



**Elizabeth Rose Triscari**

*Director, Corporate Counsel*

Pennsylvania-American Water Company

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January 22, 2020

**VIA ELECTRONIC FILING**

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:

In compliance with the Secretarial Letter issued in the above-referenced proceeding on December 11, 2019 (“Secretarial Letter”), this correspondence is to inform the Pennsylvania Public Utility Commission (“Commission”) that Pennsylvania-American Water Company (“PAWC”) has complied with the Secretarial Letter conditions by completing the following:

On December 20, 2019, PAWC filed a Certificate of Service with the Commission that copies of the Application and amendments had been served on the parties referenced in the Secretarial Letter.

In Compliance with the Secretarial Letter and in compliance with the Final Supplemental Implementation Order entered at Docket No. M-2016-2543193, PAWC advised the Commission on December 17, 2019, that it was beginning to provide individualized notices of the proposed acquisition to all potentially affected PAWC water and wastewater division customers. PAWC has completed providing such individualized customer notice. PAWC has also provided concurrent notice to all current Kane Borough Authority wastewater customers.



PAWC filed proof of publication of the notice of the proposed acquisition in the Kane Republican with the Commission on January 22, 2020.<sup>1</sup>

Enclosed is a Verification signed by Michael Salvo, Senior Manager of Business Development, confirming satisfaction of the conditions established in the Secretarial Letter by PAWC.

PAWC respectfully asks that the Commission promptly accept the Application, as amended, for official filing purposes via Secretarial Letter and publish notice of the Application in the *Pennsylvania Bulletin* with a March 9, 2020 protest and intervention due date.<sup>2</sup>

If you should have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari

cc: All Parties on the Attached Certificate of Service (*via electronic and first-class mail*)  
Sean Donnelly (*via electronic and first-class mail*)  
David P. Zambito, Esquire (*via electronic mail*)

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<sup>1</sup> Due to notary issues at the *Bradford Era*, we have not yet received the Proof of Publication and will file upon receipt.

<sup>2</sup> March 9, 2020 is the protest and intervention due date PAWC was directed to include in its notices to customers by Secretarial Letter dated December 18, 2019. PAWC's use of March 9, 2020 in the customer notices should not be construed as agreement by PAWC with TUS's method of determining that date, which involves delaying final acceptance of PAWC's Application for up to 15 days following verification of customer notice completion.


**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water Company :  
under Section 1102(a) of the Pennsylvania Public Utility Code, 66 :  
Pa C.S. § 1102(a), for approval of (1) the transfer, by sale, of :  
substantially all of the Borough of Kane Authority's assets, :  
properties and rights related to its wastewater collection and : Docket No. A-2019-3014248, *et al*  
treatment system to Pennsylvania-American Water Company, and :  
(2) the rights of Pennsylvania-American Water Company to begin :  
to offer or furnish wastewater service to the public in the Borough :  
of Kane, and in a portion of Wetmore Township, McKean County, :  
Pennsylvania, *et al* :

**VERIFICATION**

I, Michael Salvo, Senior Manager – Business Development, Pennsylvania-American Water Company, here state that Pennsylvania-American Water Company has satisfied the conditions established in the Secretarial Letter dated December 11, 2019, for the above-referenced Application. I understand the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Dated: 1/22/20

  
\_\_\_\_\_  
Michael Salvo  
Senior Manager – Business Development  
Pennsylvania-American Water Company

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water Company :  
under Section 1102(a) of the Pennsylvania Public Utility Code, 66 :  
Pa C.S. § 1102(a), for approval of (1) the transfer, by sale, of :  
substantially all of the Borough of Kane Authority's assets, :  
properties and rights related to its wastewater collection and : Docket No. A-2019-3014248  
treatment system to Pennsylvania-American Water Company, and :  
(2) the rights of Pennsylvania-American Water Company to begin :  
to offer or furnish wastewater service to the public in the Borough :  
of Kane, and in a portion of Wetmore Township, McKean County, :  
Pennsylvania :

In re: Application of Pennsylvania-American Water Company :  
under Section 1329 of the Pennsylvania Public Utility Code, 66 : Docket No. A-2019-\_\_\_\_\_  
Pa. C.S. § 1329, for approval of the use for ratemaking purposes :  
of the lesser of the fair market value or the negotiated purchase :  
price of the Borough of Kane Authority's assets related to its :  
wastewater collection and treatment system. :

Petition of Pennsylvania-American Water Company, related to its :  
acquisition of the Borough of Kane Authority wastewater :  
collection and treatment system, for approval under Section 1329 :  
of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) : Docket No. P-2019-\_\_\_\_\_  
collect a distribution system improvement charge, (ii) for book :  
and ratemaking purposes, accrue Allowance for Funds Used :  
During Construction for post-acquisition improvements not :  
recovered through the distribution system improvement charge, :  
(iii) for book and ratemaking purposes, defer depreciation related :  
to post-acquisition improvements not recovered through the :  
distribution system improvement charge, and (iv) include, in its :  
next base rate case, a claim for transaction and closing costs. :

In re: Filing by Pennsylvania-American Water Company under : Docket No U-2019-\_\_\_\_\_  
Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. :  
§ 507, of the Asset Purchase Agreement Between Pennsylvania- :  
American Water Company and the Borough of Kane Authority :  
together with Wetmore Township and the Borough of Kane. :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 22<sup>nd</sup> day of January served a true copy of the foregoing correspondence of Pennsylvania-American Water Company, upon parties, listed below in accordance with the requirement of 52 Pa. Code §1.54 (relating to service by a party).

**VIA ELECTRONIC AND FIRST-CLASS MAIL**

Sharon Webb, Esquire  
Office of Small Business Advocate  
555 Walnut Street  
Forum Place, First Floor  
Harrisburg, PA 17101-1923

Alison Kaster, Director  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
400 North Street, F West  
Harrisburg, PA 17120

Christine Maloni Hoover, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, Fifth Floor  
Harrisburg, PA 17101-1923

Respectfully submitted,



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**Attorneys for  
Pennsylvania-American Water Company**

Dated: January 22, 2020