



**Elizabeth Rose Triscari**

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February 17, 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 –2.2.21**

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 February 2, 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.

Rosemary Chiavetta, Secretary  
February 17, 2021  
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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 17th day of February 2021 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**

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Office of Small Business Advocate  
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Gina Miller, Prosecutor  
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Pennsylvania Public Utility Commission  
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Respectfully submitted,



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**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 at Docket No. A-2020-3021460**

**Missing Application Information – Set II**

16. Checklist Item No. 12 – Number 2 of the Application’s Completeness Review dated December 10, 2020 indicated, “[T]he 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.” In response, PAWC-WD stated, “The referenced availability rate is a fee charged by [UPT] for reservation of sewer capacity. As stated in Section 7.03(a) of the Asset Purchase Agreement [...], [PAWC-WD] will apply its then-existing miscellaneous fees and charges for wastewater service in [UPT]. Capacity reservation fees are provided for under the Miscellaneous Fees and Charges section of [PAWC-WD’s] wastewater tariff. [...] As miscellaneous fees and charges will be applied in accordance with [PAWC-WD’s] wastewater tariff, no amendment to the proposed tariff is required.” Page 12 of PAWC’s effective wastewater tariff indicates that, “Within [PAWCWD’s] service territory or for any future development, a capacity fee of \$4,000 per EDU will be charged, and payable at the time the Planning Module is fully executed by [PAWC-WD], the relevant municipality, and [DEP].” However, Section 275-56 Part A. and Part C.(1) of UPT Ordinance No. 430, provided in the Application’s Appendix A-18-a.5, respectively indicate that, “An annual fee for the reservation of sewer capacity is hereby imposed upon an applicant for any connections not made within six (6) months from the date of approval of the sewage planning module by DEP.” And “The reservation capacity fee shall not exceed sixty percent (60%) of the average sanitary sewer bill for a residential customer in [UPT].” Resultingly, the pro forma tariff supplement included in the Application’s Amended Appendix A-12 does not include the established rates of the seller, in accordance with UPT Ordinance No. 430. Please revise the Application’s Amended 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:** Please see **Second 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 at Docket No. A-2020-3021460**

17. Checklist Item No. 20.b. – Number 7 of the Application’s Completeness Review dated December 10, 2020 requested copies of the DEP permits applicable to the Hollyberry and Evans Road Pump Stations as they were missing from the Application. PAWC-WD’s response clarified the “Evans Road” pump station is located within the Farmington Avenue West Sanitary Sewer System subject to WQM Permit No. 4606407, previously provided as part of the Application’s Appendix A-20-b. However, PAWC-WD’s response also stated “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.” Please amend the Application’s Appendix A-20-b to include a copy of the DEP water quality management permit for the Hollyberry Pump Station.

**Response:** Please see **Amended Appendix A-20-b**.

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

18. Checklist Item No. 25 – Number 15 of the Application’s Completeness Review dated December 10, 2020 requested a copy of the missing Exhibit A referenced on Page 2, Article I, Section 2 of the 1994 Transportation Agreement, included in the Application’s Appendix A-25. Per the 1994 Transportation Agreement, Exhibit A further identifies the location where flows from UPT wastewater mains enter Lower Pottsgrove Township Authority’s wastewater system. PAWC-WD’s response referred to Amended Appendix A-25. However, Amended Appendix A-25 did not include a copy of the 1994 Transportation Agreement’s Exhibit A. Please revise the Application’s Amended Appendix A-25 to include a copy of the 1994 Transportation Agreement’s Exhibit A.

**Response:** Please see **Second Amended Appendix A-25**. Only the Second Amended Response and the 1994 Transportation Agreement with Exhibit A is being filed, without including again all other agreements.