Townships, both of
10 which are in Allegheny County.
- 11 Q. How many customers does WACMA presently serve?
- 12 A. We serve approximately 12,871 customers through 3,982 service connections.
- 13 Q. I assume that total includes both residential and commercial customers?
- 14 A. Yes.
- 15 Q. Has the WACMA's customer base been expanding in recent years?
- 16 A. Yes. There has been a dramatic increase in the number of residential and
17 commercial customers in our service area.
- 18 Q. Do you expect this trend to continue?
- 19 A. I have no reason to believe that it will not.
- 20 Q. Does the increase in demand for WACMA's service place any special burdens on
21 the Board?

1 A. The Board recognizes that it has an important obligation to see that at all times
2 there is an adequate supply of water available to its present and expanding
3 customer base.

4 Q. Are you familiar with the formal Complaint filed in this proceeding by the
5 Municipal Authority of the Township of Robinson which I will hereinafter refer to
6 as MATR against Pennsylvania-American Water Company which I will call
7 PAWC?

8 A. I am generally familiar with what is involved in the case.

9 Q. Has WACMA intervened in this proceeding in support of PAWC?

10 A. Yes.

11 Q. Can you briefly state why WACMA has intervened in the case?

12 A. We understand that among other things, the Complaint asks the Commission to
13 void the Water Sales Agreement which WAMCA entered into with PAWC on
14 March 28, 2003 and to prohibit PAWC from commencing service pursuant to the
15 Agreement and constructing any facilities with respect to the service. In view of
16 WACMA's obligation to see that there is no interruption in water service to its
17 customers, WACMA had no alternative but to intervene in the proceeding to
18 protect its interests.

19 Q. What are the present sources of WACMA's water supply?

20 A. MATR, of course, as well as Pennsylvania-American Water Company and the
21 Moon Township Municipal Authority. WACMA also has interconnections with

1 the Findlay Township Water Authority and Oakdale Borough which supply
2 sources are available primarily for emergency situations.

3 Q. How long has WACMA had a business relationship with PAWC.

4 A. WACMA has had a water supply contract with West Penn Water Company, a
5 predecessor to PAWC, since August 28, 1957 which is a period of more than
6 forty-six years.

7 Q. Has the water supply service provided by PAWC been satisfactory to WACMA?

8 A. The water supply services of PAWC have been satisfactory.

9 Q. Does MATR presently provide a substantial portion of WACMA's water
10 requirements?

11 A. Yes.

12 Q. Does WACMA presently have a Water Supply Agreement in effect with MATR?

13 A. Yes. The current contract with MATR was signed in 1983.

14 Q. Are you referring to the Agreement dated October 20, 1983 which has been
15 marked for identification as Exhibit LENZE-1?

16 A. Yes.

17 Q. What was the termination date of that Agreement?

18 A. The term of the Agreement was for twenty years and was scheduled to terminate
19 on October 21, 2003.

20 Q. Have WACMA and MATR agreed to extend the term of the 1983 Agreement?

21 A. Yes.

1 (Whereupon Exhibit Morris-1 was
2 marked for identification.)

3 Q. I show you what is marked for identification as Exhibit Morris-1 and ask if you
4 can identify this document.

5 A. This is a copy of the Agreement entered into on October 16, 2003 by WACMA
6 and MATR extending the 1983 Agreement beyond its original termination date.

7 Q. Did you execute the Extension Agreement in behalf of WACMA?

8 A. Yes.

9 Q. For what period of time has the Agreement been extended?

10 A. It is my understanding that the Agreement will continue in effect until the earlier
11 of twenty-four hours after the receipt by MATR of written notice of the receipt by
12 WACMA of a modification to its existing Water Allocation Permit to increase
13 WACMA's daily water allocation available from PAWC or April 2, 2004.

14 Q. I assume that WACMA and MATR are continuing to operate under the 1983
15 Agreement as extended in the same manner as they have in the past.

16 A. Yes.

17 Q. Have you been involved in the negotiations between WACMA and MATR
18 concerning the possible extension or renewal of the 1983 Agreement?

19 A. Those negotiations have extended over a period of several years. Although I was
20 not the Chairman of WACMA when the negotiations were initiated, I was a
21 member of the Board and was involved in the negotiations. Since assuming the
22 Chairmanship of the Board, I have been actively involved in the negotiations and I

1 have worked closely with our engineer and solicitor concerning this important
2 matter.

3 Q. In your capacity as Chairman of WACMA, have you attended negotiating
4 meetings with representatives of MATR?

5 A. I have participated in most of the negotiating meetings with representatives of
6 MATR and have reviewed summaries of the meetings with MATR prepared by
7 our attorney or Secretary which are delivered to me in the regular course of my
8 duties as Chairman of the Board.

9 Q. Have you had an opportunity to review the direct testimony submitted by Mr.
10 Anthony Lenze, Executive Director of MATR?

11 A. I have read portions of his testimony.

12 Q. Are you aware that Mr. Lenze testified that the records of MATR indicated that
13 negotiations concerning the extension or renewal of the WACMA/MATR Water
14 Supply Agreement were initiated as early as May 4, 1998 by means of a letter
15 from MATR to WACMA?

16 A. I am aware of his testimony.

17 Q. Do you have an opinion as to why the negotiations between WACMA and MATR
18 extended over such a long period of time?

19 A. Although there were a number of issues to be resolved, I believe the primary
20 reason for the lengthy period of negotiations was the inability of WACMA and
21 MATR to reach agreement on two issues which were essential to WACMA,

1 namely the length of the contract and the minimum percentage of WACMA's total
2 water needs required to be purchased from MATR.

3 Q. What was the position of WACMA with respect to these issues?

4 A. From the very beginning, we made it plain to MATR that for a number of reasons
5 WACMA wanted a contract of no more than fifteen to twenty years in duration
6 and that the minimum purchase percentage should be less than the current 85%.
7 In fact, initially WACMA proposed a 50% minimum purchase percentage.

8 Q. How did WACMA arrive at its position with respect to these issues?

9 A. The position of the Board regarding these issues was based on WACMA's past
10 experience with MATR and our concerns regarding the ability of MATR to
11 contain its costs and the resulting cost-based rates over an extended period of time,
12 the ever increasing demand for water service within WACMA's service area, ,
13 WACMA's knowledge of the changing nature of the water supply business and
14 the advice of its engineer and solicitor.

15 Q. Are you aware that Mr. Lenze testified that after reviewing all of the
16 correspondence and notes pertaining to discussions between MATR and WACMA
17 with respect to the new Water Supply Agreement, MATR did not at any time
18 demand that it supply WACMA with 100% of WACMA's water needs nor more
19 than 85% of those needs?

20 A. Yes, I am aware of his testimony.

21 Q. Do you agree with Mr. Lenze's testimony on this point?

1 A. No. I know that early in the negotiations, MATR proposed that it provide 100%
2 of WACMA's needs.

3 (Whereupon Exhibit Morris-2 was
4 marked for identification.)

5 Q. I show you what has been marked for identification as Morris Exhibit 2. Are you
6 able to identify this document?

7 A. It is a copy of a letter dated March 11, 1999 from Richard M. Cosentino, who was
8 then the Executive Director of MATR, to Robert S. Owens, who was the Manager
9 of WACMA at that time.

10 Q. How did you come into possession of this letter?

11 A. It was contained in the WACMA files?

12 Q. What is the subject matter of the letter?

13 A. The letter sets forth MATR's position with respect to the proposed new Water
14 Supply Agreement between WACMA and MATR.

15 Q. Does the letter address the issue of minimum purchase requirements?

16 A. Yes. In paragraph 3, the letter provides and I am quoting "As you are aware the
17 present agreement requires WACMA to purchase a minimum of 85% of its water
18 needs from MATR until October, 2003. It would be our intention to preserve that
19 level of service with a possible expansion to 100% if feasible in a new agreement
20 for services."

21 Q. Did WACMA convey to MATR the Board's position with respect to these two
22 main issues?

1 A. Yes. WACMA's position was consistent in its correspondence and at the various
2 negotiating meetings with MATR that the term of the agreement could not exceed
3 twenty years and that the minimum purchase percentage from MATR should not
4 be more than a maximum of 75%.

5 Q. Did WACMA and MATR ever "break off" negotiations?

6 A. The parties continued to negotiate by means of exchanges of correspondence and
7 meetings in an attempt to reach agreement on the remaining open issues. While
8 there were some lengthy gaps between negotiating sessions and correspondence,
9 the negotiations continued into the year 2002.

10 Q. Was there ever a time when WACMA believed that it had reached agreement with
11 MATR on the essential issues?

12 A. Based on a letter from Mr. Lenze to me dated August 16, 2002 (Exhibit LENZE-
13 5) and a meeting on September 26, 2002 between representatives of WACMA and
14 representatives of MATR, WACMA believed an agreement in principal had been
15 reached on all of the essential issues. These included an agreed term of twenty
16 years and a minimum purchase obligation of 75% of WACMA's total
17 requirements as well as certain rate adjustment language.

18 Q. Did the parties take any action to progress the matter subsequent to the September
19 26 meeting?

20 A. The attorneys for WACMA and MATR began the process of drafting the new
21 service agreement. I know that our attorney provided the attorney for MATR with

1 draft language for certain portions of the agreement, including the rates and
2 charges section.

3 Q. What, if anything, happened to change the course of the negotiations?

4 A. On December 19, 2002, a meeting of representatives of WACMA and MATR was
5 held. WACMA believed that the purpose of the meeting was to discuss the final
6 language to be incorporated into the draft of the Water Supply Agreement to cover
7 the major issues agreed upon at the September 26, 2002 meeting and subsequently,
8 including a twenty year term for the new Agreement, a 75% minimum purchase
9 obligation and a rate adjustment provision reflecting the language proposed by
10 WACMA.

11 Q. What happened at the meeting?

12 A. MATR presented an entirely new proposal which identified certain major capital
13 improvements contemplated by MATR which were never discussed at the
14 September 26 meeting or prior to that meeting. At that point, MATR proposed
15 that the Agreement extend for a term of thirty years and that the minimum
16 purchase requirement be increased from 75% to 85% at some point shortly after
17 the new agreement would take effect. MATR did indicate that it was prepared to
18 accept the rate adjustment language proposed by WACMA.

19 Q. How did WACMA react to this latest development?

20 A. The WACMA representatives advised representatives of MATR that in view of
21 this completely unexpected and major change in MATR's position, it would be
22 necessary to review the matter with the WACMA Board members and its

1 consulting engineer and solicitor. MATR was advised that it should not expect a
2 response until the WACMA Board was able to take formal action at its January
3 meeting.

4 Q. What happened next?

5 A. The entire Board of WACMA met with its engineer and solicitor at its regular
6 meeting on January 21, 2003 to formally discuss the developments at the
7 December 19 meeting with MATR. After thoroughly discussing the matter, the
8 Board authorized me to advise MATR that WACMA was not willing to accept the
9 revised MATR proposals made at the December 19 meeting. I was specifically
10 instructed by the Board to emphasize that WACMA was still willing to proceed
11 based on its understanding of the agreement that was reached prior to the
12 December 19 meeting.

13 Q. I show you what has been marked for identification as Exhibit LENZE-6. Is this
14 a copy of your letter of January 29 to the Chairman of MATR?

15 A. Yes. I wrote this letter in accordance with instructions from the WACMA Board.

16 Q. Will you summarize the position of WACMA as conveyed to MATR in the letter?

17 A. WACMA advised MATR that it was not willing to extend the term of the new
18 Agreement for thirty years and to increase the minimum purchase obligation of
19 WACMA from 75% to 85% shortly after the new service agreement would take
20 effect. The letter also points out that this latest proposal is contrary to MATR's
21 letter of August 16, 2002 to WACMA, which I believe is Exhibit LENZE-5 in

1 which MATR accepted a twenty year term and agreed in principal to a 75%
2 minimum purchase obligation.

3 Q. Did WACMA terminate negotiations with MATR at this point?

4 A. No. As the Board instructed, I emphasized in my letter that WACMA was still
5 willing to proceed with the new agreement on the basis of a twenty year term and
6 75% minimum purchase obligation. In view of the time limitations that WACMA
7 was now facing, the letter requested that MATR advise WACMA by not later than
8 February 14, 2003 whether or not it is was willing to proceed on the basis outlined
9 in the letter.

10 Q. Did your letter raise the possibility of WACMA dealing with another water
11 supplier?

12 A. The last paragraph of my letter placed MATR on notice that if an agreement could
13 not be reached with MATR on the terms indicated, in the interests of its customers
14 WACMA would have to explore other long-term water supply sources.

15 Q. Did MATR respond to your letter of January 29, 2003?

16 A. Yes. I subsequently received from the Chairman of MATR a letter dated February
17 12, 2003.

18 Q. I show you what has been identified as Exhibit LENZE-7. Is this a copy of the
19 February 12, 2003 letter that you referred to?

20 A. Yes.

21 Q. Did MATR accept the WACMA proposal set forth in its January 29, 2003 letter?

1 A. No. With respect to the term of the Agreement, MATR did not accept the twenty
2 year proposal, but instead proposed a formula based on the term of its financing of
3 certain construction projects which, if undertaken, would have the effect of
4 extending the term beyond twenty years. With respect to the minimum purchase
5 requirements, MATR did not respond to WACMA's proposal except to state that
6 it believes that the parties can reach agreement on this matter "at our next
7 meeting".

8 Q. Mr. Lenze testified that MATR intended to accede to WACMA's request that the
9 minimum purchase requirement be reduced to 75% of WACMA's total water
10 needs. What is your reaction to that testimony?

11 A. If that were true, MATR could have agreed with our proposal in its February 12,
12 2003 letter which directly addressed that issue. In addition, MATR had repeated
13 opportunities during the course of the negotiations over a period of several years
14 to agree with WACMA on this point and did not to do so. In view of the past
15 history concerning this issue, WACMA did not believe that there was any point in
16 convening any further meetings.

17 Q. In view of these developments, what action did WACMA take?

18 A. Up until the December 19, 2002 meeting with MATR, the Board reasonably
19 believed that WACMA had reached an agreement with MATR on all essential
20 terms. At the meeting on January 21, 2003 the Board concluded that it was
21 necessary to seriously consider an alternative water supplier. Essentially, we were

1 in a crisis mode since at that time there were only approximately eight months
2 until the MATR contract was scheduled to terminate.

3 Q. Did you receive any specific instructions from the Board at this meeting?

4 A. I was instructed by the Board to promptly pursue negotiations with PAWC to
5 determine whether or not it would be feasible to enter into an acceptable Water
6 Supply Agreement.

7 Q. Prior to this time, what had been the relationship between WACMA and PAWC?

8 A. As you know, WACMA has had a business relationship with PAWC and its
9 predecessor for many years. From time to time during that period of time,
10 representatives of PAWC made overtures to WACMA concerning the possible
11 purchase of its utility system.

12 Q. Did WACMA ever seriously consider a sale to PAWC?

13 A. To the best of my knowledge, WACMA was not interested to selling to PAWC or
14 anyone else.

15 Q. Were there any discussions with representatives of PAWC concerning a new
16 Water Supply Agreement?

17 A. As a consequence of our ongoing relationship with PAWC, WACMA was
18 approached from time to time by representatives of PAWC who were interested in
19 expanding the volume of business with WACMA, particularly if WACMA was
20 not willing to sell its business.

21 Q. In connection with these solicitation efforts, did WACMA receive any written
22 proposals from PAWC?

1 A. Yes. I believe the earliest proposal was the letter from PAWC to the WACMA
2 Board in June of 2001.

3 (Whereupon Exhibit Morris-3 was
4 marked for identification.)

5 Q. I show you what has been marked for identification as Exhibit Morris 3 and ask
6 that you identify it.

7 A. This is a copy of a solicitation letter dated June 14, 2001 from PAWC to the
8 WACMA Board. I believe it is the first proposal received by WACMA from
9 PAWC. To the best of my knowledge, this proposal was not solicited by
10 WACMA.

11 Q. Did the WACMA Board seriously consider entering into a Water Supply
12 Agreement with PAWC prior to the termination of negotiations with MATR?

13 A. Up until the time that we realized that we would be unable to reach agreement
14 with MATR, I do not believe that the WACMA Board seriously contemplated
15 entering into an agreement with PAWC. However, the Board had some level of
16 comfort in knowing that there were two competitive companies vying for our
17 business and that PAWC was a possible viable "fall back" source of water supply.

18 Q. In the interim, did WACMA have discussions with PAWC concerning a Water
19 Supply Agreement?

20 A. As I have previously testified, our discussions with MATR extended over a
21 number of years. As the termination date of the Agreement with MATR
22 approached and we realized that we were not making progress with MATR on

1 certain of the essential issues that I have discussed, it was my personal opinion
2 that we should consider more seriously the interest of PAWC.

3 Q. At what point in time did you reach this opinion?

4 A. I believe it was during the latter half of 2002, when WACMA had approximately
5 one year remaining on its Agreement with MATR.

6 Q. Were you the person at WACMA who was involved in these early discussions?

7 A. Yes. Since I considered the discussions to be preliminary, I did not directly
8 involve the Board, except to keep them advised of my discussions.

9 Q. What was the result of these discussions?

10 A. Although I did not recall it at the time of my deposition, upon further
11 consideration, I believe that at some point in the latter part of 2002, I received
12 from PAWC drafts of a proposed Water Sales Agreement.

13 Q. At this time, was WACMA's consulting engineer or its attorney involved in the
14 PAWC discussions?

15 A. No. Because of the preliminary nature of these discussions and our ongoing
16 negotiations with MATR, I was not authorized by the Board to involve our
17 engineer and attorney.

18 Q. At this time in the latter half of 2002, was WACMA continuing to pursue a Water
19 Supply Contract with MATR?

20 A. As I have previously stated, the WACMA Board reasonably believed that we were
21 making progress with MATR and that based on the letter of August 16, 2002 from

1 MATR to WACMA and the meeting on September 26, 2002 an agreement had
2 been reached with MATR on all essential terms.

3 Q. What occurred to change your strategy with respect to negotiations with PAWC?

4 A. When MATR changed its position with respect to the essential issues which we
5 have been discussing at the meeting on December 19, WACMA realized that it
6 was facing a crisis situation in view of the imminent termination of its Water
7 Supply Agreement with MATR.

8 Q. At that point, what action did WACMA take?

9 A. As previously stated, I was instructed to begin serious negotiations with PAWC
10 concerning a new Water Supply Agreement.

11 Q. What action did you take pursuant to the Board's instructions?

12 A. I contacted either Bill Kelvington or Bernie Grundusky of PAWC. I advised
13 whomever I spoke to that I had been authorized by the WACMA Board to
14 accelerate our negotiations with PAWC looking to reaching agreement on a new
15 water supply contract. As a result of that telephone conversation, representatives
16 of WACMA and PAWC entered into intense negotiations.

17 Q. At this point, did the Board authorize its consulting engineer Mr. Nichols and its
18 attorney to become involved in the negotiations?

19 A. Yes. Our engineer and attorney then became actively involved in the negotiations.

20 Q. Did these negotiations result in an agreement between WACMA and PAWC?

21 A. Yes. At its Public Meeting on March 20, 2003, the WACMA Board voted
22 unanimously to enter into a Water Supply Agreement with PAWC.

- 1 Q. Is this the Agreement dated March 28, 2003 which has been marked for
2 identification as Exhibit LENZE-9?
- 3 A. Yes.
- 4 Q. What are the reasons for WACMA entering into the Agreement with PAWC?
- 5 A. First of all, WACMA was unable to negotiate a satisfactory agreement with
6 MATR, although it made a bona fide and long term attempt to do so. Second, the
7 terms and conditions of the proposal were satisfactory to WACMA. Finally, the
8 Agreement and the commitment by PAWC contemplates the construction of
9 substantial new equipment and facilities all of which will be financed by PAWC.
- 10 Q. What is the term of the Agreement?
- 11 A. The initial term is for fifteen years with annual renewals thereafter unless
12 terminated on six months notice by either party.
- 13 Q. What is the minimum purchase percentage?
- 14 A. Ninety percent of the total WACMA usage.
- 15 Q. Why was WACMA willing to agree to a 90% minimum percentage with PAWC
16 and was insisting on a 75% minimum percentage with MATR?
- 17 A. Based on our prior experience with MATR, we were legitimately concerned with
18 MATR's ability to contain its costs on a long term basis. This fact, coupled with
19 the cost based rate calculation provisions of the MATR contract, conceivably
20 could result in rate increases by MATR that would be prohibitive. On the other
21 hand, the rate provisions in the PAWC contract are subject to adjustment only as a
22 result of changes in the Consumer Price Index.

1 Q. What is the initial PAWC rate?

2 A. \$1.90/1000 gallons subject to an annual escalation factor based on the annual
3 increase in the Consumer Price Index for all urban consumers.

4 Q. Under the Agreement did PAWC commit to constructing certain facilities in
5 connection with the Water Sales Agreement?

6 A. Yes.

7 (Whereupon Exhibit Morris-4 was
8 marked for identification.)

9 Q. Will you please identify what has been marked for identification as Exhibit
10 Morris-4?

11 A. This is a copy of a letter of March 20, 2003 from Bernie Grundusky of PAWC to
12 me as Chairman of WACMA attached to which is a description of certain facilities
13 PAWC will install, operate, maintain and repair pursuant to the Water Sales
14 Agreement.

15 Q. Who will be responsible for the cost of these facilities?

16 A. Under the Agreement, PAWC is responsible for the total cost of these facilities.

17 Q. Has PAWC undertaken construction and installation of the facilities?

18 A. I understand that PAWC has made substantial progress in the construction of the
19 facilities, certain of which are completed with the balance being in various stages
20 of completion.

21 Q. In your opinion, were the rates and services proposed by MATR comparable to
22 those of PAWC?

1 A. Except for the unwillingness of MATR to meet WACMA's demands with respect
2 to the two essential issues addressed above, in my opinion the proposals of MATR
3 and PAWC are extremely competitive.

4 Q. Does this conclude your direct testimony?

5 A. Yes.

6

7 /28888

EXTENSION AGREEMENT

THIS EXTENSION AGREEMENT made and entered into this 16th day of October 2003, by and between THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON, a municipal authority formed and existing pursuant to the Municipality Authorities Act of 1945, as amended, maintaining an office at 4192 Campbells Run Road, Robinson Township, Pennsylvania with a mailing address of P.O. Box 1539, Pittsburgh, Pennsylvania 15244 (hereinafter "MATR").

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WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY, a municipal authority formed and existing pursuant to the Municipality Authorities Act of 1945, as amended, maintaining an office and mailing address at 403 Virginia Drive, Oakdale, Pennsylvania 15071-9105 (hereinafter "WACMA").

