

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of the Borough of Kane
66 Pa. C.S. §1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2019-3014248**

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

RESPONSE: See enclosed transmittal letter from Elizabeth Rose Triscari, Esquire, with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.



Elizabeth Rose Triscari

Director, Corporate Counsel

Pennsylvania-American Water Company

852 Wesley Drive, Mechanicsburg, PA 17055

P: 717.550.1574 F: 717.531.3399 C: 717.585.1934

elizabeth.triscari@amwater.com

December 2, 2019

CONTAINS CONFIDENTIAL APPENDICES

VIA HAND DELIVERY

Ms. Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**In Re: Application and Related filings of Pennsylvania-American Water Company under Sections 507, 1102(a), and 1329 of the Pennsylvania Public Utility Code 66 Pa C.S. §§507, 1102(a), 1329, for approval of its acquisition of wastewater system assets of Borough of Kane Authority, related to wastewater service rights, fair market valuation, ratemaking treatment, collection of distribution system improvement charge, deferral of the post-acquisition improvement costs and claim for transaction and closing costs;
Docket No. A-2019-3014248, et al.**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the above-referenced application and related filings of Pennsylvania-American Water Company ("PAWC") for its acquisition of the Borough of Kane Authority ("Authority") assets, properties and rights related to the Authority's wastewater collection and treatment system ("System"). This filing is made pursuant to Sections 507 (related to filing of contracts with municipal corporations), 1102 (related to certificates of public convenience), and 1329 (determination of fair market for ratemaking purposes) of the Pennsylvania Public Utility Code ("Code"), 66 Pa. C.S. §§507, 1102, 1329.

Copies of the Application have been served upon the public advocates in accordance with the attached Certificate of Service and in accordance with the Commission's *Final Supplemental Implementation Order* entered February 28, 2019 at Docket No. M-2016-2543193. Due to the size of the filing, I have also enclosed the following four CD-ROMS for your convenience: (1)

the PUC Application filing (**without CONFIDENTIAL Documents**); (2) **CONFIDENTIAL** Live Excel Spreadsheets of the Seller's Utility Valuations Expert's workpapers in appraising the System; (3) **CONFIDENTIAL** Live Excel Spreadsheets of the Buyer Utility Valuation Expert's workpapers in appraising the system; and, (4) **CONFIDENTIAL** Documents. I have also enclosed a check for \$350.00 for the filing fee of the Application.

Also enclosed on behalf of PAWC as part of the Section 1329 filing requirements are the Direct Testimonies and accompanying exhibits of the following:

1. Direct Testimony of Daniel P. Bickerton, CPA, Director of Business Development, American Water Company (**PAWC Statement No. 1**)
2. Direct Testimony of Michael J. Guntrum, PE, Senior Project Engineer, Pennsylvania-American Water Company (**PAWC Statement No. 2**)
3. Direct Testimony of Rod P. Nevirauskas, Senior Director Rates and Regulatory, Pennsylvania-American Water Company (**PAWC Statement No. 3**)
4. Direct Testimony of Jerome C. Weinert, Principal and Director, AUS Consultants, Pennsylvania-American Water Company Utility Valuation Expert (**PAWC Statement No. 4**)

In addition, as directed by the *Final Supplemental Implementation Order*, PAWC is submitting the following direct testimony and accompanying exhibits on behalf of the Borough of Kane Authority. PAWC's submission of this testimony should not be considered support for or sponsoring of such testimony. PAWC anticipates that the Borough of Kane Authority will intervene in this matter and will submit its direct testimony and exhibits.

1. Direct Testimony of Donald E. Payne, Manager, Borough of Kane and *ex officio* member of the Authority's Board (**BKA Statement No. 1**) and;
2. Direct Testimony of Harold Walker, III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants, LLC on behalf of the Borough of Kane Authority (**BKA Statement No. 2**)

Copies of this prepared direct testimony and accompanying exhibits can be found at **Appendix A-13-a and A-13-b (Borough of Kane Authority)** and **Appendix A-14-a and A-14-b (PAWC)** of the Application.

In compliance with Code Section 507, 66 Pa. C.S. §507, 66 Pa. C.S. §507, PAWC has also included a copy of the Asset Purchase Agreement ("APA") for this transaction. This agreement can be found at Appendix A-24-a (**CONFIDENTIAL**) of the Application. The APA has been marked Confidential and disclosure of such information could cause competitive harm to PAWC.

Additionally, the map of the System, Appendix A-16-f is being filed as a **CONFIDENTIAL** document because it is public utility security information.

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

Sincerely,



Elizabeth Rose Triscari

jrh

enclosures

cc: Attached Certificate of Service
Sean Donnelly, Bureau of Technical Utility Service (*via hand delivery*)