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File #: 181816

December 22, 2020

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of Twin Lakes Utilities, Inc. for a Commission Order Authorizing the Acquisition of Twin Lakes Utilities, Inc. by a Capable Public Utility Pursuant to 66 Pa.C.S. § 529
Docket No. P-2020-3020914**

Dear Secretary Chiavetta:

On December 16, 2020, in accordance with Paragraph 6 of the Pennsylvania Public Utility Commission's ("Commission") September 22, 2020 Opinion and Order regarding the Petition of Twin Lakes Utilities, Inc. For A Commission Order Authorizing the Acquisition of Twin Lakes Utilities, Inc. By A Certified Public Utility Pursuant to 66 Pa. C.S. § 529 ("September 2020 Order") issued in the above-captioned proceeding and its pre-served written rebuttal testimony dated December 9, 2020, Aqua Pennsylvania, Inc. ("Aqua") filed a letter notifying the Commission that it was willing to voluntarily act as receiver of the Twin Lakes Utilities, Inc. ("Twin Lakes") water system effective January 4, 2021.¹

On December 18, 2020, the Deputy Chief Administrative Law Judge Joel H. Cheskis (the "ALJ"), Aqua, the Commission's Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate ("OCA") and Twin Lakes participated in an off-the-record telephone conference to discuss the method and timing of obtaining an appropriate Commission order that would appoint Aqua as receiver for the Twin Lakes water system. Based upon those discussions, and concerns regarding the timing of the next available public meeting at which the Commission could enter an appropriate order, Aqua proposed to the parties that it amend its prior notification

¹ In its December 16, 2020 letter, Aqua noted that January 1, 2021, is a holiday and requested that it be permitted to begin acting as a receiver on Monday, January 4, 2021.

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to the Commission and indicate its willingness to voluntarily act as receiver of the Twin Lakes water system effective January 15, 2021.² None of the parties objected to this proposal, and Twin Lakes further represented that the Service Agreement between Twin Lakes and Middlesex Water Company would be amended to accommodate this timing.

In addition, Aqua has provided proposed form of order to the parties which (a) appoints Aqua as receiver effective January 15, 2021, and (b) specifies Aqua's duties and responsibilities as receiver of the Twin Lakes Utilities, Inc. water system. A copy of this proposed order is attached hereto as **Appendix A**. As of the time of the filing of this letter, counsel for OCA, I&E and Twin Lakes have represented that they do not object to the attached proposed order.

Copies of this letter are being served upon each of the Commissioners, the ALJ, Seth A. Mendelsohn, the Executive Director of the Commission, and the Certificate of Service.

Please direct any questions regarding this filing to the undersigned counsel.

Respectfully submitted,



Garrett P. Lent

GPL/jl

cc: Honorable Joel H. Cheskis
Chairman Gladys Brown Dutrieuille
Commissioner David W. Sweet
Commissioner John F. Coleman
Commissioner Ralph V. Yanora
Certificate of Service
Patricia T. Wiedt, Esquire
Seth A. Mendelsohn, Executive Director

² The next regularly scheduled public meeting date is January 14, 2021.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL ONLY

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Date: December 22, 2020

Garrett P. Lent

APPENDIX “A”

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Twin Lakes Utilities, Inc. For A :
Commission Order Authorizing The :
Acquisition Of Twin Lakes Utilities, Inc. By : Docket No. P-2020-3020914
A Capable Public Utility Pursuant to 66 Pa. :
C.S. § 529 :

ORDER APPOINTING RECEIVER

Upon consideration of the unopposed submission of Aqua Pennsylvania, Inc.
("Aqua") dated December 22, 2020:

IT IS ORDERED THAT:

1. Pursuant to Section 529(g) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 529(g), the Pennsylvania Public Utility Commission ("Commission") hereby appoints Aqua as "Receiver" of Twin Lakes Utilities, Inc. ("Twin Lakes") effective January 15, 2021.

