

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

9. Utility Valuation Expert Verification Statements:
- a. Buyer Utility Valuation Expert has no affiliation with the buyer or seller.
 - b. Buyer Utility Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.
 - c. Buyer Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.
 - d. Seller Utility Valuation Expert has no affiliation with the buyer or seller.
 - e. Seller Utility Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.
 - f. Seller Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.

RESPONSE: For subparts a. through f., see enclosed verification statements attached at **Appendix A-9.1 (Weinert – AUS) and Appendix A-9.2 (Walker – Gannett Fleming).**

VERIFICATION OF UTILITY VALUATION EXPERT

I, Jerome C. Weinert, P.E., am Principal and Director for AUS Consultants, Inc. (“AUS”). AUS is a Utility Valuation Expert (“UVE”) in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919181). In connection with the foregoing application, I hereby state the following:

1. Pennsylvania-American Water Company (“PAWC”) as buyer selected AUS to perform a fair market value appraisal of the sewer system and related assets (the “System”) of the Borough of Kane Authority (“AUTHORITY”).
2. KANE as seller selected Gannett Fleming, Inc. (“GANNETT”), a UVE in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919250), to perform a fair market value appraisal of the System.
3. As Principal and Director for AUS, I and my staff prepared a fair market value appraisal of the System on PAWC’s behalf dated November 7, 2019, 2019 (the “Fair Market Value Appraisal”).
4. The facts set forth in the Fair Market Value Appraisal are true and correct to the best of my knowledge, information, and belief.
5. As Principal and Director for AUS, I and my staff determined the fair market value of the System in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practices as of the date of the Fair Market Appraisal, employing the cost, market and income approaches, as required by 66 Pa. C.S. § 1329(a)(3) and applied applicable jurisdictional exceptions to the Fair Market Appraisal.

6. Neither AUS nor I nor any AUS staff derived any material benefit from the sale of the System other than fees for services rendered.
7. Neither I nor any members of AUS staff are an immediate family member of a director, officer or employee of either PAWC or the AUTHORITY within a 12-month period of the date PAWC engaged AUS to perform the Fair Market Value Appraisal.
8. AUS has no affiliation with either the AUTHORITY or PAWC.
9. I make this verification subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



Date: November 25, 2019

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VERIFICATION OF UTILITY VALUATION EXPERT

I, Harold Walker III, Manager of Financial Studies of Gannett Fleming, Inc. (“GANNETT”). GANNETT is a Utility Valuation Expert (“UVE”) in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919250). In connection with the foregoing application, I hereby state the following:

1. The Borough of Kane Authority (“AUTHORITY”) as seller selected GANNETT, to perform a fair market value appraisal of the sewer system and related assets (the “System”) of the AUTHORITY.
2. Pennsylvania-American Water Company (“PAWC”) as buyer selected AUS, a UVE in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919181), to perform a fair market value appraisal of the System.
3. As Manager of Financial Studies for GANNETT, I and my staff prepared a fair market value appraisal of the System on the AUTHORITY’s behalf dated November 12, 2019 (the “Fair Market Value Appraisal”).
4. The facts set forth in the Fair Market Value Appraisal are true and correct to the best of my knowledge, information, and belief.
5. As Manager of Financial Studies for GANNETT, I and my staff determined the fair market value of the System in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practices as of the date of the Fair Market Value Appraisal, employing the cost, market and income approaches, as required by 66 Pa. C.S. § 1329(a)(3) and applied applicable jurisdictional exceptions to the Fair Market Appraisal.

6. Neither GANNETT nor I nor any GANNETT staff derived any material benefit from the sale of the System other than fees for services rendered.
7. Neither I nor any members of GANNETT staff are an immediate family member of a director, officer or employee of either PAWC or the AUTHORITY within a 12-month period of the date the AUTHORITY engaged GANNETT to perform the Fair Market Value Appraisal.
8. GANNETT has no affiliation with either the AUTHORITY or PAWC.
9. I make this verification subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: November 25, 2019



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