WITNESSETH:

WHEREAS, MATR and WACMA entered into a certain Agreement dated October 20, 1983 ("Agreement"); and

WHEREAS, Section 4 of the Agreement provides in part that: "...this Agreement shall remain in full force and effect for a period of twenty (20) years following the execution of said document"; and

WHEREAS, the Agreement will thus expire on October 21, 2003; and

WHEREAS, WACMA currently has pending before the Pennsylvania Department of Environmental Protection ("Department") an Application for a Modification of an Existing Water Allocation Permit to increase WACMA's daily water allocation to be available from Pennsylvania-American Water Company ("PAWC") (the "Permit") and;

WHEREAS, the Department has not issued the Permit with respect to the Application; and

WHEREAS, WACMA, by letters dated September 22, 2003, October 1, 2003 and October 3, 2003, has requested that MATR agree to an extension of the Agreement; and

WHEREAS, MATR is amenable to extending the Agreement on the terms and conditions more fully set forth herein.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants and undertakings set forth herein and intending to be legally bound, hereby agree as follows:

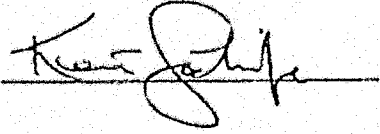
1. The facts set forth in the foregoing preambles are acknowledged by the parties as true and correct.
2. The Agreement shall not terminate on October 21, 2003; but, rather shall continue in full force and effect until the first to occur of either: (a) 24 hours after receipt by MATR of written notice of receipt by WACMA of the Permit or (b) April 2, 2004.
3. This Extension Agreement shall not constitute or be construed to constitute a waiver by MATR of its rights to contest and to continue to contest: (a) the granting of the Permit by the Department or (b) the right of PAWC to provide water to WACMA pursuant to a certain Water Sales Agreement by and between PAWC and WACMA; nor shall this Extension Agreement be construed to constitute a waiver by WACMA of its rights to defend (a) the granting of the Permit by the Department or (b) the right of PAWC to provide water to WACMA

pursuant to a certain Water Sales Agreement by and between PAWC and WACMA.

4. This Extension Agreement shall not constitute or be construed to constitute a release or waiver of any right, privilege, claim, cause of action or defense either party to the Agreement may have against the other arising from the Agreement.
5. MATR and WACMA acknowledge that WACMA's average monthly water purchases from MATR have consistently averaged in excess of 30 million gallons since October 2001. MATR will attempt to continue to supply WACMA with water in amounts that equal or exceed 30 million gallons per month subject however to Section 3 of the Agreement.
6. This Extension Agreement sets forth all of the modifications to the Agreement intended by the parties and is not to be construed as changing any of the terms and conditions of the Agreement not specifically referred to herein.
7. Miscellaneous Provisions
 - (a) As used herein, the singular shall include the plural and the plural the singular and the word of any gender shall mean the proper gender where the context so requires.
 - (b) This Extension Agreement may be amended and the term extended only by a document in writing signed by the parties hereto.
 - (c) This Extension Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania.
 - (d) The parties represent and warrant that they have full and complete authority to enter into this Extension Agreement, that they have entered into this Extension Agreement pursuant to the laws of the Commonwealth of Pennsylvania and that the person(s) executing this Extension Agreement on their behalf have been authorized to do so.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals by their indicated officers the day and year first above written.

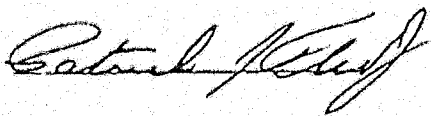
ATTEST:



THE MUNICIPAL AUTHORITY OF THE
TOWNSHIP OF ROBINSON

By: Anthony T. Denge
Title: Executive Director

ATTEST:



WESTERN ALLEGHENY COUNTY
MUNICIPAL AUTHORITY

By: Philip W. Morgan
Title: Chairman

The Municipal Authority of the Township of Robinson

P.O. Box 15539 • Pittsburgh, Pennsylvania • 15244-0539
Phone: (412) 923-2411 • Fax: (412) 923-2347

March 11, 1999

Mr. Robert S. Owens, Manager
Western Allegheny County Municipal Authority
403 Virginia Avenue
Oakdale, Pennsylvania 15071-9105

RE: WACMA-MATR WATER SERVICE AND AGREEMENT

Dear Mr. Owens. **BOB**

It was a pleasure to meet with you yesterday to discuss our current relationship and the desire for a new agreement for water service.

MATR values WACMA as a bulk rate customer not just for the remaining years in the existing agreement but also for the future beyond given the growth and development potential that now is most evident in North Fayette Township. MATR's recent water plant expansion was predicated in large measure on our determination to fulfill the needs of your system as well as the neighboring FTWA.

As you are aware the present agreement requires WACMA to purchase a minimum of 85% of its water needs from MATR until October 2003. It would be our intention to preserve that level of service with a possible expansion to 100% if feasible in a new agreement for services. To that end the Authority is most receptive to another interconnect in the vicinity of the Park Manor - Montour Run Road intersection.

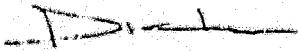
To reiterate the information we conveyed to you MATR now has three (3) interconnects with PA American Water Company, one (1) with Coraopolis, one (1) with Moon Township Municipal Authority and is in the planning stage with other entities to connect to the West View Water Authority (Neville Island) which in turn has an interconnection with the City of Pittsburgh Water & Sewer Authority.

The commitment by WACMA to MATR must be long term in order to be able to plan for future expansion needs and to meet your long-term water requirements. It would be helpful if you could provide realistic estimates of your five (5) to ten (10) year projected demands. Copies of your past five (5) years Annual Water Supply Reports would be helpful.

Mr Robert Owens, Manager
WACMA
Page -2-

It is suggested that this matter be addressed by our respective Boards and the negotiations be initiated with the goal to consummate a new agreement within the next four (4) to six (6) months. If you have any questions or comments please contact me.

Sincerely,
The MUNICIPAL AUTHORITY of
the TOWNSHIP of ROBINSON



Richard M. Cosentino, P. E.
Executive Director

RMC/aek

cc: MATR Board Members
Raymond H. Antonelli, Sr., NIRA



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888
(717) 531-3219 • FAX (717) 531-3314 • Email: cjohnsto@pawc.com

Charles W. Johnston
Vice President - Business Development

June 14, 2001

Board Members

Western Allegheny County Municipal Authority
403 Virginia Drive
Oakdale, PA 15071-9105

Dear Board Member:

Pennsylvania-American Water Company ("PAWC") is pleased to present its framework offer to sell water to the Western Allegheny County Municipal Authority's ("Authority") as follows:

- PAWC proposes to sell the Authority's 1,000,000 gallons of water per day under PAWC's demand based resale tariff at \$2.05 per thousand gallons.
- At its own expense, PAWC will permit, finance and construct, own, operate and maintain the facilities required to serve the Authority. These facilities include a booster station and approximately 3,000 feet of twelve and eight inch pipe.
- The proposed demand based contract will allow the Authority to exceed the maximum amount of 1,333,000 gallons per day on eighteen occasion per year in the event of emergency circumstances such as main breaks, fire events, or other problems.
- The contract requires that the Authority furnish PAWC documentation regarding its competitive alternative to purchasing water from PAWC, which would be contracts or offers from current water providers. This evidence is needed to support our pricing as being in the best interest and lowest cost option for both the Authority and PAWC customers.
- The proposed contract is non-transferable and non-assignable since PAWC is only able to verify the Authority's alternatives under its present ownership and operation.
- The contract would be for a minimum of ten years and would contain a pricing escalation clause that is pegged to published price indexes, which are negotiable.

EXHIBIT MORRIS-3



Pennsylvania-American Water Company is the proud recipient of the DIRECTORS AWARD issued by the US Environmental Protection Agency in behalf of the Partnership for Safe Water Program. The award recognizes our efforts to achieve excellence in water quality far beyond what is required by federal regulations. An EEO Employer M/F/H/V

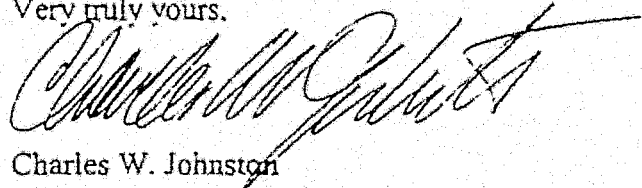
Our commitment is crystal clear.



Water will be provided from PAWC's Hays Mine and Aldrich surface water filtration plants. Our Hays Mine and Aldrich plants have a combined capacity of 110.1 million gallons per day and an average usage of 74.5 million gallons per day. The plant provides carbon-filtered water, which meets or exceeds all state and federal drinking water standards. Additionally, both the Hays Mine and Aldrich plants have received Phase III certification in the EPA Partnership for Safe Water. This means that both plants surpass all current water quality regulations, produce the highest quality water as measured by state and federal guidelines and maintain the capability to treat high raw water turbidity levels. (See attached newspaper article).

We look forward to working with you to successfully conclude an agreement. Please call me at 717-531-3219 with any questions.

Very truly yours,



Charles W. Johnston

Enclosures

cc: William E. Kelvington, Vice President-Operations, PAWC

News Release

Contact: Philip Cynar, Communications Manager
(412) 571-7721 / (888) 849-7825 (pager)
E-mail: pcynar@pawc.com

FOR IMMEDIATE RELEASE

PENNSYLVANIA-AMERICAN WATER COMPANY RECEIVES WATER QUALITY AWARD

*Associates from Two Water Treatment Plants Serving Pittsburgh's South Hills are Honored for
Hard Work and a High Quality Product*

[PITTSBURGH] March 23, 2000 - Associates at Pennsylvania-American Water Company's Hays Mine and E. H. Aldrich water treatment plants will receive a Director's Award of Recognition and a certificate of commendation this evening from the PA Department of Environmental Protection for successfully completing an in-depth program designed to enhance water quality.

This program, known as the *Partnership For Safe Water*, was developed by the US EPA and other water supply organizations to protect water consumers from microbial contaminants, such as cryptosporidium. Participation in the program is voluntary.

Tom Vayansky, regional manager, water supply management for DEP's Southwestern Region and Dave Plank, chief of DEP's Technical Service Section, will present the award and certificate to Pennsylvania-American representatives tonight during a chamber mixer-reception for the Steel Valley Chamber of Commerce at the Duquesne Golf Club, West Mifflin. Pennsylvania-American is sponsoring the reception.

MORE

Partnership for Safe Water Award

Page 2

"Pennsylvania-American Water Company has been a strong member of the Partnership. We recognize the company's efforts and commend it for maintaining a tradition of going above and beyond to supply their customers with high quality water," said Vayansky.

Citations from the Pennsylvania Senate and House--co-sponsored by Senators Albert V. Belan and Jay Costa Jr. and Representatives Harry A. Readshaw and Kenneth Ruffing--will be presented to the company by Mr. Ken Varhola, representing Senator Costa.

Other guests who will attend this reception to recognize Pennsylvania-American's achievement include Allegheny County Health Department officials, local elected officials, and business and community leaders from the Steel Valley, part of Pennsylvania-American's Pittsburgh service territory.

To qualify for the award, the company performed a rigorous and critical self-evaluation of operation and maintenance, facility design and personnel. The goal of this phase of the Partnership evaluation is to provide water that is far better than the quality required by federal and state laws.

This goal hinges on the parameter of *turbidity*, a measurement of water's clarity. The lower the number, the fewer particles that remain suspended in the water. These particles can harbor microscopic organisms such as cryptosporidium or giardia that can cause intestinal illnesses. The current state and federal standard for turbidity is 0.5 Nephelometric Turbidity Units (NTU). Pennsylvania-American's turbidity levels are 0.1 NTU or less.

"In terms of water quality, Pennsylvania-American's turbidity measurement is monumental," said John Watson, the company's operations manager - production. "It points to the fact that Pennsylvania-American is surpassing what the federal and state standards require for quality drinking water."

MORE

Partnership for Safe Water Award

"I commend the hard work of the associates who manage the Hays Mine and E.H. Aldrich plants," said Pittsburgh Division Manager Deborah Lippert. "These associates are responsible for the successes we have achieved for our customers. Our commitment truly is to provide the highest quality drinking water and reliable service to all of the 500,000 people we serve in the Greater South Hills."

###

Pennsylvania-American Water Company, a subsidiary of American Water Works Company, Inc. (NYSE:AWK), is the largest regulated water company in the United States. The Company owns and operates 32 surface water filtration plants with a combined capacity of 332 million gallons of water per day. More than 7,700 miles of water transmission and distribution lines deliver high quality water to more than two million Pennsylvanians.

American Water Works Company, Inc. (NYSE:AWK), is the largest and most geographically diverse investor-owned water utility business in the United States. The Company's utility subsidiaries and affiliates now provide service to approximately 10 million people in 23 states.

###



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888
(717) 533-5000 • FAX: (717) 531-3252

March 20, 2003

Philip Morris, Chairman
Western Allegheny County Municipal Authority
403 Virginia Drive
Oakdale, PA 15071-9105

RE: Water Facilities to be installed by Pennsylvania-American Water Company, pursuant to Section 4.4 of the Water Sales Agreement between Western Allegheny County Municipal Authority and Pennsylvania-American Water Company.

Dear Phil:

Attached is a preliminary description of the facilities Pennsylvania-American Water Company ("PAWC") will install, own, operate, maintain, repair and, if necessary, relocate pursuant to Section 4.4 of the Water Sales Agreement. Upon completion of the installation of the facilities, PAWC will provide to Western Allegheny County Municipal Authority a final facilities description and the actual cost of said facilities.

Very truly yours,

Bernie Grundusky
Manager Business Development

Enclosure

Cc: William E. Kelvington, Vice President, PAWC
Susan Simms-Marsh, Corporate Counsel, PAWC
Ronald J. Brown, Solicitor, Western Allegheny County Municipal Authority

WA-343

Our commitment is crystal clear.[®]
An E.E.O. Employer M/F/H/V

EXHIBIT MORRIS-4

DESCRIPTION OF FACILITIES

1. - PAWC will design, permit and install in Collier Township along Pinkerton Road from Nobletown Road approximately 2,250 LF of 12" ductile iron cement lined (DICL) waterline to the terminus of the Western Allegheny County Municipal Authority ("WACMA") 12" DICL waterline located at or near the municipal boundary line between Collier and North Fayette Township.

2. - PAWC will design, permit and install along Pinkerton Road at or as close as possible to the municipal boundary line between Collier and North Fayette Township a meter vault along with all necessary pipe, fittings, valves, appurtenances, and meters to measure the quantity of water conveyed from PAWC to the WACMA system.

3. - PAWC will design, permit and install approximately 2,470 LF of 12" DICL waterline along Pinkerton Road in North Fayette Township from Gamble Road to Old McKee Road. The 12" DICL waterline will be installed by PAWC and will run parallel with the existing WACMA 6" waterline along this section of Pinkerton Road. The WACMA customers connected to existing WACMA 6" waterline along this section of Pinkerton Road shall remain customers of WACMA at all times during this Agreement. Any new services to be installed along this section of Pinkerton Road shall be installed by WACMA on the existing WACMA 6" waterline and shall be customers of WACMA.

4. - PAWC will design, permit, and install a booster station located along Pinkerton Road at a site on Pinkerton Road. PAWC will install the necessary suction and discharge piping, fittings, and valves to connect to the existing WACMA distribution system along Pinkerton Road in Allegheny County.

5. - PAWC will design, permit and install approximately 450 LF of 8" waterline beginning at the terminus of the existing PAWC 8" DICL waterline located at the intersection of McVey Avenue and Marshall Road in South Fayette Township to a connection with the WACMA distribution system located at the intersection of School (a.k.a Willow), Short and Mill Streets.

6. - PAWC will design, permit and install a meter vault along with all necessary pipe, fittings, valves, appurtenances, and meters to measure the quantity of water conveyed from PAWC to the WACMA system. This vault will be located between the Panhandle Trail and School Street as close as possible to the municipal boundary line between South Fayette and North Fayette Township.

7. - PAWC will design, permit and construct approximately 14,000 feet of no less than 12" waterline beginning in Beech Hollow Road in Robinson Township, Washington County along Beech Hollow Road, Route 980, Beagle Club Road and the Montour Rail to Trail. At or near the Washington / Allegheny County Boundary Line a waterline will be installed along a right of way(s) to the existing WACMA waterline along Seabright Road.

8. - PAWC will design, permit, and install a booster station and the necessary pipe, fittings, and valves to connect to the facilities outlined in section 7. The booster station is expected to be located at a site proximate to the boundary line between Robinson Township, Washington County and North Fayette Township, Allegheny County.

9. - PAWC will design, permit, and install a meter vault along with all necessary pipe, fittings, valves, appurtenances, and meters to measure the quantity of water conveyed from PAWC to the WACMA system. This meter vault will be located proximate the municipal boundary line between Robison Township, Washington County and North Fayette Township, Allegheny County.

10. - PAWC will design, permit and install, the necessary transmitters and related equipment and appurtenances at the WACMA distribution storage facilities on the Santiago and McKee storage tanks to control the operation of the PAWC booster stations as referenced in section 4 and 8 above.

ORIGINAL
BEFORE THE RECEIVED

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOV 17 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

THE MUNICIPAL AUTHORITY OF)
THE TOWNSHIP OF ROBINSON)
)
Complainant-Petitioner,)
)
v.)
)
PENNSYLVANIA-AMERICAN)
WATER COMPANY)
)
Respondent.)
)

Docket No. C-20030092

DIRECT TESTIMONY OF DAVID G. NICHOLS

FOR WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY

INTERVENOR

DOCKETED
JAN 07 2004

DOCUMENT
FOLDER

John A. Vuono, Esq.
William A. Gray, Esq.
Attorneys for
Western Allegheny County
Municipal Authority
Intervenor

Of Counsel:

VUONO & GRAY, LLC
2310 Grant Building
Pittsburgh, PA 15219
(412) 471-1800
Due Date: November 17, 2003

1 environmental engineering at the University of Pittsburgh from 1975 through
2 1977.

3 Q. How long have you been a licensed professional engineer?

4 A. I have been a professional engineer in Pennsylvania from 1979 to the present. I
5 have also been a professional engineer in Ohio from 1982 to the present and in
6 West Virginia from 1985 to the present.

7 Q. To what professional organizations do you belong?

8 A. I belong to the Pennsylvania Municipal Authorities Association; American Society
9 of Civil Engineers; Pennsylvania Society of Professional Engineers; National
10 Society of Professional Engineers; Western Pennsylvania Water Pollution Control
11 Assoc.; Water Environment Federation; and American Waterworks Association.

12 Q. When you graduated from the University of Pittsburgh in 1974, where did you
13 begin working?

14 A. I began working at William J. Murdoch Engineers, Inc. in Pittsburgh, PA,
15 predecessor to Betz Converse Murdoch, Inc. and BCM Engineers, Inc. where I
16 was Assistant Engineer/Project Engineer/Manager.

17 Q. What were your duties at William J. Murdoch Engineers and its successor
18 companies?

19 A. I conducted all phases of project assignments for numerous municipal clients
20 involving comprehensive facilities planning; design of intakes, transmission
21 mains, storage reservoirs, pump stations, and treatment works; utility rate studies
22 and financing reports; administration of all phases of government grant and permit

1 programs; and construction surveillance of water and wastewater projects.

2 Starting in 1982, I was promoted to the Regional Manager of the office in
3 Pittsburgh where I managed all facets of the staff of civil engineers, sanitary
4 engineers, designers, draftsmen, environmental scientists, and clerical support. In
5 addition, I served as client contact attending municipal meetings and I was project
6 manager on a range of tasks involving water and wastewater management systems,
7 leachate pumping and storage facilities at landfills, subdivision reviews,
8 construction surveillance, permitting, detailed designs, technical reports, and
9 financing.

10 Q. How long did you work for Murdoch Engineers and its successor companies?

11 A. From May, 1974 to December, 1992.

12 Q. When was Nichols & Slagle Engineering, Inc. formed?

13 A. The company was formed in December, 1992 by Daniel Slagle and myself.

14 Q. Do you have an ownership interest in Nichols & Slagle Engineering, Inc.?

15 A. I am a 50% owner and a director of the company.

16 Q. Have you continued to be employed by Nichols & Slagle Engineering since
17 December, 1992?

18 A. Yes.

19 Q. Have you published various articles over the years in your area of expertise?

20 A. Yes.

21 Q. What articles have you published?

1 A. I jointly published an article in 1985 with T. G. May and B. J. Thompson entitled
2 "Financing Wastewater Systems", which was presented to the Pennsylvania
3 Department of Community Affairs, in Williamsport and Monroeville, PA. I also
4 jointly published an article in October, 1987 with D. B. Slagle entitled
5 "Development of an Affordable Wastewater System by Combining Alternate
6 Financing and Innovative Technology", which was presented at the 60th Annual
7 Conference of the Water Pollution Control Federal in Philadelphia and printed in
8 the U.S. Environmental Protection Agency's Small Flows, September 1988 and
9 the National Association of Towns and Townships (NAT&T's) Reporter,
10 December 1988 and the Pennsylvania Water Pollution Control Association
11 Magazine, January 1990. I also published an article in June, 1991 entitled
12 "Tapping Funds for Small Water Systems" which was printed in the American
13 City and County Magazine and reprinted by the Pennsylvania Rural Water
14 Association's Keystone Tap, February 1992. I also jointly published an article in
15 March 1988 with D. B. Slagle entitled "State Program Advises Small Water
16 Utilities" which was presented at the Annual Meeting of the Pennsylvania Chapter
17 of the American Waterworks Association and printed in American City & County
18 Magazine, June 1988.

19 Q. How long have you provided professional engineering services to WACMA?

20 A. I performed services for WACMA beginning in 1974, and have attended
21 WACMA's Board meetings since 1982. After we formed Nichols & Slagle in

1 December, 1992, I was appointed as the professional engineer for WACMA in
2 January, 1993.

3 Q. In your capacity as the professional engineer for WACMA, are you generally
4 familiar with the company's facilities, equipment and water supply operations?

5 A. Yes.

6 Q. Have you been authorized to testify in this proceeding in behalf of WACMA?

7 A. Yes.

8 Q. What is the most current map or drawing of the WACMA distribution system?

9 A. The 2003 Water Distribution Map of the entire WACMA distribution system
10 prepared by Nichols & Slagle Engineering, Inc. and bearing a Plot Date of April 1,
11 2003 is the most current map showing all points of connection and interconnection
12 by and between the WACMA system and all other entities that provide or could
13 provide water to WACMA. Those entities are MATR, Moon Township Municipal
14 Authority, Oakdale Borough, Findlay Township Water Authority, and
15 Pennsylvania American Water Company.

16 Q. Is this the same water distribution map that was attached to the direct testimony of
17 Raymond H. Antonelli, Sr. as Exhibit Antonelli - 1?

18 A. Yes.

19 Q. Did WACMA previously have two distinct water distribution systems?

20 A. Yes.

21 Q. When did WACMA begin operating a single, integrated water distribution
22 system?

- 1 A. The WACMA system has functioned as a single system since the Noblestown
2 Road-North Branch Road water line was constructed in 1998-1999.
- 3 Q. Why was the interconnection built?
- 4 A. The interconnection was built to improve reliability of service to a growing area in
5 North Fayette Township and to extend service to existing houses along
6 Whittengale Road.
- 7 Q. Did PAWC have any part in or knowledge concerning the construction of the
8 interconnect line?
- 9 A. No.
- 10 Q. MATR has suggested that WACMA has a "Primary System" and a "Secondary
11 System". Are these designations correct?
- 12 A. No. The "Primary System" and "Secondary System" designations are the
13 creations of MATR and are not relevant to the WACMA distribution system,
14 which is a single, integrated water distribution system.
- 15 Q. Were you involved in the negotiations for a new contract with MATR?
- 16 A. Yes.
- 17 Q. In your opinion, what caused the negotiations involving this contract to break
18 down?
- 19 A. It appeared that MATR and WACMA would be able to reach an agreement but
20 MATR, at a meeting on December 19, 2002, changed its position concerning two
21 significant issues, which involved the term of the contract and the minimum
22 percentage of water that WACMA would be required to purchase from MATR.