2. That Aqua, in its capacity as Receiver of Twin Lakes, shall have the following duties and responsibilities:

- a. Operate the system in compliance with all State, Federal, and local laws and regulations, including such repairs as may be necessary for safe and adequate service.
- b. Maintain any existing or necessary permits, licenses, approvals, authorizations, orders, consents, registrations, or filings.
- c. Provide a listing of recommended capital improvements, identifying the capital improvements necessary to improve the performance of the system, to address or anticipate the obsolescence of portions of the system, to reduce the cost of operating the system, to provide cost savings or efficiency innovations to the system, or to comply with existing or anticipated changes to applicable laws and regulations.
- d. Provide all supervision and personnel necessary to operate the system in a professional, efficient and economic manner, and in accordance with sound operating practices and prudent industry and utility standards.
- e. Respond to system emergencies by taking necessary action to ensure the continued provision of adequate, efficient, safe and reasonable service.
- f. Notify appropriate regulatory or governmental agencies regarding any emergency which, in the reasonable judgement of the Receiver, is likely to

result in material loss or damage to the system or constitute a material threat to human health or safety.

- g. Provide for normal routine maintenance, repairs, and the provision of supplies for the system.
- h. Keep financial and accounting records and all pertinent operating data and information relating to the system as prudent industry and utility practices would require.
- i. Assume Twin Lakes' billing and collection functions.
- j. Provide Twin Lakes' customer service.
- k. Have the authority to borrow money in the name of Twin Lakes necessary for the continued provision of adequate, efficient, safe and reasonable service to the customers of Twin Lakes.
- l. Have the authority to file a petition for bankruptcy and participate in such proceedings on behalf of Twin Lakes.
- m. Comply with Twin Lakes' effective tariff for Twin Lakes' customers.
- n. Submit all necessary paperwork to regulatory agencies of the system on behalf of Twin Lakes.
- o. Submit an initial status report to the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.
- p. Participate in discussions with the Commission regarding alternatives to the acquisition of Twin Lakes, pursuant to 66 Pa. C.S. § 529(b).
- q. Make reasonable efforts to establish the financial position of Twin Lakes at the time the Receiver assumed receivership.
- r. Establish deferred accounting treatment through establishment of a regulatory asset for expenses incurred by Twin Lakes that are payable to the Receiver and to present those expenses for recovery as a part of a subsequent base rate proceeding if not recoverable from Twin Lakes.
- s. Establish deferred accounting treatment through establishment of a regulatory asset for reasonable capital costs incurred by the Receiver to restore safe, adequate, and reasonably continuous service to Twin Lakes' customers and to present those costs for recovery as a part of a subsequent base rate proceeding if not recoverable from Twin Lakes.

- t. Petition the Commission to add or remove any duties or responsibilities; however, the Receiver must continue to fulfill all duties and responsibilities until such duties or responsibilities are removed by Commission Order or by a court with competent jurisdiction.
- u. Be permitted to use existing Commission-approved affiliated entities to provide services to Twin Lakes, provided that the Receiver provides the Commission written notice identifying which affiliates are providing services for which approval under 66 Pa. C.S. § 2102 would typically be required.
- v. Satisfy the aforementioned duties and responsibilities either directly, through Commission-approved affiliates, or through competitive operation and maintenance agreements or any combination thereof.
- w. Charge Twin Lakes reasonable rates for all services rendered to or for Twin Lakes on behalf of the receivership and to present those charges for recovery as a part of a subsequent base rate proceeding if not recoverable from Twin Lakes.
- x. Aqua shall provide individual notice to Twin Lakes' customers of the imposition of the receivership through a welcome letter and shall inform Twin Lakes' customers to direct future payments for water service to the Receiver as appointed by the Commission.

3. That the Receiver, in its own capacity, shall have the following duties and responsibilities:

- a. Should Twin Lakes be unable to obtain necessary financing for ensuring the continued provision of adequate, efficient, safe and reasonable service to the customers of Twin Lakes, the Receiver, at its option, may either directly provide financing for Twin Lakes or file a petition for bankruptcy.
- b. Establish a deferred expense account through establishment of a regulatory asset for expenses incurred by the Receiver resulting from this order, including prudent and reasonable legal expenses for presentation in a subsequent rate proceeding and to present those expenses for recovery as a part of a subsequent base rate proceeding if not recoverable from Twin Lakes.
- c. Provide tentative schedules, updates, and recommendations in status reports to the Commission for bringing Twin Lakes into compliance with conditions of Twin Lakes' certificate of public convenience as appropriate.

4. The Receiver may petition the Commission for modification or termination of this receivership, or to appoint another, or an additional, entity as a receiver of Twin Lakes.

Dated: _____