



**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

January 15, 2021

**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 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 Upper Pottsgrove Township's assets, properties and rights related to its wastewater collection and conveyance 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 Upper Pottsgrove Township, Montgomery County and a portion of Douglass Township, Berks County, Pennsylvania - Docket No. A-2020-3021460, et al**

**PAWC Response to TUS Deficiencies – 12.10.20**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the Responses of Pennsylvania-American Water Company to the 66 Pa. C.S. Section 1329 Application Completeness Review of Pennsylvania-American Water Company – Wastewater Division Acquisition of Upper Pottsgrove Wastewater System at Docket No. A-2020-3021460 Missing Application Information, dated December 10, 2020. By Secretarial Letter dated December 24, 2020, the Company's time to respond was extended to January 15, 2021.

Copies are being served upon the 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.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Elizabeth Rose Triscari

enclosures

cc: Attached Certificate of Service (*via electronic mail*)  
Sean Donnelly, Bureau of Technical Utility Service (*via electronic 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 Upper Pottsgrove’s assets, properties and :  
rights related to its wastewater collection and conveyance system : Docket No. A-2020-3021460  
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 Upper Pottsgrove :  
Township, Montgomery County and a portion of Douglass :  
Township, Berks County. :

In re: Application of Pennsylvania-American Water Company :  
under Section 1329 of the Pennsylvania Public Utility Code, 66 :  
Pa. C.S. § 1329, for approval of the use for ratemaking purposes : Docket No. A-2020-\_\_\_\_\_  
of the lesser of the fair market value or the negotiated purchase :  
price of Upper Pottsgrove Township’s assets related to its :  
wastewater collection system. :

Petition of Pennsylvania-American Water Company, related to its :  
acquisition of the Upper Pottsgrove Township wastewater :  
collection system, for approval under Section 1329 of the :  
Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) collect :  
a distribution system improvement charge, (ii) for book and : Docket No. P-2020-\_\_\_\_\_  
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 (a) the Asset Purchase Agreement Between :  
Pennsylvania-American Water Company and Upper Pottsgrove :  
Township; (b) the Sewage Treatment Agreement between Upper :  
Pottsgrove Township, Borough of Pottsgrove and Pottstown :  
Borough Authority and (c) Joint Sewage Transportation :  
Agreement between Upper Pottsgrove Township and Lower :  
Pottsgrove Township :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 15<sup>th</sup> day of January served a true copy of the foregoing filing upon the parties, listed below in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

**VIA ELECTRONIC MAIL ON JANUARY 15, 2021**

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

Christine Hoover, Senior Consumer Advocate  
Erin L. Gannon, Esquire  
Harrison W. Breitman, Esquire  
Santo G. Spataro, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, Fifth Floor  
Harrisburg, PA 17101-1923

Gina Miller, Prosecutor  
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***

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

**Missing Application Information**

1. Checklist Item No. 12 – The Application’s Appendix A-18-b included a copy of Upper Pottsgrove Township’s (UPT’s) current wastewater rules and regulations. Section 275-30 of these rules and regulations indicates that, unless the optional water meter method applies, has been properly elected and has not been revoked, equivalent dwelling units (EDUs) shall be allocated to improved properties according to use under and in accordance with the EDU schedule resolution, and sewer rental fees shall be assessed and payable upon such allocation. The Application’s Appendix A-18-a.3 contains a copy of the current UPT EDU schedule resolution, Resolution No. 236. Page 5, Section 3.B.7. of Resolution No. 236 indicates that EDU allocation calculations shall not result in an EDU value of less than one and calculations resulting in a fractional EDU value shall be rounded to the next highest whole EDU value. However, the pro forma tariff supplement included in the Application’s Appendix A-12 does not indicate a minimum EDU allocation value of one or that fractional EDUs are rounded to the next highest whole EDU value. Please amend the Application’s Appendix A-12 to include a proposed tariff containing a rate equal to the existing rates of the seller at the time of acquisition.

**Response:** See Amended Appendix A-12.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

2. Checklist Item No. 12 – The Application’s Appendix A-18-b included a copy of UPT’s current wastewater rules and regulations. Section 275-56.A. of these rules and regulations indicates that an annual fee for the reservation of wastewater capacity is imposed upon certain customers (Availability Customers), and applicability criteria for Availability Customers is designated in Section 275-56.B. Also, Section 275-56.C.(2) notes that the rate for Availability Customers shall be established and modified by resolution and/or ordinance. However, the pro forma tariff supplement included in the Application’s Appendix A-12 does not include rates for existing UPT Availability Customers at the time of closing. Please amend the Application’s Appendix A-12 to include a proposed tariff containing a rate equal to the existing rates of the seller at the time of acquisition.