1 Q. What happened concerning the term of the contract?

2 A. MATR had agreed to a 20 year term for the new agreement and at the December
3 19, 2002 meeting, changed its proposal to a 30 year term for the new agreement.

4 Q. What about the minimum purchase obligation?

5 A. It was WACMA's position that the minimum purchase obligation should be
6 reduced from the 85% level stipulated in the 1982 agreement. After extensive
7 negotiations, WACMA and MATR had agreed in principal to a 75% minimum
8 purchase obligation. At the December 19, 2002 meeting, MATR took the position
9 that the minimum purchase requirement from WACMA be increased from 75% to
10 85% shortly after the effective date of the new agreement to assist with financing
11 capital improvements.

12 Q. What was the result of the change in terms by MATR involving these matters?

13 A. In my opinion, these changes in terms caused WACMA to reconsider the
14 likelihood of obtaining an acceptable agreement with MATR.

15 Q. What was the reaction of the WACMA representatives to MATR's position at the
16 December 19, 2002 meeting?

17 A. As I recall, the WACMA representatives were very surprised and frustrated with
18 the introduction of the totally new proposed provisions by the MATR
19 representatives without any notice in advance of the meeting on December 19,
20 2002. An extensive handout from MATR was distributed at that meeting
21 indicating that major capital improvements related to transmission mains and

1 treatment capacity at an estimated cost of \$9 million would increase the water
2 supply costs from MATR over the next ten years.

3 Q. Were you involved in the negotiations for a Water Supply Agreement between
4 PAWC and WACMA?

5 A. Yes.

6 Q. What was your role in the negotiation of the new Water Supply Agreement with
7 PAWC?

8 A. I discussed the benefits of the proposal including the proposed addition of three
9 new supply points, specifically on the eastern side of the WACMA system on
10 Pinkerton Run Road, on the southern side of the WACMA system on Mill Street,
11 and on the western side of the WACMA system on William Penn Highway; the
12 estimated cost savings due to the operating costs for new booster pumps by
13 PAWC; the added reliability of multiple supply sources with two modern PAWC
14 treatment plants; and the projected water purchase rate stability offered by
15 controlling cost increases according to the U. S. Department of Labor Consumer
16 Price Index.

17 Q. What are the benefits of the three new supply points to WACMA?

18 A. The current supplies from MATR and Moon Township Municipal Authority are
19 both located to the eastern portion of the WACMA system. Any major waterline
20 break along the William Penn Highway can interrupt the supply to the western
21 portions of the WACMA system and require complete reliance on the water
22 storage tanks until the mains are repaired. The proposed installation of the new

1 interconnections from PAWC will afford supplies into the WACMA system from
2 three sides that will improve the operational flexibility and reliability for years into
3 the future.

4 Q. Do you believe that PAWC will be able to meet WACMA's service needs?

5 A. Yes.

6 Q. Did you have occasion to compare the proposals of MATR and PAWC?

7 A. Yes.

8 Q. In your opinion, were the rates and services proposed by MATR comparable to
9 those of PAWC?

10 A. Except for the term and the minimum purchase obligation discussed above, in my
11 opinion the proposals of MATR and PAWC are competitive.

12 Q. Did you review the direct testimony of Raymond H. Antonelli, Sr., the President
13 of NIRA Consulting Engineers?

14 A. Yes.

15 Q. Do you take issue with any of the testimony of Mr. Antonelli?

16 A. Yes. For example, Mr. Antonelli states beginning at page 9, line 12, of his direct
17 testimony that MATR supplies water to WACMA via gravity connections from
18 MATR's Water Storage Facilities, that during periods of high demand within its
19 system WACMA must utilize its booster pumping stations in order to sustain
20 adequate water storage level and that WACMA can however continuously draw
21 water from MATR's system without the need to rely on its booster pump stations.
22 In fact, WACMA currently operates booster pumps continuously (75 to 80 percent

1 of each day) using the MATR supply in order to maintain adequate pressure for
2 customers in the higher elevations of North Fayette Township and fill its water
3 storage tanks.

4 Q. Mr. Antonelli, in his prepared testimony beginning at page 10, line 9 states that the
5 hydraulic gradient of the PAWC System in the WACMA/Robinson Service Area
6 is not capable of supplying water to WACMA without the need to continuously
7 pump into the WACMA System. Do you agree with his statement?

8 A. No. The PAWC system is capable of supplying water into portions of the
9 WACMA system without pumping and could transfer limited volumes into the
10 WACMA tanks.

11 Q. Did you read the prepared testimony of Anthony Thomas Lenze, the Executive
12 Director of MATR?

13 A. Yes.

14 Q. Do you disagree with some of the factual statements made by Mr. Lenze?

15 A. Yes.

16 Q. Specifically, do you disagree with Mr. Lenze's statement at page 17 of his direct
17 testimony that MATR never at any time demanded that it supply WACMA with
18 all of WACMA's water needs?

19 A. Yes. I disagree with that statement.

20 Q. Why?

21 A. It should be noted that in MATR's letter dated March 11, 1999 to WACMA,
22 which is Exhibit Morris-2, it is stated: "It would be our intention to preserve that

1 level of service with a possible expansion to 100% if feasible in a new agreement
2 for services.”

3 Q. Does this conclude your direct testimony?

4 A. Yes.

5 /28898



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office Of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265
November 17, 2003

IN REPLY PLEASE
REFER TO OUR FILE

In Re: C-20030092

(See letter dated 07/23/2003)

Municipal Authority of the Township of Robinson
v.
Pennsylvania-American Water Company

For the Commission to enter an order prohibiting Pennsylvania-American Water Company from commencing service to Western Allegheny County Municipal Authority pursuant to the Pennsylvania-American Water Company Agreement, or constructing any facilities with respect to such service.

Hearing Cancellation Notice

This is to inform you that the Further Hearing on the above-captioned case now scheduled to be held on Friday, January 23, 2004 at 9:00 a.m. has been canceled. The remainder of the hearings will be held as scheduled

Type: Initial and Further Hearings
Date: Wednesday-Thursday, January 21, and 22, 2004
Time: 9:00 a.m.
Location: 11th floor hearing room
Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, Pennsylvania
Presiding: Administrative Law Judge Larry Gesoff
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
Telephone: (412) 565-3550
Fax: (412) 565-5692

DOCUMENT
FOLDER

DOCKETED

NOV 21 2003

Please change your records accordingly.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission:

- Scheduling Office: (717) 787-1399.
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988.

pc: Judge Gesoff
Steve Springer, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

ORIGINAL
Law Offices

VUONO & GRAY, LLC

John A. Vuono
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2310 Grant Building

Pittsburgh, PA 15219-2383

November 25, 2003

Richard R. Wilson
of Counsel

Telephone
412-471-1800

Facsimile
412-471-4477

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
(Western Allegheny County Municipal Authority-Intervenor)
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

C - 20030092

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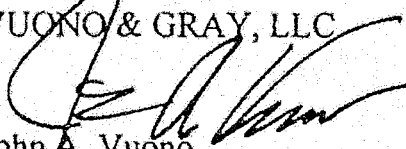
Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Dear Mr. McNulty:

By letter dated November 17, 2003, a copy of which is attached, we transmitted one copy of the Direct Testimony of Witnesses Phillip W. Morris, Sr. and David G. Nichols for Western Allegheny County Municipal Authority, Intervenor.

In accordance with 52 Pa. Code §1.37, we are enclosing three (3) additional copies of each of the statements.

Sincerely yours,

VUONO & GRAY, LLC

John A. Vuono

CW/28945
Enclosures

602

Law Offices
VUONO & GRAY, LLC
2310 Grant Building
Pittsburgh, PA 15219-2383

Telephone
(412) 471-1800

SECRETARY'S BUREAU
FACSIMILE
(412) 471-4477
03 DEC -1 AM 11:33

November 17, 2003

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
(Western Allegheny County Municipal Authority-Intervenor)
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

U. S. POSTAL SERVICE
CERTIFICATE OF MAILING
FORM 3817

Dear Mr. McNulty:

We enclose for filing with the Commission the Direct Testimony of Witnesses Phillip W. Morris, Sr. and David G. Nichols in behalf of Western Allegheny County Municipal Authority, Intervenor in the above proceeding.

Simultaneously, we are serving copies of the enclosures on Judge Gesoff and the parties of record in the manner indicated below.

Sincerely yours,

VUONO & GRAY, LLC

John A. Vuono

CW/28945

Enclosure

cc: Honorable Larry Gesoff (Messenger)
Albert J. Zangrilli, Esq. (Messenger)
Thomas P. Gadsden, Esq. (E-Mail/First Class Mail)
Anthony P. DeCusatis, Esq. (E-Mail/First Class Mail)
Michael J. Witherel, Esq. (E-Mail/First Class Mail)
Bohdan R. Pankiw, Esq. (First Class Mail)

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

00000 1 1111 34

THE MUNICIPAL AUTHORITY OF)
THE TOWNSHIP OF ROBINSON)

P.U.C.
SECRETARY'S BUREAU

Complainant-Petitioner,)

v.)

Docket No. C-20030092

PENNSYLVANIA-AMERICAN)
WATER COMPANY)

Respondent.)

DIRECT TESTIMONY OF PHILLIP W. MORRIS, SR.

FOR WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY

INTERVENOR

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DOCKETED

JAN 07 2004

John A. Vuono, Esq.
William A. Gray, Esq.
Attorneys for
Western Allegheny County
Municipal Authority
Intervenor

Of Counsel:

VUONO & GRAY, LLC
2310 Grant Building
Pittsburgh, PA 15219
(412) 471-1800
Due Date: November 17, 2003

1 DIRECT TESTIMONY OF PHILLIP W. MORRIS, SR.
2
3 FOR WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY
4

REC-1 11:34
W.A.C.
SECRETARY'S BUREAU

5 Q. Please state your name and address.

6 A. Phillip W. Morris, Sr., 4803 Main Street, McDonald, PA 15057.

7 Q. By whom are you employed?

8 A. Alex Paris Contracting Company

9 Q. What is the business of Alex Paris Contracting?

10 A. Our company constructs water lines and sewer lines, does site work for buildings
11 and roads. It does not construct buildings or roads.

12 Q. What is your capacity with Alex Paris Contracting?

13 A. I am the maintenance coordinator. I supervise our company's equipment, make
14 certain that it is ready for use and arrange scheduling of equipment and make
15 certain that the equipment is ready for use.

16 Q. How long have you been employed by Alex Paris Contracting?

17 A. Approximately 7 years.

18 Q. Prior to your employment with Alex Paris Contracting, by whom were you
19 employed?

20 A. I was employed by Russell Industries of Bridgeville, PA for approximately 21-1/2
21 years. That company is no longer in business.

22 Q. What is your educational background?

- 1 A. After graduating from high school I completed an eighteen month course in
2 drafting.
- 3 Q. Are you appearing in this proceeding in behalf of Western Allegheny County
4 Municipal Authority which I will hereafter refer to as WACMA?
- 5 A. Yes.
- 6 Q. What is your position with WACMA?
- 7 A. I am the Chairman of the Authority.
- 8 Q. Have you been authorized by WACMA to testify in this proceeding?
- 9 A. Yes.
- 10 Q. How long have you been a member of the Board of WACMA?
- 11 A. Since 1985--approximately 18 years.
- 12 Q. How long have you held the position of Chairman?
- 13 A. Approximately one year and nine months.
- 14 Q. How many members are there on the Board?
- 15 A. There are five members.
- 16 Q. Are the Board members elected or appointed?
- 17 A. They are appointed by the North Fayette Township Supervisors.
- 18 Q. Are the appointments for a term certain?
- 19 A. The appointments are for five years.
- 20 Q. How many years do you have remaining on your appointment?
- 21 A. Approximately three and one-half years.
- 22 Q. Do you presently serve on the Board of any other municipal authority?

1 A. No.

2 Q. Prior to becoming Chairman of the Board, did you serve in other capacities with
3 the Authority?

4 A. Yes. At various times, I have served as Vice Chairman and Treasurer.

5 Q. Who are the other members of the Board and what are their offices?

6 A. Judy A. Dewey – Vice Chairman
7 Patrick J. Fleck, Jr. – Secretary
8 John McGrogan – Treasurer
9 Tom Meyers – Assistant Secretary/Treasurer

10 Q. Does WACMA presently have a Manager?

11 A. No. However, the Board intends to begin interviewing for the position early next
12 year.

13 Q. How many employees does WACMA have at the present time?

14 A. WACMA has three office employees and four field employees.

15 Q. How often does the WACMA Board meet?

16 A. We have a regular monthly meeting and from time to time we convene special
17 meetings when necessary.

18 Q. Are you generally familiar with the business of WACMA?

19 A. I am not involved in the day-to-day operations of WACMA. However, I am
20 familiar with the policy issues and other matters that are the function of the Board.
21 I preside at the Board meetings and work with our employees to implement Board
22 policies.

- 1 Q. Is WACMA a municipal corporation?
- 2 A. Yes. It was formed in Pennsylvania in 1953 and was previously known as the
3 North Fayette Township Authority.
- 4 Q. Will you generally describe the scope of WACMA's business?
- 5 A. WACMA is engaged in the water distribution business. It does not produce water
6 and is a distribution -only authority. It is dependent on other parties to supply all
7 of its water.
- 8 Q. What is the WACMA distribution area?
- 9 A. WACMA serves customers in North Fayette and Findlay Townships, both of
10 which are in Allegheny County.
- 11 Q. How many customers does WACMA presently serve?
- 12 A. We serve approximately 12,871 customers through 3,982 service connections.
- 13 Q. I assume that total includes both residential and commercial customers?
- 14 A. Yes.
- 15 Q. Has the WACMA's customer base been expanding in recent years?
- 16 A. Yes. There has been a dramatic increase in the number of residential and
17 commercial customers in our service area.
- 18 Q. Do you expect this trend to continue?
- 19 A. I have no reason to believe that it will not.
- 20 Q. Does the increase in demand for WACMA's service place any special burdens on
21 the Board?

1 A. The Board recognizes that it has an important obligation to see that at all times
2 there is an adequate supply of water available to its present and expanding
3 customer base.

4 Q. Are you familiar with the formal Complaint filed in this proceeding by the
5 Municipal Authority of the Township of Robinson which I will hereinafter refer to
6 as MATR against Pennsylvania-American Water Company which I will call
7 PAWC?

8 A. I am generally familiar with what is involved in the case.

9 Q. Has WACMA intervened in this proceeding in support of PAWC?

10 A. Yes.

11 Q. Can you briefly state why WACMA has intervened in the case?

12 A. We understand that among other things, the Complaint asks the Commission to
13 void the Water Sales Agreement which WAMCA entered into with PAWC on
14 March 28, 2003 and to prohibit PAWC from commencing service pursuant to the
15 Agreement and constructing any facilities with respect to the service. In view of
16 WACMA's obligation to see that there is no interruption in water service to its
17 customers, WACMA had no alternative but to intervene in the proceeding to
18 protect its interests.

19 Q. What are the present sources of WACMA's water supply?

20 A. MATR, of course, as well as Pennsylvania-American Water Company and the
21 Moon Township Municipal Authority. WACMA also has interconnections with

1 the Findlay Township Water Authority and Oakdale Borough which supply
2 sources are available primarily for emergency situations.

3 Q. How long has WACMA had a business relationship with PAWC.

4 A. WACMA has had a water supply contract with West Penn Water Company, a
5 predecessor to PAWC, since August 28, 1957 which is a period of more than
6 forty-six years.

7 Q. Has the water supply service provided by PAWC been satisfactory to WACMA?

8 A. The water supply services of PAWC have been satisfactory.

9 Q. Does MATR presently provide a substantial portion of WACMA's water
10 requirements?

11 A. Yes.

12 Q. Does WACMA presently have a Water Supply Agreement in effect with MATR?

13 A. Yes. The current contract with MATR was signed in 1983.

14 Q. Are you referring to the Agreement dated October 20, 1983 which has been
15 marked for identification as Exhibit LENZE-1?

16 A. Yes.

17 Q. What was the termination date of that Agreement?

18 A. The term of the Agreement was for twenty years and was scheduled to terminate
19 on October 21, 2003.

20 Q. Have WACMA and MATR agreed to extend the term of the 1983 Agreement?

21 A. Yes.

1 (Whereupon Exhibit Morris-1 was
2 marked for identification.)

3 Q I show you what is marked for identification as Exhibit Morris-1 and ask if you
4 can identify this document.

5 A. This is a copy of the Agreement entered into on October 16, 2003 by WACMA
6 and MATR extending the 1983 Agreement beyond its original termination date.

7 Q. Did you execute the Extension Agreement in behalf of WACMA?

8 A. Yes.

9 Q. For what period of time has the Agreement been extended?

10 A. It is my understanding that the Agreement will continue in effect until the earlier
11 of twenty-four hours after the receipt by MATR of written notice of the receipt by
12 WACMA of a modification to its existing Water Allocation Permit to increase
13 WACMA's daily water allocation available from PAWC or April 2, 2004.

14 Q. I assume that WACMA and MATR are continuing to operate under the 1983
15 Agreement as extended in the same manner as they have in the past.

16 A. Yes.

17 Q. Have you been involved in the negotiations between WACMA and MATR
18 concerning the possible extension or renewal of the 1983 Agreement?

19 A. Those negotiations have extended over a period of several years. Although I was
20 not the Chairman of WACMA when the negotiations were initiated, I was a
21 member of the Board and was involved in the negotiations. Since assuming the
22 Chairmanship of the Board, I have been actively involved in the negotiations and I

1 have worked closely with our engineer and solicitor concerning this important
2 matter.

3 Q. In your capacity as Chairman of WACMA, have you attended negotiating
4 meetings with representatives of MATR?

5 A. I have participated in most of the negotiating meetings with representatives of
6 MATR and have reviewed summaries of the meetings with MATR prepared by
7 our attorney or Secretary which are delivered to me in the regular course of my
8 duties as Chairman of the Board.

9 Q. Have you had an opportunity to review the direct testimony submitted by Mr.
10 Anthony Lenze, Executive Director of MATR?

11 A. I have read portions of his testimony.

12 Q. Are you aware that Mr. Lenze testified that the records of MATR indicated that
13 negotiations concerning the extension or renewal of the WACMA/MATR Water
14 Supply Agreement were initiated as early as May 4, 1998 by means of a letter
15 from MATR to WACMA?

16 A. I am aware of his testimony.

17 Q. Do you have an opinion as to why the negotiations between WACMA and MATR
18 extended over such a long period of time?

19 A. Although there were a number of issues to be resolved, I believe the primary
20 reason for the lengthy period of negotiations was the inability of WACMA and
21 MATR to reach agreement on two issues which were essential to WACMA,

1 namely the length of the contract and the minimum percentage of WACMA's total
2 water needs required to be purchased from MATR.

3 Q. What was the position of WACMA with respect to these issues?

4 A. From the very beginning, we made it plain to MATR that for a number of reasons
5 WACMA wanted a contract of no more than fifteen to twenty years in duration
6 and that the minimum purchase percentage should be less than the current 85%.
7 In fact, initially WACMA proposed a 50% minimum purchase percentage.

8 Q. How did WACMA arrive at its position with respect to these issues?

9 A. The position of the Board regarding these issues was based on WACMA's past
10 experience with MATR and our concerns regarding the ability of MATR to
11 contain its costs and the resulting cost-based rates over an extended period of time,
12 the ever increasing demand for water service within WACMA's service area, ,
13 WACMA's knowledge of the changing nature of the water supply business and
14 the advice of its engineer and solicitor.

15 Q. Are you aware that Mr. Lenze testified that after reviewing all of the
16 correspondence and notes pertaining to discussions between MATR and WACMA
17 with respect to the new Water Supply Agreement, MATR did not at any time
18 demand that it supply WACMA with 100% of WACMA's water needs nor more
19 than 85% of those needs?

20 A. Yes, I am aware of his testimony.

21 Q. Do you agree with Mr. Lenze's testimony on this point?

1 A. No. I know that early in the negotiations, MATR proposed that it provide 100%
2 of WACMA's needs.

3 (Whereupon Exhibit Morris-2 was
4 marked for identification.)

5 Q. I show you what has been marked for identification as Morris Exhibit 2. Are you
6 able to identify this document?

7 A. It is a copy of a letter dated March 11, 1999 from Richard M. Cosentino, who was
8 then the Executive Director of MATR, to Robert S. Owens, who was the Manager
9 of WACMA at that time.

10 Q. How did you come into possession of this letter?

11 A. It was contained in the WACMA files?

12 Q. What is the subject matter of the letter?

13 A. The letter sets forth MATR's position with respect to the proposed new Water
14 Supply Agreement between WACMA and MATR.

15 Q. Does the letter address the issue of minimum purchase requirements?

16 A. Yes. In paragraph 3, the letter provides and I am quoting "As you are aware the
17 present agreement requires WACMA to purchase a minimum of 85% of its water
18 needs from MATR until October, 2003. It would be our intention to preserve that
19 level of service with a possible expansion to 100% if feasible in a new agreement
20 for services."

21 Q. Did WACMA convey to MATR the Board's position with respect to these two
22 main issues?

1 A. Yes. WACMA's position was consistent in its correspondence and at the various
2 negotiating meetings with MATR that the term of the agreement could not exceed
3 twenty years and that the minimum purchase percentage from MATR should not
4 be more than a maximum of 75%.

5 Q. Did WACMA and MATR ever "break off" negotiations?

6 A. The parties continued to negotiate by means of exchanges of correspondence and
7 meetings in an attempt to reach agreement on the remaining open issues. While
8 there were some lengthy gaps between negotiating sessions and correspondence,
9 the negotiations continued into the year 2002.

10 Q. Was there ever a time when WACMA believed that it had reached agreement with
11 MATR on the essential issues?

12 A. Based on a letter from Mr. Lenze to me dated August 16, 2002 (Exhibit LENZE-
13 5) and a meeting on September 26, 2002 between representatives of WACMA and
14 representatives of MATR, WACMA believed an agreement in principal had been
15 reached on all of the essential issues. These included an agreed term of twenty
16 years and a minimum purchase obligation of 75% of WACMA's total
17 requirements as well as certain rate adjustment language.

18 Q. Did the parties take any action to progress the matter subsequent to the September
19 26 meeting?

20 A. The attorneys for WACMA and MATR began the process of drafting the new
21 service agreement. I know that our attorney provided the attorney for MATR with

1 draft language for certain portions of the agreement, including the rates and
2 charges section.

3 Q. What, if anything, happened to change the course of the negotiations?

4 A. On December 19, 2002, a meeting of representatives of WACMA and MATR was
5 held. WACMA believed that the purpose of the meeting was to discuss the final
6 language to be incorporated into the draft of the Water Supply Agreement to cover
7 the major issues agreed upon at the September 26, 2002 meeting and subsequently,
8 including a twenty year term for the new Agreement, a 75% minimum purchase
9 obligation and a rate adjustment provision reflecting the language proposed by
10 WACMA.

