



March 6, 2019

VIA E-FILE

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

Re: Pennsylvania Public Utility Commission, Bureau of Investigation & Enforcement v. Exeter Township; Docket No. C-2019-3007920

PENNSYLVANIA-AMERICAN WATER COMPANY'S PETITION TO INTERVENE

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is Pennsylvania-American Water Company's Petition to Intervene. Copies are being served as shown on the attached Certificate of Service.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,

COZEN O'CONNOR

By: Jonathan P. Nase

Counsel for *Pennsylvania-American Water Company*

JPN:kmg
Enclosure

cc: Per Certificate of Service
Susan Simms Marsh, Deputy General Counsel (*Pennsylvania-American Water Company*)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, Bureau of :
Investigation & Enforcement :

v. :

Exeter Township :

Docket No. C-2019-3007920

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **Pennsylvania-American Water Company's Petition to Intervene**, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL AND ELECTRONIC MAIL

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Jonathan P. Nase, Esquire

Counsel for *Pennsylvania-American Water Company*

Date: March 6, 2019

VERIFICATION

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

Date: March 6, 2019



Bernard J. Gaudusky

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	Docket No. C-2019-3007920
v.	:	
	:	
Exeter Township,	:	
Respondent	:	

**PENNSYLVANIA-AMERICAN WATER COMPANY'S
PETITION TO INTERVENE**

AND NOW COMES Pennsylvania-American Water Company (“PAWC”), pursuant to 52 Pa. Code §§ 5.71-5.76, to file this Petition to Intervene in the above-referenced proceeding (the “Complaint Proceeding”). PAWC has entered into an Asset Purchase Agreement for the purchase of the wastewater system (the “System”) presently owned by Exeter Township (“Exeter”), and has filed an application (the “Section 1329 Application”) asking the Pennsylvania Public Utility Commission (“Commission” or “PUC”) to approve the acquisition pursuant to 66 Pa. C.S. §§ 1102 and 1329. *Section 1329 Application of Pennsylvania-American Water Company – Wastewater Division (PAWC-WD) for approval of the transfer, by sale of substantially all Exeter Township’s assets, properties and rights related to its wastewater system to PAWC-WD*, Docket No. A-2018-3004933 (the “Section 1329 Application Proceeding”). Consequently, PAWC has an interest that may be directly affected by the Complaint Proceeding, which is not adequately represented by existing participants, and as to which PAWC may be bound by the action of the Commission. In support whereof, PAWC states:

1. PAWC is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating, transporting and disposing of wastewater for the public. Water and wastewater service is furnished by PAWC to the public in a service territory encompassing more than 400 communities across the Commonwealth with a combined population of over 2,400,000.

2. Exeter is a Township of the Second Class, organized and existing under the laws of the Commonwealth of Pennsylvania, with its offices located at 4975 DeMoss Road, Reading, Pennsylvania. Exeter owns and operates the System, providing wastewater service to the public in portions of Exeter Township and a portion of Lower Alsace Township. Exeter also has one bulk service interconnection point with Alsace Township, and four bulk service interconnection points with St. Lawrence Borough, in Berks County, Pennsylvania.

3. PAWC and Exeter are parties to that certain Asset Purchase Agreement By and Among the Township of Exeter, as Seller, and Pennsylvania-American Water Company, as Buyer, dated as of May 29, 2018, as amended by the First Amendment to Asset Purchase Agreement, executed November 26, 2018 (together, the “APA”).

4. PAWC filed the Section 1329 Application on September 25, 2018.

5. By Secretarial Letter dated October 1, 2018, the Commission notified PAWC that the Section 1329 Application was not accepted for filing purposes because, in the opinion of Commission staff, the Application was incomplete.

6. After PAWC’s Section 1329 Application was rejected for filing purposes, personnel from PAWC and Exeter met with staff from the Commission’s Law Bureau and Bureau of Technical Utility Services (“TUS”) on two separate occasions, and engaged in several telephone

conversations. While other viable options existed, Exeter was advised, *inter alia*, to file an application for a certificate of public convenience *nunc pro tunc*, with regard to the 29 customers that it serves in Lower Alsace Township. Although PAWC and Exeter disagree with Commission staff that Exeter needs to obtain a certificate of public convenience in order to convey the System to PAWC, Exeter nonetheless filed an application for a certificate of public convenience (the “Section 1102 Application”) because Commission personnel advised Exeter that the Section 1329 Application would not be accepted for filing unless Exeter applied for a certificate of public convenience *nunc pro tunc* for the service territory in Lower Alsace Township.

7. Exeter filed its Section 1102 Application on December 10, 2018. *Application of Exeter Township for a Certificate of Public Convenience, nunc pro tunc, to offer, render, furnish and supply wastewater service to the public in certain portions of Lower Alsace Township, Berks County, Pennsylvania*, Docket No. A-2018-3006505. On December 28, 2018, PAWC filed a Petition to Intervene in those proceedings. That Petition remains pending.

8. On February 13, 2019, I&E filed the instant Complaint Proceeding, alleging that Exeter violated several provisions of the Pennsylvania Public Utility Code (“Code”) by providing service to customers in Lower Alsace Township without a certificate of public convenience. Among other things, I&E’s Complaint asks the Commission to impose civil penalties on Exeter and order it to provide refunds to customers.

9. On March 1, 2019, the Office of Consumer Advocate (“OCA”) filed a Notice of Intervention in this proceeding.

10. Any decision in this proceeding may have an impact on the 1102 Application Proceeding and the 1329 Application Proceeding. As a party to those proceedings, PAWC has an interest that may be directly affected by this proceeding. Additionally, as a party to the Asset

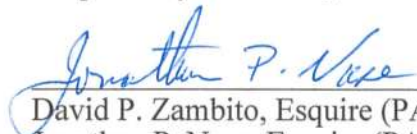
Purchase Agreement with Exeter, PAWC has an interest that may be directly affected by this proceeding. None of the existing participants in this proceeding has an interest similar to that of PAWC. Consequently, PAWC is eligible to intervene in this proceeding pursuant to 52 Pa. Code § 5.72(a)(2).

11. As the purchaser of the System pursuant to the APA, PAWC has an interest of such nature that participation by PAWC may be in the public interest. 52 Pa. Code § 5.72(a)(3).

12. PAWC's position on the issues is that Exeter should not be subject to civil penalties or refunds. PAWC disagrees with Commission staff that Exeter needs a certificate of public convenience based on the facts and circumstances of this case. In any event, the issue of alleged *de facto* service will become moot upon closing of the transaction between Exeter and PAWC.

WHEREFORE, for the reasons set forth above, Pennsylvania-American Water Company respectfully requests that the Pennsylvania Public Utility Commission grant this Petition to Intervene in the above-captioned formal complaint proceeding.

Respectfully submitted,



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Date: March 6, 2019

Attorneys for *Pennsylvania-American Water Company*