



**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

July 14, 2020

***CONTAINS CONFIDENTIAL APPENDICES***

**VIA ELECTRONIC FILING (Cover Letter and Certificate of Service only)**

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 the wastewater system assets of Royersford Borough, 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-2020-3014248, et al.**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission (“Commission”) are the above-referenced application and related filings of Pennsylvania-American Water Company (“PAWC”) for its acquisition of the Royersford Borough (“Borough”) assets, properties and rights related to the Borough’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 value 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

current closure of the Commission's offices as a result of the COVID-19 pandemic, the Application and related filings will be uploaded to the Commission's SharePoint site instead of a hard copy being hand-delivered for filing, as instructed by the Secretary's office.

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 Michael A. Salvo, Senior Manager of Business Development, Pennsylvania-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. PAWC's submission of this testimony should not be considered support for or sponsoring of such testimony. PAWC anticipates that the Borough will intervene in this matter and will sponsor its direct testimony and exhibits.

1. Direct Testimony of Michael A. Leonard, Manager, Royersford Borough (**RB 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 Royersford Borough (**RB Statement No. 2**)

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

In compliance with Code Section 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 physical public utility security information and at the direction of the Secretary's office, will be provided once the Commission's offices re-open.

Finally, PAWC has deliberately and thoughtfully chosen today's filing date, in anticipation of a final Commission order at the Public Meeting scheduled for March 11, 2021. PAWC's proposed timeline assumes the following approximate dates:

7/14/20	PAWC Files Application
7/30/20	TUS Conditionally Accepts PAWC Application for Filing via Secretarial Letter (Conditioned on Completion of Notice Requirements)
9/9/20	PAWC Provides Verification of Notice Completion to PUC Secretary/TUS
9/14/20	PAWC Application Officially Accepted for Filing via PUC Secretarial Letter /PUC Submits Notice to PA Bulletin for Publication
9/26/20	PA Bulletin Notice of PAWC Application
10/13/20	End of PAWC Application Protest / Intervention Period
3/11/21	PUC Final Action at Public Meeting

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

Sincerely,



Elizabeth Rose Triscari

jrh

enclosures

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

**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 Royersford Borough assets, properties and :  
rights related to its wastewater collection and treatment system to : Docket No. A-2020-3014248  
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 Royersford :  
Borough, and portions of Upper Providence Township, :  
Montgomery County, Pennsylvania. :

In re: Application of Pennsylvania-American Water Company :  
under Section 1329 of the Pennsylvania Public Utility Code, 66 : Docket No. A-2020-\_\_\_\_\_  
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 Royersford Borough assets related to its wastewater :  
collection and treatment system. :

Petition of Pennsylvania-American Water Company, related to its :  
acquisition of the Royersford Borough wastewater collection and :  
treatment system, for approval under Section 1329 of the :  
Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) collect : Docket No. P-2020-\_\_\_\_\_  
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 :  
Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. : Docket No U-2020-\_\_\_\_\_  
§ 507, of the Asset Purchase Agreement Between Pennsylvania- :  
American Water Company and the Royersford Borough :  
:

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 14<sup>th</sup> day of July served a true copy of the foregoing Application (*via zip drive*) of Pennsylvania-American Water Company regarding the acquisition of Borough of Royersford's wastewater treatment, transportation, and distribution facilities upon the parties, listed below in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).


**VIA OVERNIGHT MAIL**

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

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

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

Respectfully submitted,



Elizabeth Rose Triscari, Esquire (PA ID 306921)  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
(717) 550-1574  
elizabeth.triscari@amwater.com

David P. Zambito, Esquire (PA ID 80017)  
Jonathan P. Nase, Esquire (PA ID 44003)  
Cozen O'Connor  
17 North Second Street, Suite 1410  
Harrisburg, PA 17101  
(717) 703-5892  
dzambito@cozen.com  
jnase@cozen.com

**Attorneys for**  
***Pennsylvania-American Water Company***