11 Q. What happened at the meeting?

12 A. MATR presented an entirely new proposal which identified certain major capital
13 improvements contemplated by MATR which were never discussed at the
14 September 26 meeting or prior to that meeting. At that point, MATR proposed
15 that the Agreement extend for a term of thirty years and that the minimum
16 purchase requirement be increased from 75% to 85% at some point shortly after
17 the new agreement would take effect. MATR did indicate that it was prepared to
18 accept the rate adjustment language proposed by WACMA.

19 Q. How did WACMA react to this latest development?

20 A. The WACMA representatives advised representatives of MATR that in view of
21 this completely unexpected and major change in MATR's position, it would be
22 necessary to review the matter with the WACMA Board members and its

1 consulting engineer and solicitor. MATR was advised that it should not expect a
2 response until the WACMA Board was able to take formal action at its January
3 meeting.

4 Q. What happened next?

5 A. The entire Board of WACMA met with its engineer and solicitor at its regular
6 meeting on January 21, 2003 to formally discuss the developments at the
7 December 19 meeting with MATR. After thoroughly discussing the matter, the
8 Board authorized me to advise MATR that WACMA was not willing to accept the
9 revised MATR proposals made at the December 19 meeting. I was specifically
10 instructed by the Board to emphasize that WACMA was still willing to proceed
11 based on its understanding of the agreement that was reached prior to the
12 December 19 meeting.

13 Q. I show you what has been marked for identification as Exhibit LENZE-6. Is this
14 a copy of your letter of January 29 to the Chairman of MATR?

15 A. Yes. I wrote this letter in accordance with instructions from the WACMA Board.

16 Q. Will you summarize the position of WACMA as conveyed to MATR in the letter?

17 A. WACMA advised MATR that it was not willing to extend the term of the new
18 Agreement for thirty years and to increase the minimum purchase obligation of
19 WACMA from 75% to 85% shortly after the new service agreement would take
20 effect. The letter also points out that this latest proposal is contrary to MATR's
21 letter of August 16, 2002 to WACMA, which I believe is Exhibit LENZE-5 in

1 which MATR accepted a twenty year term and agreed in principal to a 75%
2 minimum purchase obligation.

3 Q. Did WACMA terminate negotiations with MATR at this point?

4 A. No. As the Board instructed, I emphasized in my letter that WACMA was still
5 willing to proceed with the new agreement on the basis of a twenty year term and
6 75% minimum purchase obligation. In view of the time limitations that WACMA
7 was now facing, the letter requested that MATR advise WACMA by not later than
8 February 14, 2003 whether or not it is was willing to proceed on the basis outlined
9 in the letter.

10 Q. Did your letter raise the possibility of WACMA dealing with another water
11 supplier?

12 A. The last paragraph of my letter placed MATR on notice that if an agreement could
13 not be reached with MATR on the terms indicated, in the interests of its customers
14 WACMA would have to explore other long-term water supply sources.

15 Q. Did MATR respond to your letter of January 29, 2003?

16 A. Yes. I subsequently received from the Chairman of MATR a letter dated February
17 12, 2003.

18 Q. I show you what has been identified as Exhibit LENZE-7. Is this a copy of the
19 February 12, 2003 letter that you referred to?

20 A. Yes.

21 Q. Did MATR accept the WACMA proposal set forth in its January 29, 2003 letter?

1 A. No. With respect to the term of the Agreement, MATR did not accept the twenty
2 year proposal, but instead proposed a formula based on the term of its financing of
3 certain construction projects which, if undertaken, would have the effect of
4 extending the term beyond twenty years. With respect to the minimum purchase
5 requirements, MATR did not respond to WACMA's proposal except to state that
6 it believes that the parties can reach agreement on this matter "at our next
7 meeting".

8 Q. Mr. Lenze testified that MATR intended to accede to WACMA's request that the
9 minimum purchase requirement be reduced to 75% of WACMA's total water
10 needs. What is your reaction to that testimony?

11 A. If that were true, MATR could have agreed with our proposal in its February 12,
12 2003 letter which directly addressed that issue. In addition, MATR had repeated
13 opportunities during the course of the negotiations over a period of several years
14 to agree with WACMA on this point and did not to do so. In view of the past
15 history concerning this issue, WACMA did not believe that there was any point in
16 convening any further meetings.

17 Q. In view of these developments, what action did WACMA take?

18 A. Up until the December 19, 2002 meeting with MATR, the Board reasonably
19 believed that WACMA had reached an agreement with MATR on all essential
20 terms. At the meeting on January 21, 2003 the Board concluded that it was
21 necessary to seriously consider an alternative water supplier. Essentially, we were

1 in a crisis mode since at that time there were only approximately eight months
2 until the MATR contract was scheduled to terminate.

3 Q. Did you receive any specific instructions from the Board at this meeting?

4 A. I was instructed by the Board to promptly pursue negotiations with PAWC to
5 determine whether or not it would be feasible to enter into an acceptable Water
6 Supply Agreement.

7 Q. Prior to this time, what had been the relationship between WACMA and PAWC?

8 A. As you know, WACMA has had a business relationship with PAWC and its
9 predecessor for many years. From time to time during that period of time,
10 representatives of PAWC made overtures to WACMA concerning the possible
11 purchase of its utility system.

12 Q. Did WACMA ever seriously consider a sale to PAWC?

13 A. To the best of my knowledge, WACMA was not interested to selling to PAWC or
14 anyone else.

15 Q. Were there any discussions with representatives of PAWC concerning a new
16 Water Supply Agreement?

17 A. As a consequence of our ongoing relationship with PAWC, WACMA was
18 approached from time to time by representatives of PAWC who were interested in
19 expanding the volume of business with WACMA, particularly if WACMA was
20 not willing to sell its business.

21 Q. In connection with these solicitation efforts, did WACMA receive any written
22 proposals from PAWC?

1 A. Yes. I believe the earliest proposal was the letter from PAWC to the WACMA
2 Board in June of 2001.

3 (Whereupon Exhibit Morris-3 was
4 marked for identification.)

5 Q. I show you what has been marked for identification as Exhibit Morris 3 and ask
6 that you identify it.

7 A. This is a copy of a solicitation letter dated June 14, 2001 from PAWC to the
8 WACMA Board. I believe it is the first proposal received by WACMA from
9 PAWC. To the best of my knowledge, this proposal was not solicited by
10 WACMA.

11 Q. Did the WACMA Board seriously consider entering into a Water Supply
12 Agreement with PAWC prior to the termination of negotiations with MATR?

13 A. Up until the time that we realized that we would be unable to reach agreement
14 with MATR. I do not believe that the WACMA Board seriously contemplated
15 entering into an agreement with PAWC. However, the Board had some level of
16 comfort in knowing that there were two competitive companies vying for our
17 business and that PAWC was a possible viable "fall back" source of water supply.

18 Q. In the interim, did WACMA have discussions with PAWC concerning a Water
19 Supply Agreement?

20 A. As I have previously testified, our discussions with MATR extended over a
21 number of years. As the termination date of the Agreement with MATR
22 approached and we realized that we were not making progress with MATR on

1 certain of the essential issues that I have discussed, it was my personal opinion
2 that we should consider more seriously the interest of PAWC.

3 Q. At what point in time did you reach this opinion?

4 A. I believe it was during the latter half of 2002, when WACMA had approximately
5 one year remaining on its Agreement with MATR.

6 Q. Were you the person at WACMA who was involved in these early discussions?

7 A. Yes. Since I considered the discussions to be preliminary, I did not directly
8 involve the Board, except to keep them advised of my discussions.

9 Q. What was the result of these discussions?

10 A. Although I did not recall it at the time of my deposition, upon further
11 consideration, I believe that at some point in the latter part of 2002, I received
12 from PAWC drafts of a proposed Water Sales Agreement.

13 Q. At this time, was WACMA's consulting engineer or its attorney involved in the
14 PAWC discussions?

15 A. No. Because of the preliminary nature of these discussions and our ongoing
16 negotiations with MATR, I was not authorized by the Board to involve our
17 engineer and attorney.

18 Q. At this time in the latter half of 2002, was WACMA continuing to pursue a Water
19 Supply Contract with MATR?

20 A. As I have previously stated, the WACMA Board reasonably believed that we were
21 making progress with MATR and that based on the letter of August 16, 2002 from

1 MATR to WACMA and the meeting on September 26, 2002 an agreement had
2 been reached with MATR on all essential terms.

3 Q. What occurred to change your strategy with respect to negotiations with PAWC?

4 A. When MATR changed its position with respect to the essential issues which we
5 have been discussing at the meeting on December 19, WACMA realized that it
6 was facing a crisis situation in view of the imminent termination of its Water
7 Supply Agreement with MATR.

8 Q. At that point, what action did WACMA take?

9 A. As previously stated, I was instructed to begin serious negotiations with PAWC
10 concerning a new Water Supply Agreement.

11 Q. What action did you take pursuant to the Board's instructions?

12 A. I contacted either Bill Kelvington or Bernie Grundusky of PAWC. I advised
13 whomever I spoke to that I had been authorized by the WACMA Board to
14 accelerate our negotiations with PAWC looking to reaching agreement on a new
15 water supply contract. As a result of that telephone conversation, representatives
16 of WACMA and PAWC entered into intense negotiations.

17 Q. At this point, did the Board authorize its consulting engineer Mr. Nichols and its
18 attorney to become involved in the negotiations?

19 A. Yes. Our engineer and attorney then became actively involved in the negotiations.

20 Q. Did these negotiations result in an agreement between WACMA and PAWC?

21 A. Yes. At its Public Meeting on March 20, 2003, the WACMA Board voted
22 unanimously to enter into a Water Supply Agreement with PAWC.

- 1 Q. Is this the Agreement dated March 28, 2003 which has been marked for
2 identification as Exhibit LENZE-9?
- 3 A. Yes.
- 4 Q. What are the reasons for WACMA entering into the Agreement with PAWC?
- 5 A. First of all, WACMA was unable to negotiate a satisfactory agreement with
6 MATR, although it made a bona fide and long term attempt to do so. Second, the
7 terms and conditions of the proposal were satisfactory to WACMA. Finally, the
8 Agreement and the commitment by PAWC contemplates the construction of
9 substantial new equipment and facilities all of which will be financed by PAWC.
- 10 Q. What is the term of the Agreement?
- 11 A. The initial term is for fifteen years with annual renewals thereafter unless
12 terminated on six months notice by either party.
- 13 Q. What is the minimum purchase percentage?
- 14 A. Ninety percent of the total WACMA usage.
- 15 Q. Why was WACMA willing to agree to a 90% minimum percentage with PAWC
16 and was insisting on a 75% minimum percentage with MATR?
- 17 A. Based on our prior experience with MATR, we were legitimately concerned with
18 MATR's ability to contain its costs on a long term basis. This fact, coupled with
19 the cost based rate calculation provisions of the MATR contract, conceivably
20 could result in rate increases by MATR that would be prohibitive. On the other
21 hand, the rate provisions in the PAWC contract are subject to adjustment only as a
22 result of changes in the Consumer Price Index.

1 Q. What is the initial PAWC rate?

2 A. \$1.90/1000 gallons subject to an annual escalation factor based on the annual
3 increase in the Consumer Price Index for all urban consumers.

4 Q. Under the Agreement did PAWC commit to constructing certain facilities in
5 connection with the Water Sales Agreement?

6 A. Yes.

7 (Whereupon Exhibit Morris-4 was
8 marked for identification.)

9 Q. Will you please identify what has been marked for identification as Exhibit
10 Morris-4?

11 A. This is a copy of a letter of March 20, 2003 from Bernie Grundusky of PAWC to
12 me as Chairman of WACMA attached to which is a description of certain facilities
13 PAWC will install, operate, maintain and repair pursuant to the Water Sales
14 Agreement.

15 Q. Who will be responsible for the cost of these facilities?

16 A. Under the Agreement, PAWC is responsible for the total cost of these facilities.

17 Q. Has PAWC undertaken construction and installation of the facilities?

18 A. I understand that PAWC has made substantial progress in the construction of the
19 facilities, certain of which are completed with the balance being in various stages
20 of completion.

21 Q. In your opinion, were the rates and services proposed by MATR comparable to
22 those of PAWC?

1 A. Except for the unwillingness of MATR to meet WACMA's demands with respect
2 to the two essential issues addressed above, in my opinion the proposals of MATR
3 and PAWC are extremely competitive.

4 Q. Does this conclude your direct testimony?

5 A. Yes.

6

7 /28888

EXTENSION AGREEMENT

THIS EXTENSION AGREEMENT made and entered into this 16th day of October 2003, by and between THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON, a municipal authority formed and existing pursuant to the Municipality Authorities Act of 1945, as amended, maintaining an office at 4192 Campbells Run Road, Robinson Township, Pennsylvania with a mailing address of P.O. Box 1539, Pittsburgh, Pennsylvania 15244 (hereinafter "MATR").

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WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY, a municipal authority formed and existing pursuant to the Municipality Authorities Act of 1945, as amended, maintaining an office and mailing address at 403 Virginia Drive, Oakdale, Pennsylvania 15071-9105 (hereinafter "WACMA")

WITNESSETH:

WHEREAS, MATR and WACMA entered into a certain Agreement dated October 20, 1983 ("Agreement"); and

WHEREAS, Section 4 of the Agreement provides in part that. " .this Agreement shall remain in full force and effect for a period of twenty (20) years following the execution of said document": and

WHEREAS, the Agreement will thus expire on October 21, 2003: and

WHEREAS, WACMA currently has pending before the Pennsylvania Department of Environmental Protection ("Department") an Application for a Modification of an Existing Water Allocation Permit to increase WACMA's daily water allocation to be available from Pennsylvania-American Water Company ("PAWC") (the "Permit") and:

WHEREAS, the Department has not issued the Permit with respect to the Application; and

WHEREAS, WACMA, by letters dated September 22, 2003, October 1, 2003 and October 3, 2003, has requested that MATR agree to an extension of the Agreement; and

WHEREAS, MATR is amenable to extending the Agreement on the terms and conditions more fully set forth herein.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants and undertakings set forth herein and intending to be legally bound, hereby agree as follows:

1. The facts set forth in the foregoing preambles are acknowledged by the parties as true and correct.
2. The Agreement shall not terminate on October 21, 2003; but, rather shall continue in full force and effect until the first to occur of either: (a) 24 hours after receipt by MATR of written notice of receipt by WACMA of the Permit or (b) April 2, 2004.
3. This Extension Agreement shall not constitute or be construed to constitute a waiver by MATR of its rights to contest and to continue to contest: (a) the granting of the Permit by the Department or (b) the right of PAWC to provide water to WACMA pursuant to a certain Water Sales Agreement by and between PAWC and WACMA; nor shall this Extension Agreement be construed to constitute a waiver by WACMA of its rights to defend (a) the granting of the Permit by the Department or (b) the right of PAWC to provide water to WACMA

pursuant to a certain Water Sales Agreement by and between PAWC and WACMA.

4. This Extension Agreement shall not constitute or be construed to constitute a release or waiver of any right, privilege, claim, cause of action or defense either party to the Agreement may have against the other arising from the Agreement.
5. MATR and WACMA acknowledge that WACMA's average monthly water purchases from MATR have consistently averaged in excess of 30 million gallons since October 2001. MATR will attempt to continue to supply WACMA with water in amounts that equal or exceed 30 million gallons per month subject however to Section 3 of the Agreement.
6. This Extension Agreement sets forth all of the modifications to the Agreement intended by the parties and is not to be construed as changing any of the terms and conditions of the Agreement not specifically referred to herein.
7. Miscellaneous Provisions
 - (a) As used herein, the singular shall include the plural and the plural the singular and the word of any gender shall mean the proper gender where the context so requires.
 - (b) This Extension Agreement may be amended and the term extended only by a document in writing signed by the parties hereto.
 - (c) This Extension Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania.
 - (d) The parties represent and warrant that they have full and complete authority to enter into this Extension Agreement, that they have entered into this Extension Agreement pursuant to the laws of the Commonwealth of Pennsylvania and that the person(s) executing this Extension Agreement on their behalf have been authorized to do so.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals by their indicated officers the day and year first above written.

ATTEST:

Kenneth J. [Signature]

THE MUNICIPAL AUTHORITY OF THE
TOWNSHIP OF ROBINSON

By: Anthony T. [Signature]
Title: Executive Director

ATTEST:

[Signature]

WESTERN ALLEGHENY COUNTY
MUNICIPAL AUTHORITY

By: Philip M. [Signature]
Title: Chairman

The Municipal Authority of the Township of Robinson

P.O. Box 15539 • Pittsburgh, Pennsylvania • 15244-0539
Phone: (412) 923-2411 • Fax: (412) 923-2347

March 11, 1999

Mr. Robert S. Owens, Manager
Western Allegheny County Municipal Authority
403 Virginia Avenue
Oakdale, Pennsylvania 15071-9105

RE: WACMA-MATR WATER SERVICE AND AGREEMENT

Dear Mr. Owens: BOR

It was a pleasure to meet with you yesterday to discuss our current relationship and the desire for a new agreement for water service.

MATR values WACMA as a bulk rate customer not just for the remaining years in the existing agreement but also for the future beyond given the growth and development potential that now is most evident in North Fayette Township. MATR's recent water plant expansion was predicated in large measure on our determination to fulfill the needs of your system as well as the neighboring FTWA.

As you are aware the present agreement requires WACMA to purchase a minimum of 85% of its water needs from MATR until October 2003. It would be our intention to preserve that level of service with a possible expansion to 100% if feasible in a new agreement for services. To that end the Authority is most receptive to another interconnect in the vicinity of the Park Manor - Montour Run Road intersection.

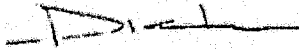
To reiterate the information we conveyed to you MATR now has three (3) interconnects with PA American Water Company, one (1) with Coraopolis, one (1) with Moon Township Municipal Authority and is in the planning stage with other entities to connect to the West View Water Authority (Neville Island) which in turn has an interconnection with the City of Pittsburgh Water & Sewer Authority.

The commitment by WACMA to MATR must be long term in order to be able to plan for future expansion needs and to meet your long-term water requirements. It would be helpful if you could provide realistic estimates of your five (5) to ten (10) year projected demands. Copies of your past five (5) years Annual Water Supply Reports would be helpful.

Mr. Robert Owens, Manager
WACMA
Page -2-

It is suggested that this matter be addressed by our respective Boards and the negotiations be initiated with the goal to consummate a new agreement within the next four (4) to six (6) months. If you have any questions or comments please contact me.

Sincerely,
The MUNICIPAL AUTHORITY of
the TOWNSHIP of ROBINSON



Richard M. Cosentino, P. E.
Executive Director

RMC/aek

cc: MATR Board Members
Raymond H. Antonelli, Sr., NIRA



Pennsylvania-American Water Company

300 West Hershey Park Drive • P.O. Box 398 • Hershey, PA 17033-0398
TEL: 717-531-2212 • FAX: 717-531-3314 • Email: cconnsto@pawc.com

Charles A. Connston
Vice President Business Development

June 14, 2001

Board Members
Western Allegheny County Municipal Authority
403 Virginia Drive
Oakdale, PA 15071-9105

Dear Board Member:

Pennsylvania-American Water Company ("PAWC") is pleased to present its framework offer to sell water to the Western Allegheny County Municipal Authority's ("Authority") as follows:

- PAWC proposes to sell the Authority's 1,000,000 gallons of water per day under PAWC's demand based resale tariff at \$2.05 per thousand gallons.
- At its own expense, PAWC will permit, finance and construct, own, operate and maintain the facilities required to serve the Authority. These facilities include a booster station and approximately 3,000 feet of twelve and eight inch pipe.
- The proposed demand based contract will allow the Authority to exceed the maximum amount of 1,333,000 gallons per day on eighteen occasion per year in the event of emergency circumstances such as main breaks, fire events, or other problems.
- The contract requires that the Authority furnish PAWC documentation regarding its competitive alternative to purchasing water from PAWC, which would be contracts or offers from current water providers. This evidence is needed to support our pricing as being in the best interest and lowest cost option for both the Authority and PAWC customers.
- The proposed contract is non-transferable and non-assignable since PAWC is only able to verify the Authority's alternatives under its present ownership and operation.
- The contract would be for a minimum of ten years and would contain a pricing escalation clause that is pegged to published price indexes, which are negotiable.

EXHIBIT MORRIS-3

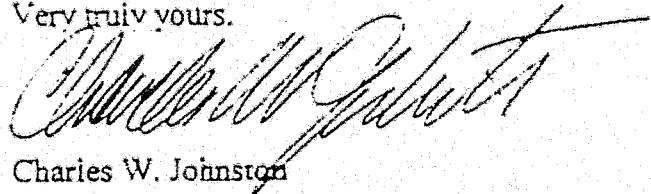


Pennsylvania-American Water Company is the proud recipient of the DIRECTORS AWARD issued by the US Environmental Protection Agency in honor of the Partnership for Safe Water Program. The award recognizes our efforts to achieve excellence in water quality far beyond what is required by federal regulations. An EEO Employer M/F/H/V. Our commitment is crystal clear. ♻️

Water will be provided from PAWC's Hays Mine and Aldrich surface water filtration plants. Our Hays Mine and Aldrich plants have a combined capacity of 110.1 million gallons per day and an average usage of 74.5 million gallons per day. The plant provides carbon-filtered water, which meets or exceeds all state and federal drinking water standards. Additionally, both the Hays Mine and Aldrich plants have received Phase III certification in the EPA Partnership for Safe Water. This means that both plants surpass all current water quality regulations, produce the highest quality water as measured by state and federal guidelines and maintain the capability to treat high raw water turbidity levels. (See attached newspaper article).

We look forward to working with you to successfully conclude an agreement. Please call me at 717-531-3219 with any questions.

Very truly yours,



Charles W. Johnston

Enclosures

cc: William E. Kelvington, Vice President-Operations, PAWC

News Release

Contact: Philip Cynar, Communications Manager
(412) 571-7721 / (888) 849-7825 (pager)
E-mail: pcynar@pawc.com

FOR IMMEDIATE RELEASE

PENNSYLVANIA-AMERICAN WATER COMPANY RECEIVES WATER QUALITY AWARD

*Associates from Two Water Treatment Plants Serving Pittsburgh's South Hills are Honored for
Hard Work and a High Quality Product*

[PITTSBURGH] March 23, 2000 - Associates at Pennsylvania-American Water Company's Hays Mine and E. H. Aldrich water treatment plants will receive a Director's Award of Recognition and a certificate of commendation this evening from the PA Department of Environmental Protection for successfully completing an in-depth program designed to enhance water quality.

This program, known as the *Partnership For Safe Water*, was developed by the US EPA and other water supply organizations to protect water consumers from microbial contaminants, such as cryptosporidium. Participation in the program is voluntary.

Tom Vavansky, regional manager, water supply management for DEP's Southwestern Region and Dave Plank, chief of DEP's Technical Service Section, will present the award and certificate to Pennsylvania-American representatives tonight during a chamber mixer reception for the Steel Valley Chamber of Commerce at the Duquesne Golf Club, West Mifflin. Pennsylvania-American is sponsoring the reception.

MORE

Partnership for Safe Water Award

Page 2

"Pennsylvania-American Water Company has been a strong member of the Partnership. We recognize the company's efforts and commend it for maintaining a tradition of going above and beyond to supply their customers with high quality water," said Vayansky.