**Response:** The referenced availability rate is the fee charged by the Township for the reservation of sewer capacity. As stated in Section 7.03(a) of the Asset Purchase Agreement, and as discussed in PAWC Statement No. 3, the Company will apply its then-existing miscellaneous fees and charges for wastewater service in Upper Pottsgrove. Capacity reservation fees are provided for under the Miscellaneous Fees and Charges section of the Company’s wastewater tariff. Refer to PAWC’s Tariff Wastewater PA P.U.C. No. 16, page 13. As miscellaneous fees and charges will be applied in accordance with the Company’s wastewater tariff, no amendment to the proposed tariff is required.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

3. Checklist Item No. 15.c – The Application’s Appendix A-15-c includes a response that refers to the Application’s Appendices A-14-a and A-15-a, which contain testimony from Michael J. Guntrum, P.E. as PAWC Statement No. 2 and the Engineer’s Assessment, respectively. These appendices contain a discrepancy in the volume identified as purchased capacity from the Pottstown Borough Authority (PBA). PAWC Statement No. 2 at Page 3, Lines 2- 4 identifies purchased capacity up to 608,600 gallons per day (gpd) in 2017 and the Engineer’s Assessment includes a list, on Page 2-12, which identifies purchased capacity up to 800,600 gpd in 2018 and a total of 862,100 gpd in 2020. Additionally, the appendices do not identify the Pennsylvania Department of Environmental Protection (DEP)-permitted capacity of the four collection system pump stations or interceptors. Please amend the Application’s Appendix A-15-c to include the following:
- a. The total current treatment capacity, in gpd, UPT purchased from PBA;
  - b. The DEP-permitted capacity and materials used for construction for the four pump stations identified in the Engineer’s Assessment; and
  - c. The design or permitted capacity of the collection system’s major interceptor used to convey wastewater to PBA.

**Response:** See Amended Appendix A-15-c.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

4. Checklist Item No. 18.a – The Application’s Appendix A-18-b included a copy of UPT’s current wastewater rules and regulations. Section 275-56 of these rules and regulations indicates that the amount of the fee for Availability Customers shall be established and modified by resolution and/or ordinance. However, the Application’s Appendix A-18-a does not include a copy of the current resolution and/or ordinance establishing rates for Availability Customers. Please amend the Application’s Appendix A-18-a to include copies of UPT ordinances, resolutions, tariffs, agreements and/or contracts establishing rates for Availability Customers

**Response:** Please see **Amended Appendix A-18-a** for Ordinance No. 430, which establishes annual charges for the reservation of sanitary sewer system, and treatment plant capacity. However, please also see the response to No. 2 herein explaining that this ordinance will not be applicable post-closing. PAWC’s Miscellaneous Fees and Charges section of the Company’s wastewater tariff will be applicable.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

5. Checklist Item No. 18.a – The pro forma tariff supplement included in the Application’s Appendix A-12 specifies on Page 8 that Rate Zone XX rates apply to customers in a portion of Douglass Township. However, the UPT rates provided in the Application’s Appendix A18-a do not include copies of UPT ordinances, resolutions, tariffs, agreements and/or contracts establishing rates for wastewater service for customers in Douglass Township. Please amend the Application’s Appendix A-18-a to include copies of UPT ordinances, resolutions, tariffs, agreements and/or contracts establishing rates for wastewater service customers in Douglass Township.

**Response:** Please see **Amended Appendix A-18-a**, which includes Upper Pottsgrove’s Resolution No. 718. Resolution 718 states that “Upper Pottsgrove Township shall apply at all times in the future, the same rates, terms and conditions to its customers outside Upper Pottsgrove Township limits as it does to customers within the Upper Pottsgrove Township limits. Please also see the Commission’s Order entered October 8, 2020 at Docket No. P-2020-3021526 directing “That Upper Pottsgrove Township shall continue to charge its wastewater customers in Douglass Township the same rates for service as it charges its customers residing within its municipal limits.”

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

6. Checklist Item No. 18.a – The Application’s Appendix A-18-a included a partial copy of UPT Ordinance No. 440 that includes only even numbered pages. Please amend the Application’s Appendix A-18-a to include a complete copy of Ordinance No. 440.

**Response:** Please see **Amended Appendix A-18-a** for a complete copy of Ordinance No. 440.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

7. Checklist Item No. 20.b. – Pages 2-5 and 2-6 of the Engineer’s Assessment identified four UPT pump stations, including an “Evans Road” and a “Hollyberry” pump station. However, the Application’s Appendix A-20-b does not provide copies of the DEP permits applicable to the Hollyberry and Evans Road pump stations. Please amend Appendix A-20-b to include copies of water quality management permits for these two facilities.

**Response:** The “Evans Road” pump station is located within the Farmington Avenue West Sanitary Sewer System. This permit (WQM Permit No. 4606407) has already been provided.

After a diligent search by Upper Pottsgrove Township and PAWC in consultation with DEP, it is believed that a permit for the Hollyberry pump station does not exist. PAWC is working with Upper Pottsgrove and DEP to obtain this permit prior to closing.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-American Water Company – Wastewater Division Acquisition of Upper Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

8. Checklist Item No. 22.a – The Application’s Appendix A-22-a contained a copy of a letter from UPT’s engineer identifying the status of UPT’s compliance with its DEP-approved Official Sewage Facilities Plan (Act 537 Plan). However, the appendix and the letter do not demonstrate compliance with Douglass Township’s DEP-approved Act 537 Plan. Please amend Appendix A-22-a to demonstrate compliance with the DEP-approved Act 537 Plan for Douglass Township.