Citations from the Pennsylvania Senate and House--co-sponsored by Senators Albert V. Belan and Jay Costa Jr. and Representatives Harry A. Readshaw and Kenneth Ruffing--will be presented to the company by Mr. Ken Varhola, representing Senator Costa.

Other guests who will attend this reception to recognize Pennsylvania-American's achievement include Allegheny County Health Department officials, local elected officials, and business and community leaders from the Steel Valley, part of Pennsylvania-American's Pittsburgh service territory.

To qualify for the award, the company performed a rigorous and critical self-evaluation of operation and maintenance, facility design and personnel. The goal of this phase of the Partnership evaluation is to provide water that is far better than the quality required by federal and state laws.

This goal hinges on the parameter of *turbidity*, a measurement of water's clarity. The lower the number, the fewer particles that remain suspended in the water. These particles can harbor microscopic organisms such as cryptosporidium or giardia that can cause intestinal illnesses. The current state and federal standard for turbidity is 0.5 Nephelometric Turbidity Units (NTU). Pennsylvania-American's turbidity levels are 0.1 NTU or less.

"In terms of water quality, Pennsylvania-American's turbidity measurement is monumental," said John Watson, the company's operations manager - production. "It points to the fact that Pennsylvania-American is surpassing what the federal and state standards require for quality drinking water."

MORE

Partnership for Safe Water Award

"I commend the hard work of the associates who manage the Hays Mine and E.H. Aldrich plants," said Pittsburgh Division Manager Deborah Lippert. "These associates are responsible for the successes we have achieved for our customers. Our commitment truly is to provide the highest quality drinking water and reliable service to all of the 500,000 people we serve in the Greater South Hills."

#

Pennsylvania American Water Company, a subsidiary of American Water Works Company, Inc. (NYSE:AWK), is the largest regulated water company in the United States. The Company owns and operates 32 surface water filtration plants with a combined capacity of 332 million gallons of water per day. More than 7,700 miles of water transmission and distribution lines deliver high quality water to more than two million Pennsylvanians.

American Water Works Company, Inc. (NYSE:AWK), is the largest and most geographically diverse investor-owned water utility business in the United States. The Company's utility subsidiaries and affiliates now provide service to approximately 10 million people in 23 states.

###



Pennsylvania-American Water Company

300 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17133-0888
 (717) 533-5000 • FAX: (717) 531-3252

March 20, 2003

Philip Morris, Chairman
 Western Allegheny County Municipal Authority
 403 Virginia Drive
 Oakdale, PA 15071-9105

RE: Water Facilities to be installed by Pennsylvania-American Water Company, pursuant to Section 4.4 of the Water Sales Agreement between Western Allegheny County Municipal Authority and Pennsylvania-American Water Company.

Dear Phil,

Attached is a preliminary description of the facilities Pennsylvania-American Water Company ("PAWC") will install, own, operate, maintain, repair and, if necessary, relocate pursuant to Section 4.4 of the Water Sales Agreement. Upon completion of the installation of the facilities, PAWC will provide to Western Allegheny County Municipal Authority a final facilities description and the actual cost of said facilities.

Very truly yours,

Bernie Grundusky
 Manager Business Development

Enclosure

Cc: William E. Kelvington, Vice President, PAWC
 Susan Simms-Marsh, Corporate Counsel, PAWC
 Ronald J. Brown, Solicitor, Western Allegheny County Municipal Authority

WA-343

Our commitment is crystal clear.[®]
 An E.E.O. Employer M/F/H/V



DESCRIPTION OF FACILITIES

1. - PAWC will design, permit and install in Collier Township along Pinkerton Road from Noblestown Road approximately 2,250 LF of 12" ductile iron cement lined (DICL) waterline to the terminus of the Western Allegheny County Municipal Authority ("WACMA") 12" DICL waterline located at or near the municipal boundary line between Collier and North Fayette Township.

2. - PAWC will design, permit and install along Pinkerton Road at or as close as possible to the municipal boundary line between Collier and North Fayette Township a meter vault along with all necessary pipe, fittings, valves, appurtenances, and meters to measure the quantity of water conveyed from PAWC to the WACMA system.

3. - PAWC will design, permit and install approximately 2,470 LF of 12" DICL waterline along Pinkerton Road in North Fayette Township from Gamble Road to Old McKee Road. The 12" DICL waterline will be installed by PAWC and will run parallel with the existing WACMA 6" waterline along this section of Pinkerton Road. The WACMA customers connected to existing WACMA 6" waterline along this section of Pinkerton Road shall remain customers of WACMA at all times during this Agreement. Any new services to be installed along this section of Pinkerton Road shall be installed by WACMA on the existing WACMA 6" waterline and shall be customers of WACMA.

4. - PAWC will design, permit, and install a booster station located along Pinkerton Road at a site on Pinkerton Road. PAWC will install the necessary suction and discharge piping, fittings, and valves to connect to the existing WACMA distribution system along Pinkerton Road in Allegheny County.

5. - PAWC will design, permit and install approximately 450 LF of 8" waterline beginning at the terminus of the existing PAWC 8" DICL waterline located at the intersection of McVey Avenue and Marshall Road in South Fayette Township to a connection with the WACMA distribution system located at the intersection of School (a.k.a. Willow), Short and Mill Streets.

6. - PAWC will design, permit and install a meter vault along with all necessary pipe, fittings, valves, appurtenances, and meters to measure the quantity of water conveyed from PAWC to the WACMA system. This vault will be located between the Panhandle Trail and School Street as close as possible to the municipal boundary line between South Fayette and North Fayette Township.

7. - PAWC will design, permit and construct approximately 14,000 feet of no less than 12" waterline beginning in Beech Hollow Road in Robinson Township, Washington County along Beech Hollow Road, Route 980, Beagle Club Road and the Montour Rail to Trail. At or near the Washington / Allegheny County Boundary Line a waterline will be installed along a right of way(s) to the existing WACMA waterline along Seabright Road.

8. - PAWC will design, permit, and install a booster station and the necessary pipe, fittings, and valves to connect to the facilities outlined in section 7. The booster station is expected to be located at a site proximate to the boundary line between Robinson Township, Washington County and North Fayette Township, Allegheny County.

9. - PAWC will design, permit and install a meter vault along with all necessary pipe, fittings, valves, appurtenances, and meters to measure the quantity of water conveyed from PAWC to the WACMA system. This meter vault will be located proximate the municipal boundary line between Robinson Township, Washington County and North Fayette Township, Allegheny County.

10. - PAWC will design, permit and install, the necessary transmitters and related equipment and appurtenances at the WACMA distribution storage facilities on the Santiago and McKee storage tanks to control the operation of the PAWC booster stations as referenced in section 4 and 8 above.

Law Offices

VUONO & GRAY, LLC

2310 Grant Building

Pittsburgh, PA 15219-2383

November 25, 2003

Richard R. Wilson
of Counsel

Telephone
412-471-1800

Facsimile
412-471-4477

John A. Vuono
William A. Gray
Mark T. Vuono
Dennis J. Kusturiss
Christine M. Dolfi
Louise R. Schrage
Susan C. Indrisano
**Also Admitted in Florida*
**Also Admitted in Maryland*

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
(Western Allegheny County Municipal Authority-Intervenor)
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

C-20030092

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED
GENERAL COUNSEL'S BUREAU
NOV 27 11:33

Dear Mr. McNulty:

By letter dated November 17, 2003, a copy of which is attached, we transmitted one copy of the Direct Testimony of Witnesses Phillip W. Morris, Sr. and David G. Nichols for Western Allegheny County Municipal Authority, Intervenor.

In accordance with 52 Pa. Code §1.37, we are enclosing three (3) additional copies of each of the statements.

Sincerely yours,

VUONO & GRAY, LLC


John A. Vuono

CW/28945
Enclosures

60

Law Offices
VUONO & GRAY, LLC
2310 Grant Building
Pittsburgh, PA 15219-2383

Telephone
(412) 471-1800

Facsimile
(412) 471-4477

November 17, 2003

Re: The Municipal Authority of the Township of Robinson
v. Pennsylvania-American Water Company
(Western Allegheny County Municipal Authority-Intervenor)
Pennsylvania Public Utility Commission
Docket No. C-20030092
Our File 4974

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

U. S. POSTAL SERVICE
CERTIFICATE OF MAILING
FORM 3817

Dear Mr. McNulty:

We enclose for filing with the Commission the Direct Testimony of Witnesses Phillip W. Morris, Sr. and David G. Nichols in behalf of Western Allegheny County Municipal Authority, Intervenor in the above proceeding.

Simultaneously, we are serving copies of the enclosures on Judge Gesoff and the parties of record in the manner indicated below.

Sincerely yours,

VUONO & GRAY, LLC

John A. Vuono

CW/28945

Enclosure

cc: Honorable Larry Gesoff (Messenger)
Albert J. Zangrilli, Esq. (Messenger)
Thomas P. Gadsden, Esq. (E-Mail/First Class Mail)
Anthony P. DeCusatis, Esq. (E-Mail/First Class Mail)
Michael J. Witherel, Esq. (E-Mail/First Class Mail)
Bohdan R. Pankiw, Esq. (First Class Mail)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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THE MUNICIPAL AUTHORITY OF)
THE TOWNSHIP OF ROBINSON)
)
Complainant-Petitioner,)
)
v.)
)
PENNSYLVANIA-AMERICAN)
WATER COMPANY)
)
Respondent.)
)

Docket No. C-20030092

DIRECT TESTIMONY OF DAVID G. NICHOLS
FOR WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY
INTERVENOR

DOCKETED
JAN 07 2004

DOCUMENT
FOLDER

John A. Vuono, Esq.
William A. Gray, Esq.
Attorneys for
Western Allegheny County
Municipal Authority
Intervenor

Of Counsel:

VUONO & GRAY, LLC
2310 Grant Building
Pittsburgh, PA 15219
(412) 471-1800
Due Date: November 17, 2003

1 DIRECT TESTIMONY OF DAVID G. NICHOLS

2
3 FOR WESTERN ALLEGHENY COUNTY MUNICIPAL AUTHORITY

4
5 Q. Please state your full name.

6 A. David G. Nichols.

7 Q. By whom are you employed?

8 A. I am employed by Nichols & Slagle Engineering, Inc.

9 Q. Where are the offices of that company located?

10 A. 333 Rouser Road, Airport Office Park, Building 4, Suite 600, Moon Township,
11 PA 15108-2773.

12 Q. What is your position with Nichols & Slagle Engineering?

13 A. I am Principal Engineer for the company.

14 Q. What are your job duties as Principal Engineer?

15 A. I handle all design and construction surveillance of municipal projects for public
16 water and sewer authorities, attend client meetings and direct a multi-disciplined
17 technical staff.

18 Q. What type of projects are you involved in?

19 A. My project assignments include water transmission and distribution mains,
20 sanitary sewers, water storage facilities, treatment plant modifications, and related
21 operations programs.

22 Q. What is your educational background?

23 A. I received a Bachelor of Science degree in civil engineering (Cum Laude) from the
24 University of Pittsburgh in 1974. I did Master of Science course work in

1 environmental engineering at the University of Pittsburgh from 1975 through
2 1977.

3 Q. How long have you been a licensed professional engineer?

4 A. I have been a professional engineer in Pennsylvania from 1979 to the present. I
5 have also been a professional engineer in Ohio from 1982 to the present and in
6 West Virginia from 1985 to the present.

7 Q. To what professional organizations do you belong?

8 A. I belong to the Pennsylvania Municipal Authorities Association; American Society
9 of Civil Engineers; Pennsylvania Society of Professional Engineers; National
10 Society of Professional Engineers; Western Pennsylvania Water Pollution Control
11 Assoc.; Water Environment Federation; and American Waterworks Association.

12 Q. When you graduated from the University of Pittsburgh in 1974, where did you
13 begin working?

14 A. I began working at William J. Murdoch Engineers, Inc. in Pittsburgh, PA,
15 predecessor to Betz Converse Murdoch, Inc. and BCM Engineers, Inc. where I
16 was Assistant Engineer/Project Engineer/Manager.

17 Q. What were your duties at William J. Murdoch Engineers and its successor
18 companies?

19 A. I conducted all phases of project assignments for numerous municipal clients
20 involving comprehensive facilities planning; design of intakes, transmission
21 mains, storage reservoirs, pump stations, and treatment works; utility rate studies
22 and financing reports; administration of all phases of government grant and permit

1 programs; and construction surveillance of water and wastewater projects.

2 Starting in 1982, I was promoted to the Regional Manager of the office in

3 Pittsburgh where I managed all facets of the staff of civil engineers, sanitary

4 engineers, designers, draftsmen, environmental scientists, and clerical support. In

5 addition, I served as client contact attending municipal meetings and I was project

6 manager on a range of tasks involving water and wastewater management systems,

7 leachate pumping and storage facilities at landfills, subdivision reviews,

8 construction surveillance, permitting, detailed designs, technical reports, and

9 financing.

10 Q. How long did you work for Murdoch Engineers and its successor companies?

11 A. From May, 1974 to December, 1992.

12 Q. When was Nichols & Slagle Engineering, Inc. formed?

13 A. The company was formed in December, 1992 by Daniel Slagle and myself.

14 Q. Do you have an ownership interest in Nichols & Slagle Engineering, Inc.?

15 A. I am a 50% owner and a director of the company.

16 Q. Have you continued to be employed by Nichols & Slagle Engineering since

17 December, 1992?

18 A. Yes.

19 Q. Have you published various articles over the years in your area of expertise?

20 A. Yes.

21 Q. What articles have you published?

1 A. I jointly published an article in 1985 with T. G. May and B. J. Thompson entitled
2 "Financing Wastewater Systems". which was presented to the Pennsylvania
3 Department of Community Affairs, in Williamsport and Monroeville, PA. I also
4 jointly published an article in October, 1987 with D. B. Slagle entitled
5 "Development of an Affordable Wastewater System by Combining Alternate
6 Financing and Innovative Technology", which was presented at the 60th Annual
7 Conference of the Water Pollution Control Federal in Philadelphia and printed in
8 the U.S. Environmental Protection Agency's Small Flows, September 1988 and
9 the National Association of Towns and Townships (NAT&T's) Reporter,
10 December 1988 and the Pennsylvania Water Pollution Control Association
11 Magazine, January 1990. I also published an article in June, 1991 entitled
12 "Tapping Funds for Small Water Systems" which was printed in the American
13 City and County Magazine and reprinted by the Pennsylvania Rural Water
14 Association's Keystone Tap, February 1992. I also jointly published an article in
15 March 1988 with D. B. Slagle entitled "State Program Advises Small Water
16 Utilities" which was presented at the Annual Meeting of the Pennsylvania Chapter
17 of the American Waterworks Association and printed in American City & County
18 Magazine, June 1988.

19 Q. How long have you provided professional engineering services to WACMA?

20 A. I performed services for WACMA beginning in 1974, and have attended
21 WACMA's Board meetings since 1982. After we formed Nichols & Slagle in

1 December, 1992, I was appointed as the professional engineer for WACMA in
2 January, 1993.

3 Q. In your capacity as the professional engineer for WACMA, are you generally
4 familiar with the company's facilities, equipment and water supply operations?

5 A. Yes.

6 Q. Have you been authorized to testify in this proceeding in behalf of WACMA?

7 A. Yes.

8 Q. What is the most current map or drawing of the WACMA distribution system?

9 A. The 2003 Water Distribution Map of the entire WACMA distribution system
10 prepared by Nichols & Slagle Engineering, Inc. and bearing a Plot Date of April 1,
11 2003 is the most current map showing all points of connection and interconnection
12 by and between the WACMA system and all other entities that provide or could
13 provide water to WACMA. Those entities are MATR, Moon Township Municipal
14 Authority, Oakdale Borough, Findlay Township Water Authority, and
15 Pennsylvania American Water Company.

16 Q. Is this the same water distribution map that was attached to the direct testimony of
17 Raymond H. Antonelli, Sr. as Exhibit Antonelli - 1?

18 A. Yes.

19 Q. Did WACMA previously have two distinct water distribution systems?

20 A. Yes.

21 Q. When did WACMA begin operating a single, integrated water distribution
22 system?

1 A. The WACMA system has functioned as a single system since the Noblestown
2 Road-North Branch Road water line was constructed in 1998-1999.

3 Q. Why was the interconnection built?

4 A. The interconnection was built to improve reliability of service to a growing area in
5 North Fayette Township and to extend service to existing houses along
6 Whittengale Road.

7 Q. Did PAWC have any part in or knowledge concerning the construction of the
8 interconnect line?

9 A. No.

10 Q. MATR has suggested that WACMA has a "Primary System" and a "Secondary
11 System". Are these designations correct?

12 A. No. The "Primary System" and "Secondary System" designations are the
13 creations of MATR and are not relevant to the WACMA distribution system,
14 which is a single, integrated water distribution system.

15 Q. Were you involved in the negotiations for a new contract with MATR?

16 A. Yes.

17 Q. In your opinion, what caused the negotiations involving this contract to break
18 down?

19 A. It appeared that MATR and WACMA would be able to reach an agreement but
20 MATR, at a meeting on December 19, 2002, changed its position concerning two
21 significant issues, which involved the term of the contract and the minimum
22 percentage of water that WACMA would be required to purchase from MATR.

1 Q What happened concerning the term of the contract?

2 A. MATR had agreed to a 20 year term for the new agreement and at the December
3 19, 2002 meeting, changed its proposal to a 30 year term for the new agreement.

4 Q. What about the minimum purchase obligation?

5 A. It was WACMA's position that the minimum purchase obligation should be
6 reduced from the 85% level stipulated in the 1982 agreement. After extensive
7 negotiations, WACMA and MATR had agreed in principal to a 75% minimum
8 purchase obligation. At the December 19, 2002 meeting, MATR took the position
9 that the minimum purchase requirement from WACMA be increased from 75% to
10 85% shortly after the effective date of the new agreement to assist with financing
11 capital improvements.

12 Q. What was the result of the change in terms by MATR involving these matters?

13 A. In my opinion, these changes in terms caused WACMA to reconsider the
14 likelihood of obtaining an acceptable agreement with MATR.

15 Q. What was the reaction of the WACMA representatives to MATR's position at the
16 December 19, 2002 meeting?

17 A. As I recall, the WACMA representatives were very surprised and frustrated with
18 the introduction of the totally new proposed provisions by the MATR
19 representatives without any notice in advance of the meeting on December 19,
20 2002. An extensive handout from MATR was distributed at that meeting
21 indicating that major capital improvements related to transmission mains and

1 treatment capacity at an estimated cost of \$9 million would increase the water
2 supply costs from MATR over the next ten years.

3 Q. Were you involved in the negotiations for a Water Supply Agreement between
4 PAWC and WACMA?

5 A. Yes.

6 Q. What was your role in the negotiation of the new Water Supply Agreement with
7 PAWC?

8 A. I discussed the benefits of the proposal including the proposed addition of three
9 new supply points, specifically on the eastern side of the WACMA system on
10 Pinkerton Run Road, on the southern side of the WACMA system on Mill Street,
11 and on the western side of the WACMA system on William Penn Highway; the
12 estimated cost savings due to the operating costs for new booster pumps by
13 PAWC; the added reliability of multiple supply sources with two modern PAWC
14 treatment plants; and the projected water purchase rate stability offered by
15 controlling cost increases according to the U. S. Department of Labor Consumer
16 Price Index.

17 Q. What are the benefits of the three new supply points to WACMA?

18 A. The current supplies from MATR and Moon Township Municipal Authority are
19 both located to the eastern portion of the WACMA system. Any major waterline
20 break along the William Penn Highway can interrupt the supply to the western
21 portions of the WACMA system and require complete reliance on the water
22 storage tanks until the mains are repaired. The proposed installation of the new

1 interconnections from PAWC will afford supplies into the WACMA system from
2 three sides that will improve the operational flexibility and reliability for years into
3 the future.

4 Q. Do you believe that PAWC will be able to meet WACMA's service needs?

5 A. Yes.

6 Q. Did you have occasion to compare the proposals of MATR and PAWC?

7 A. Yes.

8 Q. In your opinion, were the rates and services proposed by MATR comparable to
9 those of PAWC?

10 A. Except for the term and the minimum purchase obligation discussed above, in my
11 opinion the proposals of MATR and PAWC are competitive.

12 Q. Did you review the direct testimony of Raymond H. Antonelli, Sr., the President
13 of NIRA Consulting Engineers?

14 A. Yes.

15 Q. Do you take issue with any of the testimony of Mr. Antonelli?

16 A. Yes. For example, Mr. Antonelli states beginning at page 9, line 12, of his direct
17 testimony that MATR supplies water to WACMA via gravity connections from
18 MATR's Water Storage Facilities, that during periods of high demand within its
19 system WACMA must utilize its booster pumping stations in order to sustain
20 adequate water storage level and that WACMA can however continuously draw
21 water from MATR's system without the need to rely on its booster pump stations.
22 In fact, WACMA currently operates booster pumps continuously (75 to 80 percent

1 of each day) using the MATR supply in order to maintain adequate pressure for
2 customers in the higher elevations of North Fayette Township and fill its water
3 storage tanks.

4 Q. Mr. Antonelli, in his prepared testimony beginning at page 10, line 9 states that the
5 hydraulic gradient of the PAWC System in the WACMA/Robinson Service Area
6 is not capable of supplying water to WACMA without the need to continuously
7 pump into the WACMA System. Do you agree with his statement?

8 A. No. The PAWC system is capable of supplying water into portions of the
9 WACMA system without pumping and could transfer limited volumes into the
10 WACMA tanks.

11 Q. Did you read the prepared testimony of Anthony Thomas Lenze, the Executive
12 Director of MATR?

13 A. Yes.

14 Q. Do you disagree with some of the factual statements made by Mr. Lenze?

15 A. Yes.

16 Q. Specifically, do you disagree with Mr. Lenze's statement at page 17 of his direct
17 testimony that MATR never at any time demanded that it supply WACMA with
18 all of WACMA's water needs?

19 A. Yes. I disagree with that statement.

20 Q. Why?

21 A. It should be noted that in MATR's letter dated March 11, 1999 to WACMA,
22 which is Exhibit Morris-2, it is stated: "It would be our intention to preserve that

1 level of service with a possible expansion to 100% if feasible in a new agreement
2 for services.”

3 Q. Does this conclude your direct testimony?

4 A. Yes.

5 /28898

YUKEVICH, MARCHETTI, LIEKAR & ZANGRILLI, P.C.

ATTORNEYS AT LAW

11 STANWIX STREET

SUITE 1024

PITTSBURGH, PENNSYLVANIA 15222-1324

Writer's Direct Dial:
(412) 261-6780

TELEPHONE 412/261-6777
FAX 412/261-6789

November 26, 2003

VIA FIRST CLASS MAIL

Pennsylvania Public Utility Commission
Secretary's Bureau
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

DOCUMENT

P.U.C.
SECRETARY'S BUREAU

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ATTN: Docket Section

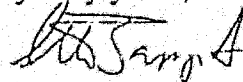
**RE: THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON VS.
PENNSYLVANIA-AMERICAN WATER COMPANY
PUC Docket No.: C-20030092**

Gentlemen:

Please find enclosed for filing the original and three (3) copies of Objections of The Municipal Authority of The Township of Robinson to Sets I, II, and III of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company. As required by Rules 5.342(d)(1) and Rule 5.349(d), true and correct copies of the enclosed document have been served on Administrative Law Judge Gesoff and legal counsel for all participants in the manner set forth in the Certificate of Service.

Thank you very much.

Very truly yours,



Albert J. Zangrilli, Jr.

AJZ/

Enclosures

cc: The Honorable Larry Gesoff, ALJ (w/ enclosure)
Thomas P. Gadsden, Esq. and
Anthony C. DeCusatis, Esq. (w/ enclosure)
Susan Simms Marsh, Esq. (w/ enclosure)
Michael J. Withersel, Esq. (w/ enclosure)
John A. Vuono, Esq. (w/ enclosure)

68

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

THE MUNICIPAL AUTHORITY OF THE)
TOWNSHIP OF ROBINSON,)

Complainant - Petitioner,)

vs.)

PENNSYLVANIA AMERICAN WATER)
COMPANY,)

Respondent.)

Western Allegheny County Municipal)
Authority)

and)

Pennsylvania Municipal Authorities)
Association,)

Intervenors.)

DOCKET NO.: C-20030092

DOCKETED
DEC 22 2003

DOCUMENT

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SECRETARY'S BUREAU

OBJECTIONS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON TO SETS I, II AND III OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF PENNSYLVANIA-AMERICAN WATER COMPANY

AND NOW COMES The Municipal Authority of the Township of Robinson, by its undersigned attorneys and pursuant to 66 Pa. C.S. §333(d) and 52 Pa. Code §§5.321, 5.342, 5.349, 5.361 and 5.362, and hereby objects to Sets I, II and II of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson in the manner and for the reasons set forth herein and, in support thereof, states as follows:

1. This proceeding was initiated by The Municipal Authority of the Township of Robinson ("MATR" or the "Authority") pursuant to its filing of a Formal Complaint and Petition for

Declaratory Order with the Commission on April 16, 2003 (the "Complaint"). The Complaint asks the Commission to, *inter alia*, (i) void a Water Sales Agreement (the "Agreement") between Pennsylvania-American Water Company ("PAWC" or the "Company") and the Western Allegheny County Municipal Authority ("WACMA") as an unlawful exercise of Rider DRS – Demand Based Resale Service ("Rider DRS"), as set forth in PAWC's tariff; and (ii) prohibit PAWC from commencing any service to WACMA pursuant to the Agreement.

2. On May 16, 2003, PAWC filed an Answer to the Complaint, denying the Complaint's material averments and asking that the Complaint be dismissed and the Declaratory Order denied.

3. On October 30, 2003, PAWC, by first class mail and electronic mail, served Sets I, II and III of Interrogatories and Requests for Production of Documents on MATR ("Discovery Requests").

I. OBJECTIONS TO SET I OF PAWC'S INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

4. MATR hereby objects to Nos. 3, 6, 7, 8 and 9 of Set I of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson to the extent set forth below:

(a) No. 3 requests the following:

"Please provide a schedule setting forth, by retail customer class (e.g., residential, business) and individual municipal authority, the volumes (in thousand gallons) and revenues (in dollars) attributable to water sales made by the Authority for each year from 1983 up to and including 2003 to date."

MATR will produce the requested documents for the past five (5) years. However, for all prior years, MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense

to MATR.

(b) No. 6 requests the following:

"Re Paragraph Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority had to cut back or curtail water sales or was otherwise unable to meet its retail and/or wholesale customers' water demands? If so, please provide, for each such occasion, (i) the cause of the Authority's inability to satisfy its customers' demands, (ii) the dates and duration of the cutback or curtailment; and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such cutbacks or curtailments."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

(c) No. 7 requests the following:

"Re Paragraphs Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority issued "boil water advisories" to its customers? If so, please provide, for each such occasion (i) the cause of the boil water advisory, (ii) the dates and duration of such advisory and (iii) copies of all notices, letters, etc. issued by the Authority to its customers with respect to such advisory."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent, (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

(d) No. 8 requests the following:

"Re Paragraphs Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority exceeded the maximum contaminant levels (MCL's) for drinking water prescribed by either the United States Environmental Protection Administration ("EPA") or

the Pennsylvania Department of Environmental Protection ("DEP")? If so, please provide for each such occasion (i) the nature of the exceedence, (ii) the date and duration of the exceedence, and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such exceedence."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence.

(e) No. 9 requests the following:

"Re Paragraphs Nos. 3-5 (p. 2): Please provide copies of all Consumer Confidence Reports ("CCRs") issued by the Authority to its customers in the past five years (1998-2002) and 2003 to date."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence.

II. OBJECTIONS TO SET II OF PAWC'S INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

5. MATR hereby objects to Nos. 3 and 11 of Set II of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson to the extent set forth below:

(a) No. 3 requests the following:

"Re Exhibit Lenze-2 and Testimony, page 13: Please provide a schedule setting forth the amounts, in dollars, actually billed WACMA by MATR for each year from 1988 through 2002."

MATR will produce the requested documents for the past five (5) years. However, for all prior years, MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated

to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

(b) No. 11 requests the following:

“Re Testimony, pages 23-24: Please describe, in detail, how MATR financed (1) the expansion of its Treatment Plan in 1995 and (2) the main water transmission line project in 2002. If MATR issued debt in connection with either project, please provide copies of all offering memoranda and/or other materials provided to investors.”

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

III. OBJECTIONS TO SET III OF PAWC'S INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

6. MATR hereby objects to Nos. 1, 4 and 5 of Set III of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson to the extent set forth below:

(a) No. 1 requests the following:

“Re Testimony, page 6: Please provide copies of all of the Annual Reports and Operating Budgets prepared by NIRA for MATR for each year from 1993 through and including 2003.”

MATR will produce the requested documents for the past five (5) years. However, for all prior years, MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense

to MATR.

(b) No. 4 requests the following:

“Re Testimony, page 8: Did construction of the new 12-inch water line along Mobay Road, including the extension as part of the McMetro Commercial Development Project, enable MATR to service any new customers? If yes, please provide a list of such customers and the total charges billed by MATR to each such customer for the most recent twelve month period.”

MATR objects to the portion of this request regarding “. . .the total charges billed by MATR to each such customer for the most recent twelve month period.” on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence.

(c) No. 5 requests the following:

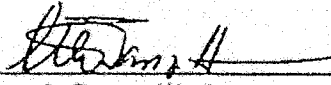
“Re Testimony, page 9: Please identify all “Water Storage Facilities” used by MATR to provide service to WACMA and, as to each, provide a list of every occasion from 1993 through 2003 to date when the facility was taken out of service for painting, required maintenance or some other cause.”

MATR objects to the portion of this request regarding “Please identify all “Water Storage Facilities” used by MATR to provide service to WACMA...” on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence. MATR objects to the portion of this request regarding “. . .a list of every occasion from 1993 through 2003 to date when the facility was taken out of service for painting, required maintenance or some other cause.” on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

NOW THEREFORE, for the reasons set forth above, MATR's Objections to PAWC's Sets I, II and III of Interrogatories and Requests for Production of Documents, as specifically listed above, should be sustained and the Administrative Law Judge and the Commission should grant such additional relief as may be deemed to be necessary and appropriate.

AS TO THE OBJECTIONS:

**YUKEVICH, MARCHETTI, LIEKAR
& ZANGRILLI, P.C.**

By: 
Albert J. Zangrilli, Jr.
Pa. I.D. No. 15929

11 Stanwix Street, Suite 1024
Pittsburgh, PA 15222-1324
(412) 261-6777

*Attorneys for The Municipal
Authority of the Township of Robinson*

Dated: November 26, 2003

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached OBJECTIONS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON TO SETS I, II AND III OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF PENNSYLVANIA-AMERICAN WATER COMPANY has been served on each of the following by e-mail and /united States, First Class mail, postage prepaid, except as otherwise noted:

HONORABLE LARRY GESOFF
(lgesoff@state.pa.us)
Administrative Law Judge
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
Presiding Officer

THOMAS P. GADSDEN, ESQ.
(tgadsden@morganlewis.com)
ANTHONY C. DECUSATIS, ESQ.
(adecusatis@morganlewis.com)
Morgan Lewis
1701 Market Street
Philadelphia, PA 19103-2921
Attorneys for Pennsylvania American Water Company

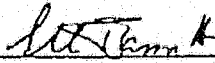
SUSAN SIMMS MARSH, ESQ.
(smarsh@pawc.com)
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

MICHAEL J. WITHEREL, ESQ.
(wk-law@rwvems.org)
Witherel & Kovacil
966 Perry Highway
Pittsburgh, PA 15237-2107
Attorneys for Pennsylvania Municipal Authorities Association, Amicus Curiae

JOHN A. VUONO, ESQ.
(jvuonc@vuonogray.com)
Vuono & Gray, LLC
2310 Grant Building
Pittsburgh, PA 15219-2383

Attorneys for Western Allegheny County Municipal Authority, Intervenor

DATED: November 26, 2003


ALBERT J. ZANGRILLI, JR.

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Tel. 215 963 5000
Fax: 215 963 5001
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Morgan Lewis
COUNSELORS AT LAW

Thomas P. Gadsden
215 963 5234
tgadsden@morganlewis.com

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DEC - 2 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

December 2, 2003

VIA ELECTRONIC AND OVERNIGHT DELIVERY

Honorable Larry Gesoff
Administrative Law Judge
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

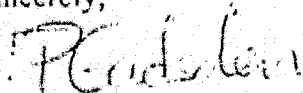
DOCUMENT
FOLDER

Re: The Municipal Authority of the Township of Robinson vs.
Pennsylvania-American Water Company
Docket No. C-20030092

Dear Judge Gesoff:

Enclosed for filing are an original and one copy of the Motion of Pennsylvania-American Water Company To Compel Answers To Its Interrogatories And Requests For Production Of Documents (Sets I - III). Please note that Appendices A-C are attached to the hardcopy of the Motion that is being transmitted by express mail for overnight delivery. As evidenced by the enclosed Certificate of Service, copies of the Motion are being served upon all active parties.

Sincerely,



Thomas P. Gadsden
Enclosure

cc: Certificate of Service
James J. McNulty, Secretary (w. enc.)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

THE MUNICIPAL AUTHORITY OF THE
TOWNSHIP OF ROBINSON

v.

PENNSYLVANIA-AMERICAN
WATER COMPANY

:
:
:
:
:
:
:

DOCKET NO. C-20030092

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the Motion of Pennsylvania-American Water Company To Compel Answers To Its Interrogatories And Requests For Production of Documents (Sets I-III) upon the following persons and in the manner set forth below, in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC OVERNIGHT EXPRESS DELIVERY

Albert J. Zangrilli, Jr. Esquire
Yukevich, Marchetti, Liekar & Zangrilli, P.C
11 Stanwix Street
Suite 1024
Pittsburgh, PA 15222-1324

John A. Vuono, Esquire
Vuono & Gray, LLC
2310 Grant Building
Pittsburgh, PA 15219-2383

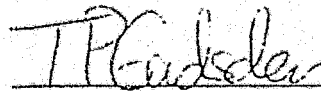
Michael J. Witherel, Esquire
Pennsylvania Municipal Authorities Association
966 Perry Highway
Pittsburgh, PA 15237

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DEC - 2 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dated: December 2, 2003



Thomas P. Gadsden
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103

RECEIVED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION DEC - 2 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

THE MUNICIPAL AUTHORITY OF THE :
TOWNSHIP OF ROBINSON :

v. :

DOCKET NO. C-20030092

PENNSYLVANIA-AMERICAN WATER :
COMPANY :

MOTION OF PENNSYLVANIA-AMERICAN WATER COMPANY
TO COMPEL ANSWERS TO ITS
INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS (SETS I - III)

Pennsylvania-American Water Company ("PAWC" or the "Company"), pursuant to 66 Pa. C.S. §333(d) and 52 Pa. Code §5.342(d), hereby requests that the Administrative Law Judge (the "ALJ") enter an Order dismissing the Objections of the Municipal Authority of the Township of Robinson (the "Authority") and compelling the Authority to immediately provide full and complete answers to PAWC's Interrogatories and Requests for Production of Documents (Sets I-III) served October 30, 2003. In support thereof, PAWC states as follows:

1. This proceeding was initiated by the Authority with the filing of a *Formal Complaint and Petition for Declaratory Order* (the "Complaint"). In its Complaint, the Authority asks the Commission (i) to void a Water Sales Agreement between PAWC and the West Allegheny County Municipal Authority ("WACMA") as an unlawful exercise of Rider DRS-Demand Based Resale Service ("Rider DRS"), as set forth in the

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Company's tariff; (ii) to declare that any sales by PAWC to WACMA must be priced at PAWC's Group A Resale Rate; and (iii) to prohibit PAWC from commencing service pursuant to the Agreement and from constructing any facilities with respect to such service.

2. On May 16, 2003, PAWC filed an Answer to the Authority's Complaint, denying its material averments and requesting that the Complaint be dismissed and the proposed Declaratory Order denied. In "New Matter", PAWC explained why WACMA satisfied Rider DRS' availability requirements and demonstrated that the rate contained in the Agreement was substantially greater than the "minimum rate" mandated by Rider DRS. Citing applicable Appellate Court precedent, the Company also pointed out that there is no basis in law for the Commission to grant the injunctive relief sought by the Authority in any event. On June 4, 2003, the Authority filed a Reply to PAWC's New Matter.

3. The Authority's Complaint was subsequently assigned to ALJ Gesoff and, pursuant to Notice issued on June 5, 2003, a telephonic Prehearing Conference was held on July 18, 2003.

4. In accordance with the procedural schedule worked out at the Prehearing Conference, the Authority filed its case-in-chief on October 16, 2003, consisting of the Direct Testimonies of Mr. Anthony T. Lenze, the Authority's Executive Director, and Mr. Raymond H. Antonelli, a consulting engineer for the Authority.

5. On October 30, 2003, PAWC served upon the Authority, by electronic and first class mail, three sets of Interrogatories and Requests for Production of Documents

(copies of PAWC's discovery requests are attached hereto as Appendix "A"). Because its responsive testimony was due on November 17, 2003, PAWC asked that interrogatory answers and requested documents be provided as soon as they became available.

6. Under the Commission's regulations (52 Pa. Code §5.342(d)), objections to PAWC's interrogatories and document requests had to be filed on or before November 10, 2003 (the tenth day, November 9, 2003, fell on a Sunday) and answers to be filed on or before November 19, 2003.

7. On November 20, 2003, the undersigned notified counsel for the Authority that its answers were then overdue and inquired as to when responses could be expected. On November 24, 2003, counsel for the Authority advised the undersigned that he hoped to submit the Authority's responses on November 26, 2003.

8. At 7:18 p.m. on the evening of Wednesday, November 26, 2003 (i.e., Thanksgiving Eve), the undersigned received, by electronic mail, Objections filed by the Authority to certain data requests (a copy of the Authority's Objections is attached as Appendix "B").

9. On December 2, 2003, nearly two weeks after their due date, PAWC received partial answers to the interrogatories not objected to by the Authority. In large part, the Authority's answers simply state that responsive documents will be provided at some future date (a copy of the Authority's answers is attached hereto as Appendix "C").

10. The Authority's Objections should be dismissed because they are untimely. As noted *supra*, the Commission's regulations at 52 Pa. Code §5.342(d)

require that objections be served within ten days of service of the interrogatories in question "except as agreed by the participants or as ordered by the presiding officer," or, in this instance, by no later than November 10, 2003. The Authority never sought an extension of this deadline from either the Company or the ALJ. Indeed, when PAWC inquired as to the status of its discovery, the Authority advised that responses would be forthcoming shortly and that there was no need for PAWC to file a Motion to Compel.

11. The Authority's Objections also lack merit and should be dismissed for the reasons set forth below.

A. **Set I, No. 3:** PAWC is willing to amend this interrogatory and will accept sales data for each year from 1988 up to and including 2003 to date. PAWC believes that the requested information is routinely maintained and that its compilation would not impose an unreasonable burden. PAWC notes in this regard that Authority witness Lenze compiled and presented comparable sales data regarding the Authority's sales to WACMA in Exhibit Lenze-2. PAWC submits that the data in question is relevant to various statements made by Authority witnesses regarding the need to expand the Authority's treatment plant in 1995 and the alleged financial harm to the Authority if the Agreement between PAWC and WACMA were approved.

B. **Set I, No. 6:** PAWC believes that the requested information is routinely maintained and that its compilation would not impose an unreasonable burden. PAWC submits that the data in question is relevant to various statements made by Authority witness Antonelli (pp. 9-11) regarding the relative ability of the Authority and PAWC to provide reliable and continuous service to WACMA.

C. Set I, Nos. 7-9: PAWC submits that the Authority's Objections to these interrogatories should be dismissed for the same reasons set forth in paragraph 11.B, *supra*.

D. Set II, No. 3: Exhibit Lenze-2 presents, for each year from 1988 through 2002, the "gross revenues" purportedly derived by the Authority from water sales to WACMA. In his testimony (p. 13), Mr. Lenze explains that those figures were calculated by him by multiplying annual purchases (volumes) by "the effective rate ... as taken from MATR's Rate Schedules." The information requested is needed to test whether the figures calculated by Mr. Lenze reasonably approximate the dollars actually billed to WACMA. If it is the Authority's position that the requested data are irrelevant, then Exhibit Lenze-2 and the corresponding portions of Mr. Lenze's testimony should be stricken.

E. Set II, No. 11: In his testimony (pp. 23-25), Authority witness Lenze makes certain statements regarding (i) various projects undertaken and monies expended by the Authority in order to continue to serve WACMA and (ii) the alleged financial harm to the Authority if the Agreement between PAWC and WACMA were approved. While it is PAWC's position that these portions of Mr. Lenze's testimony are not relevant to the issues to be addressed in this proceeding, the information requested is needed to test the reasonableness of those statements in the event his testimony is admitted in its entirety.

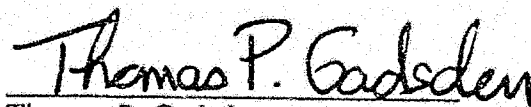
F. Set III, No. 1: PAWC submits that the Authority's Objection to this interrogatory should be dismissed for the same reasons set forth in paragraph 11.A, *supra*.

G. Set III, No. 4: PAWC submits that the Authority's Objection to this interrogatory should be dismissed for the same reasons set forth in paragraph 11.E, *supra*.

H. Set III, No. 5: PAWC submits that the Authority's Objection to this interrogatory should be dismissed for the same reasons set forth in paragraph 11.B, *supra*.

NOW, THEREFORE, for all of the reasons set forth above, the Authority's Objections to PAWC's Interrogatories and Requests for Production of Documents (Sets I-III) should be dismissed and the Authority should be compelled to **immediately** provide full and complete answers to both those data requests to which it has objected and those to which it has not.

Respectfully submitted,



Thomas P. Gadsden
Morgan, Lewis & Bockius LLP
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Philadelphia, PA 19103
215.963.4825
tgadsden@morganlewis.com

Counsel for Pennsylvania-American Water
Company

Dated: December 2, 2003

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Tel: 215 963 5000
Fax: 215 963 5001
www.morganlewis.com

Morgan Lewis
C O U N S E L O R S A T L A W

Thomas P. Gadsden
Esquire
215 963 5234
tgadsden@morganlewis.com

October 30, 2003

VIA ELECTRONIC AND FIRST CLASS MAIL

Albert J. Zangrilli, Jr., Esquire
Yukevich Marchetti Liekar & Zangrilli P C
11 Stanwix Street
Pittsburgh, PA 15222-1324

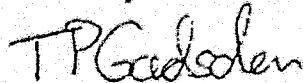
Re: The Municipal Authority of the Township of Robinson vs.
Pennsylvania-American Water Company
Docket No. C-20030092

Dear Mr. Zangrilli:

Enclosed are Sets I, II and III of Pennsylvania-American Water Company's (PAWC) Interrogatories and Requests for Production of Documents to the Municipal Authority of the Township of Robinson. Given the relatively tight schedule for the filing of responsive testimony, we would appreciate it if you could provide answers and requested documents as they become available and at your earliest convenience.

Please call me if you have any questions.

Sincerely,



Thomas P. Gadsden

Enclosure

c: John A. Vuono, Esquire (E-mail & First Class)
Michael J. Witherel, Esquire
(First Class)

Albert J. Zangrilli, Jr., Esquire
October 30, 2003
Page 2

cc: Susan Simms Marsh, Esquire
Bernard Grundusky, Jr.
(E-mail and First Class)

INSTRUCTIONS

A. In answering these Interrogatories, please furnish all information available to you, including any such information in possession of your attorneys or anyone acting on your behalf, and not merely such information known of your own personal knowledge. If you cannot answer the Interrogatories in full after exercising due diligence to secure the information to do so, so state and answer to the extent possible.

B. If the answer to any of the Interrogatories is that you lack knowledge of some or all of the requested information, describe all efforts made by you to obtain the information necessary to answer that Interrogatory.

C. If any matter responsive to any of the Interrogatories is withheld based on any claim of privilege, describe generally the matter withheld, state the privilege being relied upon, and identify all persons or entities who have or have had access to said matters. If you refuse to describe and/or produce any document on the basis of a claim of privilege or protection from discovery of any kind, with respect to each such document, set forth the following information:

- (i) the date of the document;
- (ii) its authors;
- (iii) all recipients of the document;
- (iv) the present location and custodian of the document, and
- (v) the basis of the claim of privilege or protection from discovery.

In addition, if you refuse to produce information based on the ground that such information is preliminary and/or still in draft form, set forth the following information:

- (i) the date the information was first created or recorded.

(ii) the last date on which the information was changed or altered in any manner; and

(iii) the expected date that the information will be finalized.

D. Each lettered sub-part of a numbered Interrogatory is to be considered a separate Interrogatory for the purpose of your answers and objections. You must object separately to each sub-part and must answer any other sub-parts.

E. These Interrogatories are to be deemed continuing in nature, and you shall promptly supply, by way of supplemental response, any additional responsive information that may become known to you or anyone acting on your behalf after your answers have been prepared or served.

F. For all documents produced, identify by Bates number (or other method of equal precision) which document or documents are responsive to each separate Interrogatory. If you respond by stating that the requested documents already have been produced in response to prior discovery requests, identify the responsive documents previously produced either by Bates number or other method of equal precision that, at a minimum, identifies the author(s), recipients(s) and date of creation and provides a general description of the document.