**Response:** Please see **Amended Appendix A-22-a**.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

9. Checklist Item No. 22.b – The Application’s Appendix A-22-b included a response that indicated Douglass Township submitted an Act 537 Plan to DEP in 2019 and that the Act 537 plan was not approved. The Application’s Appendix A-22-b does not include a copy of the Act 537 Plan currently approved by DEP for Douglass Township. Please amend Appendix A-22-b to include a copy of Douglass Township’s current DEP-approved Act 537 Plan

**Response:** Please see **Amended Appendix A-22-b.4** for the Douglass Township Act 537 Plan.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

10. Checklist Item No. 22.e – The Application’s Appendix A-22-e included copies of letters addressed to the Pottstown Borough Planning Commission, the Montgomery County Planning Commission, the Douglass Township Planning Commission, and the Berks County Planning Commission requesting evidence that PAWC-WD’s filing is consistent with affected municipality and county comprehensive plans. However, only a response from the Montgomery County Planning Commission was provided. Please amend Appendix A-22-e to provide evidence the filing is consistent with all affected municipal and county comprehensive plans.

**Response:** Please see **Second Amended Appendix A-22-e**.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

11. Checklist Item No. 24.a – The Application’s Appendix A-24-a is missing its copy of Schedule 3.03 – Allocation Schedule. Please amend Appendix A-24-a to include a copy of Schedule 3.03 – Allocation Schedule.

**Response:** Schedule 3.03 – Allocation Schedule was inadvertently included on the Schedules list in the APA’s Table of Contents but is not referenced in Section 3.03 of the APA and does not exist.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

12. Checklist Item No. 24.a – The Application’s Appendix A-24-a is missing its copy of Schedule 4.06 – Undisclosed Liabilities. Please amend Appendix A-24-a to include a copy of Schedule 4.06 – Undisclosed Liabilities.

**Response:** Schedule 4.06 – Undisclosed Liabilities is included in Appendix A-24-a but is titled “Schedule 4.06 – Seller Liabilities.”

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

13. Checklist Item No. 25 – The Sewage Treatment Service Agreement dated September 13, 2004 (2004 Treatment Agreement), included in the Application’s Appendix A-25, contains a reference to an Exhibit A on Page 10, Section 4.01. Exhibit A is not included in Appendix A-25. Please amend Appendix A-25 to include a copy of the 2004 Treatment Agreement’s Exhibit A.

**Response:** Please see **Amended Appendix A-25**, which includes a copy of the 2004 Treatment Agreement’s Exhibit A.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

14. Checklist Item No. 25 – Page 12, Section 4.02 of the 2004 Treatment Agreement specifies that any sale of requested capacity shall result in an amendment to the 2004 Treatment Agreement’s Exhibit A. Page 2-12 of the engineer’s assessment, included in the Application’s Appendix A-15-a, identifies that UPT’s wastewater assets include treatment capacity purchased after 2004. Also, the Application’s Appendix A-22-b.1, Act 537 Sewage Facilities Plan Revision, includes, as Appendix 5.3, a Transfer of Capacity Rights Agreement executed in 2009 (2009 Capacity Agreement). The 2009 Capacity Agreement’s Article III, Section 3.01 specifies that the 2009 Capacity Agreement amends the 2004 Sewage Treatment Agreement’s Exhibit A. Please amend Appendix A-25 to include copies of any effective amendments to the 2004 Sewage Treatment Agreement, including, but not limited to, the 2009 Capacity Agreement.

**Response:** Please see **Amended Appendix A-25**, which includes the 2005 and 2009 Transfer of Capacity Rights Agreements and all Purchased Capacity Agreements made pursuant thereto in April 2005, June 2013, May 2018, April 2020, and September 2020. Capacity was also purchased in June 2010 and May 2011, as evidenced by subsequent Purchased Capacity Agreements, however Upper Pottsgrove represented to PAWC that separate agreements for those purchases were not executed. The September 2020 Purchased Capacity Agreement Exhibit A confirms all prior purchases.

**66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-  
American Water Company – Wastewater Division Acquisition of Upper  
Pottsgrove Township Wastewater System Assets  
Docket No. A-2020-3021460**

15. Checklist Item No. 25 – The Joint Sewage Transportation Agreement dated March 28, 1994 (1994 Transportation Agreement), included in the Application’s Appendix A-25, contains a reference to an Exhibit A on Page 2, Article I, Section 2. Exhibit A is not included in Appendix A-25. Please amend Appendix A-25 to include a copy of the 1994 Transportation Agreement’s Exhibit A.

**Response:** Please see **Amended Appendix A-25**.