DEFINITIONS

a. "You," or "Complainant" refer to any agent, agency, representative or affiliate thereof.

b. "Company," or "Respondent" refer to any agent, agency, or affiliate thereof.

c. "Assumption" refers to any predictions, projections, assumptions, or other estimates.

d. "Complaint" refers to the Complaint of The Municipal Authority of the Township of Robinson filed with the Pennsylvania Public Utility Commission at Docket No. C-20030092

e. "Person" or "persons" means all individuals and entities, including natural persons, representative persons, public or private corporations, companies, unincorporated associations, partnerships, organizations, government entities or groups, plus any divisions, departments, or units thereof.

f. "Document" or "documents" means any written, printed, typed, recorded, or graphic matter, whether produced or reproduced or stored on paper, cards, tapes, film, electronic facsimile, computer storage devices or any other devices or media, including, but not limited to papers; books; letters; photographs, objects, tangible things, correspondence, telegrams, cables, telex messages, memoranda; notes; notations, records, work papers, transcripts, minutes, reports and recordings of telephone or other conversations, or of interviews, or of conferences, or of other meetings; affidavits; statements; opinions; proposals, reports, studies, analyses; audits, evaluations; contracts; agreements; journals, statistical records, ledgers, books of account; bookkeeping entries, financial statements, tax returns; vouchers, checks; check stubs; invoices; receipts, desk calendars, appointment books, diaries, lists, tabulations, summaries, sound recordings, computer printouts; data processing input and output; microfilms; all records kept by electronic, photographic, or mechanical means, and things similar to any of the foregoing, however denominated. When one or more of the foregoing documents is requested or referred to, the request or reference shall include, but is not limited to, the original and each and every copy and draft thereof having writings, notations, corrections, or markings unique to such copy or draft

g. "Oral communication" means any and all non-written forms of expression or communication, whether face-to-face or by telephone, in a conference or otherwise.

h. "Identify" or "identification", when used in reference to a document, means to:

1. state the type of document (e.g., letter, log, report, etc.);
2. state its date;
3. state its title, heading or other designation and any other information (e.g., index or file number) which would facilitate the identification thereof;
4. identify the person(s) who prepared and/or signed the document;
5. identify the persons (or if widely distributed, the organization or classes of persons) to whom it was sent;
6. identify the last known location of the document and of each copy thereof having notations or markings unique to such copy;
7. if the document was, but no longer is, in your possession or subject to your control, identify its last known custodian, describe the circumstances under which it passed from your control to that person, and identify each person having knowledge of such circumstances;
8. describe its general subject matter and contents; and
9. if the document exceeds one page in length, or is contained in a series of documents or a larger portion, identify the specific document by appropriate identifying name or symbol, the number of the particular page or pages (or other descriptive aid) and of the line or lines thereof upon which the information referred to in the Interrogatory or your response appears.

i. "Identify" or "identification", when used in reference to a natural person, means to provide the following information:

1. his or her full name,
2. his or her business affiliation(s), position(s), title(s), and job description(s) during the period delineated in the Interrogatory (and the dates during which each affiliation, position, title, and job description applied to him or her);
3. his or her present or last known business address (and the date of that last knowledge); and
4. his or her present or last known residence address (and the date of that last knowledge).

j. "Identify" or "identification", when used in reference to an oral communication or statement, means to:

1. state the date of the oral communication or statement;

2. state the place where it occurred;
3. identify the persons(s) making and listening to the oral communication or statement;
4. identify all other persons present at the time it was made;
5. if by telephone, identify the persons participating in the conversation and where each was located at the time of the call; and
6. describe the substance of the oral communication or statement.

k. "Date" means the exact day, month, and year if ascertainable, or, if not, the best approximation thereof or best approximation in relation to other events.

l. "Describe" means to set forth fully and clearly every relevant fact and/or event, including particulars of time, place and manner.

m. "Set forth the factual basis" for a particular assumption means: (a) describe in detail the facts underlying the assumption; (b) identify each and every document which constitutes, evidences, refers, or relates in any way to the assumption; (c) identify each and every person who knows or believes to have knowledge or information concerning the assumption; and (d) describe in detail the nature of each such person's knowledge or information.

n. Where the context so requires:

1. the terms "and" and "or" mean "and/or";
2. the plural of a word includes the singular, and the singular includes the plural;
3. the past tense of verb includes the present, and the present tense includes the past;
4. the masculine gender includes feminine and neuter genders, and the neuter gender include the masculine and feminine.

o. All other words are to be given their ordinary and usual meanings, according to a current edition of Webster's Dictionary.

INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
SET I

The following Interrogatories and Requests for Production of Documents are primarily directed to the *Formal Complaint and Petition for Declaratory Order*, filed by The Municipal Authority of the Township of Robinson (the "Authority") on April 15, 2003 with the Pennsylvania Public Utility Commission (the "Commission")

1. Re Paragraph No. 3 (p. 2): Please provide a complete schedule of rates currently in effect pursuant to which the Authority "distributes water for the residents and businesses of the Township of Robinson."
2. Re Paragraph No. 3 (p. 2): Please provide complete copies of all contracts currently in effect pursuant to which the Authority "supplies water to certain other municipal authorities," including, but not limited to, the "MATR Agreement" referenced in Paragraph 5 of the Authority's Complaint.
3. Re Paragraph No. 3 (p. 2): Please provide a schedule setting forth, by retail customer class (e.g., residential, business) and individual municipal authority, the volumes (in thousand gallons) and revenues (in dollars) attributable to water sales made by the Authority for each year from 1983 up to and including 2003 to date.
4. Re Paragraph No. 4 (p. 2): Please provide copies of all permits and other documentation authorizing the Authority to operate its "water plant" at a rate "in excess of six million gallons of water per day."
5. Re Paragraph Nos. 3-5 (p. 2): Please identify, with specificity, each of the Township's sources of water supply and provide the percentage which each comprises of the Authority's total annual water sales. To the extent the Authority purchases water from other water suppliers, for each of the past five years (1998-2002) and for 2003 to date please provide (i) the identity of each such supplier, (ii) the volumes (in thousand gallons) of water purchased and dollars expended to purchase such water (iii) the unit rate at which such purchases were made.
6. Re Paragraph Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority had to cut back or curtail water sales or was otherwise unable to meet its retail and/or wholesale customers' water demands? If so, please provide, for each such occasion, (i) the cause of the Authority's inability to satisfy its customers' demands, (ii) the dates and duration of the cutback or curtailment, and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such cutbacks or curtailments.

7. Re Paragraphs Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority issued "boil water advisories" to its customers? If so, please provide, for each such occasion (i) the cause of the boil water advisory, (ii) the dates and duration of such advisory and (iii) copies of all notices, letters, etc. issued by the Authority to its customers with respect to such advisory.
8. Re Paragraphs Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority exceeded the maximum contaminant levels (MCL's) for drinking water prescribed by either the United States Environmental Protection Administration ("EPA") or the Pennsylvania Department of Environmental Protection ("DEP")? If so, please provide for each such occasion (i) the nature of the exceedence, (ii) the date and duration of the exceedence, and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such exceedence.
9. Re Paragraphs Nos. 3-5 (p. 2): Please provide copies of all Consumer Confidence Reports ("CCRs") issued by the Authority to its customers in the past five years (1998-2002) and 2003 to date.
10. Re Paragraphs Nos. 3-5 (p. 2): Please provide copies of all Annual Reports issued by the Authority in the past five years (1998-2002) and 2003 to date.
11. Re Paragraph No. 7 (p. 2): Please identify the specific language of the "MATR Agreement," provided in response to Interrogatory No. 2, *supra*, on which the Authority relies for its assertion that the West Allegheny County Municipal Authority ("WACMA") "currently is obligated to purchase no less than 85% of its water requirements from MATR." Is it the Authority's contention that WACMA has, in fact, purchased at least 85% of its water requirements from the Authority in each of the last five years (1998-2002)? If so, please explain in detail the basis for the Authority's understanding.
12. Re Paragraph No. 8 (p. 2): If not otherwise discernable from the data provided in response to Interrogatory No. 3, *supra*, please provide a schedule setting forth, for each of the past five years (1998-2002) and 2003 to date (i) the total water sales revenues "earned" by the Authority and (ii) the total water sales revenues "earned" by the Authority from sales to WACMA.
13. Re Paragraph No. 10 (p. 2): Please provide copies of all documents prepared by the Authority or on its behalf that quantify the impact upon the Authority and its customers if the Authority "does not retain WACMA as a customer."
14. Re Paragraph No. 28 (p. 5): Please explain, in detail, the basis for the Authority's assertion that WACMA operates "two, completely separate systems . . ." and provide copies of all documents relied upon by the Authority in that regard.

15. Re Paragraph No. 35 (p. 5): Please explain, in detail, the basis for the Authority's assertion that "PAWC is attempting . . . to expand its service territory . . ." and provide copies of all documents relied upon by the Authority in that regard.
16. Re Paragraph No. 37 (p. 5): Is it the Authority's position that it is engaged in competition for water service customers with PAWC?
17. Re Paragraph Nos. 38 (p. 6) and 43 (p. 6): Please explain, in detail, the basis for the Authority's assertion that the "Contract Rate" agreed to by PAWC and WACMA "is less than the Minimum Rate required pursuant to Rider DRS" and provide copies of all documents relied upon by the Authority in that regard.
18. Re Paragraph No. 47 (p. 7): Please describe, in detail, the "immediate and irreparable harm to MATR" if it is not granted the relief requested in its Complaint and provide copies of all documents prepared by the Authority or on its behalf that quantify such harm.
19. Please provide copies of all correspondence and documents by and between the Authority and WACMA pertaining to any and all negotiations by and between the Authority and WACMA regarding ongoing sales of water by the Authority to WACMA following expiration of the MATR Agreement on October 20, 2003.
20. Please provide copies of the minutes of all meetings of the Authority at which (i) ongoing sales of water by the Authority to WACMA following expiration of the MATR Agreement on October 20, 2003 were discussed and (ii) the filing of the Complaint against PAWC was authorized.

INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
SET II

The following Interrogatories and Requests for Production of Documents are primarily directed to the *Transcript of Direct Testimony of Anthony Thomas Lenze*, served on October 16, 2003:

1. Re Exhibit Lenze-1: Has MATR ever invoked Section 3 of the October 20, 1983 Agreement and billed WACMA for a portion of the purchased water and pumping costs incurred by MATR as the result of purchasing water from Western Pennsylvania Water Company (WPW) and/or its corporate successor, Pennsylvania-American Water Company (PAWC)?
2. Re Exhibit Lenze-1: If the answer to Interrogatory No. 1 is in the affirmative, please identify, by month and year, each occasion when MATR invoked Section 3 of the October 20, 1983 Agreement and provide the incremental costs billed to WACMA as a result of MATR purchasing and redistributing water acquired from WPW and/or PAWC.
3. Re Exhibit Lenze-2 and Testimony, page 13: Please provide a schedule setting forth the amounts, in dollars, actually billed WACMA by MATR for each year from 1988 through 2002.
4. Re Testimony, pages 16-17: Please provide copies of "all of the correspondence and notes pertaining to discussions between the MATR and WACMA with respect to the new Water Supply Agreement" reviewed by Mr. Lenze.
5. Re Testimony, page 17: Please provide copies of all meeting notes and/or other written documentation that formed the basis for Mr. Lenze's conclusion that "the MATR Board [was] prepared to agree to 75 percent of WACMA's needs if that was all that WACMA was willing to purchase."
6. Re Testimony, page 23: Please provide copies of all reports, analyses, studies etc., including water demand projections, prepared by, for or on behalf of MATR, upon which MATR based its decision, in whole or in part, to expand the capacity of its Water Treatment Plant in 1995.
7. Re Testimony, page 23: Please provide copies of the minutes of all meetings of the MATR Board at which the expansion of the capacity of the Water Treatment Plant was discussed.
8. Re Testimony, pages 23-24: Please provide copies of all reports, analyses, studies etc., including water demand projections, prepared by, for or on behalf of MATR upon which MATR based its decision, in whole or in part, to increase the size of MATR's "main water transmission line."

9. Re Testimony, pages 23-24: Please provide a copy of the application filed by MATR with the United States Environmental Protection Agency seeking funding for the "main water transmission line" project.
10. Re Testimony, pages 23-24: Please provide copies of any permit applications submitted by MATR seeking the approval of state or federal regulatory agencies to (1) expand the capacity of its Treatment Plant in 1995 and/or (2) increase the size of its main water transmission line in 2002.
11. Re Testimony, pages 23-24: Please describe, in detail, how MATR financed (1) the expansion of its Treatment Plant in 1995 and (2) the main water transmission line project in 2002. If MATR issued debt in connection with either project, please provide copies of all offering memoranda and/or other materials provided to investors.
12. Re Exhibit Lenze-7: Please provide copies of all reports, analyses, studies etc. including water demand projections, prepared by, for or on behalf of MATR, upon which MATR based its conclusion, in whole or in part, that "in approximately 2010, MATR will need to undertake an expansion of its water treatment plant and complete the second phase of the 30" diameter transmission main to its Route 60 storage facilities.
13. Re Testimony, pages 25-26. Please provide copies of all analyses, including supporting calculations, prepared by, for or on behalf of Mr. Lenze that formed the basis for his belief that MATR would have to raise its rates to its remaining customers by approximately 30% if it lost WACMA as a customer.

INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
SET III

The following Interrogatories and Requests for Production of Documents are primarily directed to the *Transcript of Direct Testimony of Raymond H. Antonelli*: served on October 16, 2003

1. Re Testimony, page 6. Please provide copies of all of the Annual Reports and Operating Budgets prepared by NIRA for MATR for each year from 1993 through and including 2003.
2. Re Testimony, page 8. Please provide copies of all reports, studies, analyses etc., prepared by, for or on behalf of MATR, upon which MATR based its decision, in whole or in part, to construct the new 12-inch water line along Mobay Road.
3. Re Testimony, page 8. Please explain, in detail, why the additional extension "as part of the McMetro Commercial Development Project" made it possible to construct the second metered connection to the WACMA system.
4. Re Testimony, page 8. Did construction of the new 12-inch water line along Mobay Road, including the extension as part of the McMetro Commercial Development Project, enable MATR to service any new customers? If yes, please provide a list of such customers and the total charges billed by MATR to each such customer for the most recent twelve month period.
5. Re Testimony, page 9. Please identify all "Water Storage Facilities" used by MATR to provide service to WACMA and, as to each, provide a list of every occasion from 1993 through 2003 to date when the facility was taken out of service for painting, required maintenance or some other cause.
6. Re Testimony, pages 9-10. Please provide copies of all reports, studies, analyses etc. upon which Mr. Antonelli based his conclusion, in whole or in part, that "[t]he hydraulic gradient of MATR's system could supply most or all of WACMA's system by gravity if [such system] was upgraded ..." Also, please describe the necessary "upgrades" and provide the estimated cost of such work.
7. Re Testimony, pages 11-12. Please provide copies of all reports, studies, analyses etc., including water demand projections, upon which Mr. Antonelli based his conclusion that "MATR would not likely have sufficient capacity to serve WACMA unless planning and infrastructure improvements were being made in anticipation of providing such service."

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

THE MUNICIPAL AUTHORITY OF THE)
TOWNSHIP OF ROBINSON,)

Complainant - Petitioner,)

vs.)

PENNSYLVANIA AMERICAN WATER)
COMPANY,)

Respondent.)

Western Allegheny County Municipal)
Authority)

and)

Pennsylvania Municipal Authorities)
Association,)

Intervenors.)

DOCKET NO.: C-20030092

**OBJECTIONS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON
TO SETS I, II AND III OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS OF PENNSYLVANIA-AMERICAN WATER COMPANY**

AND NOW COMES The Municipal Authority of the Township of Robinson, by its undersigned attorneys and pursuant to 66 Pa. C.S. §333(d) and 52 Pa. Code §§5.321, 5.342, 5.349, 5.361 and 5.362, and hereby objects to Sets I, II and III of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson in the manner and for the reasons set forth herein and, in support thereof, states as follows:

I. This proceeding was initiated by The Municipal Authority of the Township of Robinson ("MATR" or the "Authority") pursuant to its filing of a Formal Complaint and Petition for

Declaratory Order with the Commission on April 16, 2003 (the "Complaint"). The Complaint asks the Commission to, *inter alia*, (i) void a Water Sales Agreement (the "Agreement") between Pennsylvania-American Water Company ("PAWC" or the "Company") and the Western Allegheny County Municipal Authority ("WACMA") as an unlawful exercise of Rider DRS – Demand Based Resale Service ("Rider DRS"), as set forth in PAWC's tariff, and (ii) prohibit PAWC from commencing any service to WACMA pursuant to the Agreement.

2 On May 16, 2003, PAWC filed an Answer to the Complaint, denying the Complaint's material averments and asking that the Complaint be dismissed and the Declaratory Order denied.

3 On October 30, 2003, PAWC, by first class mail and electronic mail, served Sets I, II and III of Interrogatories and Requests for Production of Documents on MATR ("Discovery Requests").

I. OBJECTIONS TO SET I OF PAWC'S INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

4 MATR hereby objects to Nos. 3, 6, 7, 8 and 9 of Set I of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson to the extent set forth below:

(a) No. 3 requests the following:

"Please provide a schedule setting forth, by retail customer class (e.g., residential, business) and individual municipal authority, the volumes (in thousand gallons) and revenues (in dollars) attributable to water sales made by the Authority for each year from 1983 up to and including 2003 to date."

MATR will produce the requested documents for the past five (5) years. However, for all prior years, MATR objects to this request on the following grounds. (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense

to MATR.

(b) No. 6 requests the following:

"Re Paragraph Nos. 3-5 (p. 2). Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority had to cut back or curtail water sales or was otherwise unable to meet its retail and/or wholesale customers' water demands? If so, please provide, for each such occasion, (i) the cause of the Authority's inability to satisfy its customers' demands, (ii) the dates and duration of the cutback or curtailment; and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such cutbacks or curtailments."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence, and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

(c) No. 7 requests the following:

"Re Paragraphs Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority issued "boil water advisories" to its customers? If so, please provide, for each such occasion (i) the cause of the boil water advisory, (ii) the dates and duration of such advisory and (iii) copies of all notices, letters, etc. issued by the Authority to its customers with respect to such advisory."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

(d) No. 8 requests the following:

"Re Paragraphs Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority exceeded the maximum contaminant levels (MCL's) for drinking water prescribed by either the United States Environmental Protection Administration ("EPA") or

the Pennsylvania Department of Environmental Protection ("DEP")? If so, please provide for each such occasion (i) the nature of the exceedence, (ii) the date and duration of the exceedence, and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such exceedence."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence.

(e) No. 9 requests the following:

"Re Paragraphs Nos. 3-5 (p. 2): Please provide copies of all Consumer Confidence Reports ("CCRs") issued by the Authority to its customers in the past five years (1998-2002) and 2003 to date."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence.

II. OBJECTIONS TO SET II OF PAWC'S INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

5 MATR hereby objects to Nos. 3 and 11 of Set II of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson to the extent set forth below:

(a) No. 3 requests the following:

"Re Exhibit Lenze-2 and Testimony, page 13: Please provide a schedule setting forth the amounts, in dollars, actually billed WACMA by MATR for each year from 1988 through 2002."

MATR will produce the requested documents for the past five (5) years. However, for all prior years, MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated

to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

(b) No. 11 requests the following:

"Re Testimony, pages 23-24: Please describe, in detail, how MATR financed (1) the expansion of its Treatment Plant in 1995 and (2) the main water transmission line project in 2002. If MATR issued debt in connection with either project, please provide copies of all offering memoranda and/or other materials provided to investors."

MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence, and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

III. OBJECTIONS TO SET III OF PAWC'S INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

6. MATR hereby objects to Nos. 1, 4 and 5 of Set III of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson to the extent set forth below:

(a) No. 1 requests the following:

"Re Testimony, page 6: Please provide copies of all of the Annual Reports and Operating Budgets prepared by NIRA for MATR for each year from 1993 through and including 2003."

MATR will produce the requested documents for the past five (5) years. However, for all prior years, MATR objects to this request on the following grounds: (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence; and (iii) it is overly burdensome and will cause unreasonable annoyance and expense

to MATR.

(b) No. 4 requests the following

"Re Testimony, page 8: Did construction of the new 12-inch water line along Mobay Road, including the extension as part of the McMetro Commercial Development Project, enable MATR to service any new customers? If yes, please provide a list of such customers and the total charges billed by MATR to each such customer for the most recent twelve month period."

MATR objects to the portion of this request regarding "... the total charges billed by MATR to each such customer for the most recent twelve month period." on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence.

(c) No. 5 requests the following:

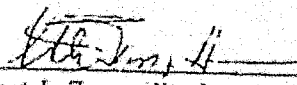
"Re Testimony, page 9. Please identify all "Water Storage Facilities" used by MATR to provide service to WACMA and, as to each, provide a list of every occasion from 1993 through 2003 to date when the facility was taken out of service for painting, required maintenance or some other cause."

MATR objects to the portion of this request regarding "Please identify all "Water Storage Facilities" used by MATR to provide service to WACMA..." on the following grounds: (i) it is excessive in scope, breadth and extent; and (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence. MATR objects to the portion of this request regarding "... a list of every occasion from 1993 through 2003 to date when the facility was taken out of service for painting, required maintenance or some other cause." on the following grounds (i) it is excessive in scope, breadth and extent; (ii) it seeks information that is irrelevant, immaterial, unrelated to the subject matter of the litigation, and which is not likely to lead to discovery of admissible evidence, and (iii) it is overly burdensome and will cause unreasonable annoyance and expense to MATR.

NOW THEREFORE, for the reasons set forth above, MATR's Objections to PAWC's Sets I, II and III of Interrogatories and Requests for Production of Documents, as specifically listed above, should be sustained and the Administrative Law Judge and the Commission should grant such additional relief as may be deemed to be necessary and appropriate.

AS TO THE OBJECTIONS:

YUKEVICH, MARCHETTI, LIEKAR
& ZANGRILLI, P.C.

By: 
Albert J. Zangrilli, Jr.
Pa. I.D. No. 15929

11 Stanwix Street, Suite 1024
Pittsburgh, PA 15222-1324
(412) 261-6777

*Attorneys for The Municipal
Authority of the Township of Robinson*

Dated: November 26, 2003

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached OBJECTIONS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON TO SETS I, II AND III OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF PENNSYLVANIA-AMERICAN WATER COMPANY has been served on each of the following by e-mail and United States, First Class mail, postage prepaid, except as otherwise noted:

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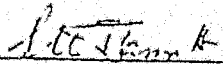
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Attorneys for Western Allegheny County Municipal Authority, Intervenor

DATED: November 26, 2003


ALBERT J. ZANGRILLI, JR

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

THE MUNICIPAL AUTHORITY OF THE)
TOWNSHIP OF ROBINSON,)

Complainant - Petitioner,)

vs.)

PENNSYLVANIA AMERICAN WATER)
COMPANY,)

Respondent.)

Western Allegheny County Municipal)
Authority)

and)

Pennsylvania Municipal Authorities)
Association,)

Intervenors.)

DOCKET NO.: C-20030092

**ANSWERS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON TO
SETS I, II AND III OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS OF PENNSYLVANIA-AMERICAN WATER COMPANY**

AND NOW COMES The Municipal Authority of the Township of Robinson, by its undersigned attorneys and pursuant to 66 Pa. C.S. §333(d) and 52 Pa. Code §§5.321, 5.342, 5.349, 5.361 and 5.362, and hereby answers Sets I, II and III of Interrogatories and Requests for Production of Documents of Pennsylvania-American Water Company to the Municipal Authority of the Township of Robinson in the manner set forth herein.

ANSWERS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON
TO
SET I OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
OF
PENNSYLVANIA-AMERICAN WATER COMPANY

DOCKET NO.: C-20030092

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

1 Re Paragraph No. 3 (p. 2): Please provide a complete schedule of rates currently in effect pursuant to which the Authority "distributes water for the residents and businesses of the Township of Robinson."

Answer: The schedule is attached as page 9 to Exhibit Lenze-3 to the Direct Testimony of Anthony Thomas Lenze, filed of record in this proceeding and previously served on counsel for PAWC ("Lenze Direct Testimony").

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

2. Re Paragraph No. 3 (p. 2): Please provide complete copies of all contracts currently in effect pursuant to which the Authority "supplies water to certain other municipal authorities," including, but not limited to, the "MATR Agreement" referenced in Paragraph 5 of the Authority's Complaint.

Answer: The contracts by and between MATR and

- a) the Findley Township Water Authority; and
- b) the Moon Township Municipal Authority

will be produced. The Agreement by and between MATR and WACMA dated October 20, 1983, is Exhibit Lenze-1 to the Lenze Direct Testimony. The Extension Agreement by and between MATR and WACMA dated October 16, 2003, will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

3. Re Paragraph No. 3 (p. 2): Please provide a schedule setting forth, by retail customer class (e.g., residential, business) and individual municipal authority, the volumes (in thousand gallons) and revenues (in dollars) attributable to water sales made by the Authority for each year from 1983 up to and including 2003 to date.

Answer: In partial response to this Interrogatory, the requested information is set forth in MATR's Annual Consulting Engineer's Report ("Engineer's Report"). MATR will produce these Reports for the past five (5) years.

With regard to the requested information for all prior years, MATR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

4. Re Paragraph No. 4 (p. 2): Please provide copies of all permits and other documentation authorizing the Authority to operate its "water plant" at a rate "in excess of six million gallons of water per day."

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

5. Re Paragraph Nos. 3-5 (p. 2): Please identify, with specificity, each of the Township's sources of water supply and provide the percentage which each comprises of the Authority's total annual water sales. To the extent the Authority purchases water from other water suppliers, for each of the past five years (1998-2002) and for 2003 to date please provide (i) the identity of each such supplier, (ii) the volumes (in thousand gallons) of water purchased and dollars expended to purchase such water (iii) the unit rate at which such purchases were made.

Answer: Assuming that by "Township," PAWC means Authority in this interrogatory, and to the extent that MATR understands the Interrogatory, this information is available from two sources. MATR's Annual Water Supply Reports filed with the Pennsylvania Department of Environmental Protection and the Engineer's Report. These documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

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6. Re Paragraph Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority had to cut back or curtail water sales or was otherwise unable to meet its retail and/or wholesale customers' water demands? If so, please provide, for each such occasion, (i) the cause of the Authority's inability to satisfy its customers' demands, (ii) the dates and duration of the cutback or curtailment, and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such cutbacks or curtailments.

Answer: MATR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

7 Re Paragraphs Nos. 3-5 (p. 2) Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority issued "boil water advisories" to its customers? If so, please provide, for each such occasion (i) the cause of the boil water advisory, (ii) the dates and duration of such advisory and (iii) copies of all notices, letters, etc. issued by the Authority to its customers with respect to such advisory.

Answer. MAIR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

8 Re Paragraphs Nos. 3-5 (p. 2): Have there been any occasions during the past five years (1998-2002) or 2003 to date when the Authority exceeded the maximum contaminant levels (MCL's) for drinking water prescribed by either the United States Environmental Protection Administration ("EPA") or the Pennsylvania Department of Environmental Protection ("DEP")? If so, please provide for each such occasion (i) the nature of the exceedence, (ii) the date and duration of the exceedence, and (iii) copies of all notices, letters etc. issued by the Authority to its customers with respect to such exceedence

Answer. MATR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

9. Re Paragraphs Nos. 3-5 (p. 2): Please provide copies of all Consumer Confidence Reports ("CCRs") issued by the Authority to its customers in the past five years (1998-2002) and 2003 to date.

Answer: MATR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

10 Re Paragraphs Nos 3-5 (p 2) Please provide copies of all Annual Reports issued by the Authority in the past five years (1998-2002) and 2003 to date.

Answer: Assuming that by "Annual Reports issued by the Authority," PAWC means the Engineer's Report, MATR will produce the requested documents under separate cover. These documents are currently being reproduced for delivery to PAWC.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

11 Re Paragraph No. 7 (p. 2): Please identify the specific language of the "MATR Agreement," provided in response to Interrogatory No. 2, *supra*, on which the Authority relies for its assertion that the West Allegheny County Municipal Authority ("WACMA") "currently is obligated to purchase no less than 85% of its water requirements from MATR." Is it the Authority's contention that WACMA has, in fact, purchased at least 85% of its water requirements from the Authority in each of the last five years (1998-2002)? If so, please explain in detail the basis for the Authority's understanding.

Answer: In response to the first portion of this Interrogatory ["Please identify the specific language of the "MATR Agreement," provided in response to Interrogatory No. 2, *supra*, on which the Authority relies for its assertion that the West Allegheny County Municipal Authority ("WACMA") "currently is obligated to purchase no less than 85% of its water requirements from MATR."], the specific language is found in Section 4 of the said Agreement, which provided, in relevant part, as follows: "WESTERN ALLEGHENY hereby covenants and agrees that MATR shall supply eighty-five (85%) all of said WESTERN ALLEGHENY water needs." (*sic*).

In response to the second portion of this Interrogatory ["Is it the Authority's contention that WACMA has, in fact, purchased at least 85% of its water requirements from the Authority in each of the last five years (1998-2002)?"], MATR's answer is "No."

Responsible Witness: Anthony T. Lenze
Executive Director
The Municipal Authority of the Township of Robinson

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

12. Re Paragraph No. 8 (p. 2): If not otherwise discernable from the data provided in response to Interrogatory No. 3, *supra*, please provide a schedule setting forth, for each of the past five years (1998-2002) and 2003 to date (i) the total water sales revenues "earned" by the Authority and (ii) the total water sales revenues "earned" by the Authority from sales to WACMA.

Answer: The data requested is discernable from the Engineer's Report

Answers of The Municipal Authority of the Township of Robinson
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Set I of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

Docket No.: C-20030092

13. Re Paragraph No. 10 (p. 2): Please provide copies of all documents prepared by the Authority or on its behalf that quantify the impact upon the Authority and its customers if the Authority "does not retain WACMA as a customer."

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

Docket No.: C-20030092

14. Re Paragraph No. 28 (p. 5): Please explain, in detail, the basis for the Authority's assertion that WACMA operates "two, completely separate systems . . ." and provide copies of all documents relied upon by the Authority in that regard.

Answer As to the Interrogatory portion of this request, at the time the Complaint was filed in this proceeding, on or about April 15, 2003, MATR believed that WACMA operated two completely separate systems. By virtue of further discovery, principally through the deposition of David Nichols, P.E., WACMA's consulting engineer, MATR now believes that WACMA's two systems were interconnected in early 1999. However, this fact does not change MATR's theory of the case or any of the rights and liabilities of the parties.

As to the Production of Documents portion of this request, based on the information discovered by the deposition of Mr. Nichols, this request is moot.

Answers of The Municipal Authority of the Township of Robinson
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Pennsylvania-American Water Company

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15. Re Paragraph No. 35 (p. 5): Please explain, in detail, the basis for the Authority's assertion that "PAWC is attempting . . . to expand its service territory . . ." and provide copies of all documents relied upon by the Authority in that regard.

Answer: As to the Interrogatory portion of this request, MATR's Complaint filed in this proceeding provides a specific and detailed answer to this Interrogatory. The Complaint is incorporated herein by way of answer to this Interrogatory as though more fully set forth herein. Without limiting the generality of the foregoing, PAWC has supplied, on average, five percent (5%) of WACMA's total water needs from 1988 through 2002 (Source: WACMA's annual water supply permits). By virtue of the Water Sales Agreement by and between PAWC and WACMA, dated March 28, 2003 ("the 2003 Agreement"), PAWC has agreed to supply WACMA with ninety percent (90%) of its total water needs. In short, by virtue of the 2003 Agreement, PAWC is becoming the supplier of virtually all water to WACMA and thus has expanded its service territory. By way of further answer, by supplying water to portions of the WACMA system previously supplied by MATR and MTMA, PAWC has replaced MATR completely and MTMA substantially as the water supplier in that portion of North Fayette Township.

As to the Production of Documents portion of this request, documents relied upon by MATR in this regard have previously been provided to PAWC, either as attachments or exhibits to pleadings, utilized as exhibits in depositions taken, attached to MATR's Direct Testimony and/or as set forth in the documents otherwise produced in response to this discovery request.

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Set I of Interrogatories and Requests for Production of Documents
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16. Re Paragraph No. 37 (p. 5): Is it the Authority's position that it is engaged in competition for water service customers with PAWC?

Answer: No.

Responsible Witness: Anthony T. Lenze
Executive Director
The Municipal Authority of the Township of Robinson

Answers of The Municipal Authority of the Township of Robinson
to
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Pennsylvania-American Water Company

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17. Re Paragraph Nos. 38 (p. 6) and 43 (p. 6). Please explain, in detail, the basis for the Authority's assertion that the "Contract Rate" agreed to by PAWC and WACMA "is less than the Minimum Rate required pursuant to Rider DRS" and provide copies of all documents relied upon by the Authority in that regard.

Answer: As to the Interrogatory portion of this request, all of the information supporting this averment is in the possession of PAWC, including but not limited to, as set forth in the documents produced by PAWC and WACMA in this proceeding. MATR expects to elicit this information from PAWC's witnesses at the hearing.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

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18. Re Paragraph No. 47 (p. 7) Please describe, in detail, the "immediate and irreparable harm to MATR" if it is not granted the relief requested in its Complaint and provide copies of all documents prepared by the Authority or on its behalf that quantify such harm.

Answer. As to the Interrogatory portion of this request, MATR will lose its principal customer. MATR will lose, in terms of WACMA's purchases as a percentage of MATR's total water income, approximately 20% of its total water income. MATR will be required to raise rates approximately thirty percent (30%) in order to make up for this loss.

As to the Production of Documents portion of this request, these will be produced.

Responsible Witnesses: Anthony T. Lenze
Executive Director
The Municipal Authority of the Township of Robinson

Raymond H. Antonelli, P.E.
Consulting Engineer
The Municipal Authority of the Township of Robinson

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

19 Please provide copies of all correspondence and documents by and between the Authority and WACMA pertaining to any and all negotiations by and between the Authority and WACMA regarding ongoing sales of water by the Authority to WACMA following expiration of the MATR Agreement on October 20, 2003.

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set I of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

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20. Please provide copies of the minutes of all meetings of the Authority at which (i) ongoing sales of water by the Authority to WACMA following expiration of the MATR Agreement on October 20, 2003 were discussed and (ii) the filing of the Complaint against PAWC was authorized.

Answer: The requested documents will be produced.

ANSWERS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON
TO
SET II OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
OF
PENNSYLVANIA-AMERICAN WATER COMPANY

DOCKET NO.: C-20030092

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

1 Re Exhibit Lenze-1: Has MATR ever invoked Section 3 of the October 20, 1983 Agreement and billed WACMA for a portion of the purchased water and pumping costs incurred by MATR as the result of purchasing water from Western Pennsylvania Water Company (WPW) and/or its corporate successor, Pennsylvania-American Water Company (PAWC)?

Answer: There is a recollection that very early during the term of the October 20, 1983 Agreement, MATR did bill WACMA for the identified costs.

Responsible Witness: Raymond H. Antonelli, P.E.
Consulting Engineer
The Municipal Authority of the Township of Robinson

Answers of The Municipal Authority of the Township of Robinson
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Set II of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

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2. Re Exhibit Lenze 1: If the answer to Interrogatory No. 1 is in the affirmative, please identify, by month and year, each occasion when MATR invoked Section 3 of the October 20, 1983 Agreement and provide the incremental costs billed to WACMA as a result of MATR purchasing and redistributing water acquired from WPW and/or PAWC.

Answer: MATR does not have anyone in its employ who can recall the data requested, which data is approximately 20 years old. MATR has not retained any documents that provide this information.

Responsible Witness: Anthony T. Lenze
Executive Director
The Municipal Authority of the Township of Robinson

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

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3 Re Exhibit Lenze-2 and Testimony, page 13: Please provide a schedule setting forth the amounts, in dollars, actually billed WACMA by MATR for each year from 1988 through 2002.

Answer: In partial response to this Interrogatory, the requested information is set forth in MATR's Annual Consulting Engineer's Report ("Engineer's Report"). MATR will produce these Reports for the past five (5) years. MATR's Answer to Set I, Interrogatory No. 3 is hereby incorporated by reference.

With regard to the requested information for all prior years, MATR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

Docket No.: C-20030092

4 Re Testimony, pages 16-17. Please provide copies of "all of the correspondence and notes pertaining to discussions between the MATR and WACMA with respect to the new Water Supply Agreement" reviewed by Mr. Lenze.

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

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5. Re Testimony, page 17: Please provide copies of all meeting notes and/or other written documentation that formed the basis for Mr. Lenze's conclusion that "the MATR Board [was] prepared to agree to 75 percent of WACMA's needs if that was all that WACMA was willing to purchase."

Answer: The requested documents will be produced. By way of further response, MATR believes most, if not all, of the documents responsive to this request were exhibits utilized in the depositions of Phillip Morris in this proceeding.

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

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6. Re Testimony, page 23: Please provide copies of all reports, analyses, studies etc., including water demand projections, prepared by, for or on behalf of MATR, upon which MATR based its decision, in whole or in part, to expand the capacity of its Water Treatment Plant in 1995.

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

7 Re Testimony, page 23: Please provide copies of the minutes of all meetings of the MATR Board at which the expansion of the capacity of the Water Treatment Plant was discussed.

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

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8 Re Testimony, pages 23-24: Please provide copies of all reports, analyses, studies etc., including water demand projections, prepared by, for or on behalf of MATR upon which MATR based its decision, in whole or in part, to increase the size of MATR's "main water transmission line."

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

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9. Re Testimony, pages 23-24: Please provide a copy of the application filed by MATR with the United States Environmental Protection Agency seeking funding for the "main water transmission line" project.

Answer: The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

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10 Re Testimony, pages 23-24: Please provide copies of any permit applications submitted by MATR seeking the approval of state or federal regulatory agencies to (1) expand the capacity of its Treatment Plant in 1995 and/or (2) increase the size of its main water transmission line in 2002.

Answer: The permit application submitted by MATR seeking the approval of state or federal regulatory agencies to expand the capacity of its Treatment Plant in 1995 will be produced, provided it can be located. At this time, no permit applications to increase the size of MATR's main water transmission exist.

Answers of The Municipal Authority of the Township of Robinson
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Pennsylvania-American Water Company

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11. Re Testimony, pages 23-24: Please describe, in detail, how MATR financed (1) the expansion of its Treatment Plan in 1995 and (2) the main water transmission line project in 2002. If MATR issued debt in connection with either project, please provide copies of all offering memoranda and/or other materials provided to investors.

Answer: MATR has filed an Objection to this request

Answers of The Municipal Authority of the Township of Robinson
to
Set II of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

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12. Re Exhibit Lenze-7: Please provide copies of all reports, analyses, studies etc. including water demand projections, prepared by, for or on behalf of MATR, upon which MATR based its conclusion, in whole or in part, that "in approximately 2010, MATR will need to undertake an expansion of its water treatment plant and complete the second phase of the 30" diameter transmission main to its Route 60 storage facilities.

Answer. The requested documents will be produced.

Answers of The Municipal Authority of the Township of Robinson
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Set II of Interrogatories and Requests for Production of Documents
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Pennsylvania-American Water Company

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13. Re Testimony, pages 25-26. Please provide copies of all analyses, including supporting calculations, prepared by, for or on behalf of Mr. Lenze that formed the basis for his belief that MATR would have to raise its rates to its remaining customers by approximately 30% if it lost WACMA as a customer.

Answer: The requested documents will be produced.

**ANSWERS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON
TO
SET III OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

DOCKET NO.: C-20030092

Answers of The Municipal Authority of the Township of Robinson
to
Set III of Interrogatories and Requests for Production of Documents
of
Pennsylvania-American Water Company

Docket No.: C-20030092

1. Re Testimony, page 6: Please provide copies of all of the Annual Reports and Operating Budgets prepared by NIRA for MATR for each year from 1993 through and including 2003.

Answer: Answer: In partial response to this Interrogatory, MATR will produce these Reports for the past five (5) years. MATR's Answers to Set I, Interrogatory No. 3, and Set II, Interrogatory No. 3, are hereby incorporated by reference.

With regard to the requested information for all prior years, MATR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
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2. Re Testimony, page 8: Please provide copies of all reports, studies, analyses etc., prepared by, for or on behalf of MATR, upon which MATR based its decision, in whole or in part, to construct the new 12-inch water line along Mobay Road.

Answer: No such documents exist. There may exist some engineering calculations and a search for any such information is being conducted. If these calculations are located, they will be produced.

Answers of The Municipal Authority of the Township of Robinson
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3. Re Testimony, page 8. Please explain, in detail, why the additional extension "as part of the McMetro Commercial Development Project" made it possible to construct the second metered connection to the WACMA system.

Answer: MATR does not fully understand this Interrogatory. However, to the extent that it is understood by MATR, the extension to serve the McMetro Commercial Development Project ended at or near the boundary line between MATR's service territory and WACMA's service territory.

Answers of The Municipal Authority of the Township of Robinson
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4. Re Testimony, page 8: Did construction of the new 12-inch water line along Mobay Road, including the extension as part of the McMetro Commercial Development Project, enable MATR to service any new customers? If yes, please provide a list of such customers and the total charges billed by MATR to each such customer for the most recent twelve month period.

Answer: In response to the first portion of this Interrogatory ["Did construction of the new 12-inch water line along Mobay Road, including the extension as part of the McMetro Commercial Development Project, enable MATR to service any new customers?"]. MATR's answer is "Yes."

In response to the second portion of this Interrogatory ["If yes, please provide a list of such customers and the total charges billed by MATR to each such customer for the most recent twelve month period."], MATR's answer is:

a. Loew's Store

In response to the remainder of the information requested by the second portion of this Interrogatory ["...the total charges billed by MATR to each such customer for the most recent twelve month period."], MATR has filed an Objection to this portion of the request. Without waiving its objection to this portion of this Interrogatory, MATR states that the total charges to Loew's are those typically incurred by a retail facility of this type.

Responsible Witness: Anthony T. Lenze
Executive Director
The Municipal Authority of the Township of Robinson

Answers of The Municipal Authority of the Township of Robinson
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Pennsylvania-American Water Company

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5 Re Testimony, page 9: Please identify all "Water Storage Facilities" used by MATR to provide service to WACMA and, as to each, provide a list of every occasion from 1993 through 2003 to date when the facility was taken out of service for painting, required maintenance or some other cause.

Answer: MATR has filed an Objection to this request.

Answers of The Municipal Authority of the Township of Robinson
to
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Pennsylvania-American Water Company

Docket No.: C-20030092

6. Re Testimony, pages 9-10: Please provide copies of all reports, studies, analyses etc. upon which Mr. Antonelli based his conclusion, in whole or in part, that "[t]he hydraulic gradient of MATR's system could supply most or all of WACMA's system by gravity if [such system] was upgraded ..." Also, please describe the necessary "upgrades" and provide the estimated cost of such work

Answer. No such documents exist.

Answers of The Municipal Authority of the Township of Robinson
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Pennsylvania-American Water Company

Docket No.: C-20030092

7. Re Testimony, pages 11-12: Please provide copies of all reports, studies, analyses etc., including water demand projections, upon which Mr. Antonelli based his conclusion that "MATR would not likely have sufficient capacity to serve WACMA unless planning and infrastructure improvements were being made in anticipation of providing such service."

Answer: No such documents exist.

YUKEVICH, MARCHETTI, LIEKAR
& ZANGRILLI, P.C.

By: Albert J. Zangrilli, Jr.
Albert J. Zangrilli, Jr.
Pa. I.D. No. 15929

11 Stanwix Street, Suite 1024
Pittsburgh, PA 15222-1324
(412) 261-6777

*Attorneys for The Municipal
Authority of the Township of Robinson*

Dated November 27, 2003

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached ANSWERS OF THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON TO SETS I, II AND III OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF PENNSYLVANIA-AMERICAN WATER COMPANY has been served on each of the following by e-mail and first class mail, postage prepaid, except as otherwise noted:

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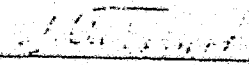
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Attorneys for Western Allegheny County Municipal Authority, Intervenor

DATED November 16, 2003


ALBERT J. ZANGRILLI, JR.

LAW OFFICES OF
JOHN A. PILLAR
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John A. Pillar
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December 4, 2003

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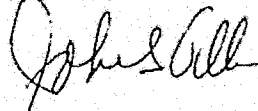
Re: The Municipal Authority of the
Township of Robinson v.
Pennsylvania American Water Company
Docket No. C-20030092
File No. 3172

Hon. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Dear Sir:

Enclosed for filing is my Entry of Appearance in connection with the above docketed proceeding.

Very truly yours,


JOHN A. PILLAR

SW

Enclosure

cc: Hon. Larry Gesoff (w/encl.)
Thomas P. Gadsden, Esq. (w/encl.)
Anthony C. DeCusatis, Esq. (w/encl.)
Susan Simms Marsh, Esq. (w/encl.)
Michael J. Witherel, Esq. (w/encl.)
Bohdan R. Pankiw, Esq. (w/encl.)
John A. Vuono, Esq. (w/encl.)
Albert J. Zangrilli, Jr., Esq. (w/encl.)

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SECRETARY'S BUREAU

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

THE MUNICIPAL AUTHORITY OF THE
TOWNSHIP OF ROBINSON,

Complainant-Petitioner,

v.

PENNSYLVANIA AMERICAN WATER
COMPANY,

Respondent.

Western Allegheny County Municipal
Authority

and

Pennsylvania Municipal Authorities
Association,

Intervenors.

Docket No. C-20030092

DOCUMENT
FOLDER

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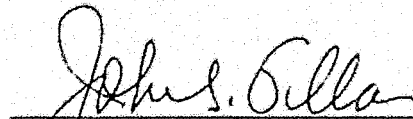
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ENTRY OF APPEARANCE

To: Hon. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Please enter my appearance in the above matter on behalf of Complainant-Petitioner, The Municipal Authority of the Township of Robinson.

Date: December 4, 2003



JOHN A. PILLAR
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Pittsburgh, PA 15228
412-343-0970
FAX: 412-343-0971

DOCKETED

JAN 07 2004

CERTIFICATE OF SERVICE

I hereby certify that I have served a true and correct copy of the foregoing Entry of Appearance on the following parties by first-class mail, postage prepaid, this 4th day of December, 2004:

HON. LARRY GESOFF
Administrative Law Judge
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

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ANTHONY C. DeCUSATIS, ESQ.
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Philadelphia, PA 19103-2921

SUSAN SIMMS MARSH, ESQ.
Pennsylvania American Water Company
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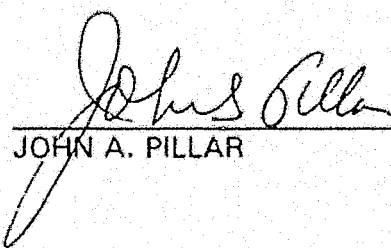
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JOHN A. PILLAR