

---

Garrett P. Lent  
Associate

glent@postschell.com  
717-612-6032 Direct  
717-731-1979 Direct Fax  
File #: 181816

September 21, 2021

***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:

Pursuant to Ordering Paragraph 14 of the Opinion and Order of the Pennsylvania Public Utility Commission (“Commission”) entered in the above-captioned proceeding on January 14, 2021 (“*Receivership Order*”), enclosed for filing is the Third Status Report of Aqua Pennsylvania, Inc. (“Aqua”) on the operations of the water system of Twin Lakes Utilities, Inc. (“TLU”). Copies of this status report are being served upon the Water and Wastewater Section of the Commission’s Bureau of Technical Utility Services consistent with Ordering Paragraph 14 of the *Receivership Order*, and as indicated on the Certificate of Service.

Please direct any questions you may have regarding the enclosed filing to the undersigned counsel.

Rosemary Chiavetta, Secretary  
September 21, 2021  
Page 2

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Garrett P. Lent". The signature is written in a cursive style with a large initial "G".

Garrett P. Lent

GPL/kl  
Attachment

cc: Honorable Joel H. Cheskis  
Dan Searforce - TUS  
Sean Donnelly - TUS  
Patricia Wiedt – Law Bureau  
Certificate of Service

## 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

Lauren M. Burge, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
U.S. Steel Tower  
600 Grant Street, 44<sup>th</sup> Floor  
Pittsburgh, PA 15219  
[lburge@eckertseamans.com](mailto:lburge@eckertseamans.com)

Jay L. Kooper, General Counsel  
Twin Lakes Utilities Inc.  
485C Route One South, Suite 400  
Iselin, NJ 08830  
[jkooper@middlesexwater.com](mailto:jkooper@middlesexwater.com)

Christine M. Hoover, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – 5<sup>th</sup> Floor  
Harrisburg, PA 17101  
[choover@paoca.org](mailto:choover@paoca.org)

Scott B. Granger, Esquire  
Bureau of Investigation and Enforcement  
400 North Street – 2<sup>nd</sup> floor West  
Harrisburg, PA 17120  
[sgranger@pa.gov](mailto:sgranger@pa.gov)

Eric Bartolacci, Esquire  
Department of Environmental Protection  
Office of Field Operations  
2174B Route 611  
Swiftwater, PA 18370  
[ebartolacc@pa.gov](mailto:ebartolacc@pa.gov)

John H. Klemeyer, Esquire  
108 Tulip Circle  
Shohola, PA 18458  
[klemeyerjohn@gmail.com](mailto:klemeyerjohn@gmail.com)  
*Counsel for Water Authority of Borough of Milford*

Date: September 21, 2021



---

Garrett P. Lent



**THIRD STATUS REPORT**  
**TO THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

TWIN LAKES UTILITIES, INC.  
AQUA PENNSYLVANIA, INC., AS RECEIVER

DOCKET NO. P-2020-3020914

**Dated: September 21, 2021**

## A. BACKGROUND

On July 16, 2020, Twin Lakes Utilities, Inc. (“TLU”) filed a Petition for a Commission Order authorizing the acquisition of TLU by another capable public utility pursuant to Section 529 of the Public Utility Code<sup>1</sup> (“TLU Petition”). The TLU Petition was filed as a result of Middlesex Water Company (“Middlesex”), the parent company of TLU, terminating its Service Agreement with TLU. While Aqua Pennsylvania, Inc. (“Aqua” of the “Company”) ultimately opposes the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) ordering Aqua to acquire the TLU system, Aqua agreed to act as Receiver for the TLU system during the pendency of the Section 529 proceeding.<sup>2</sup>

On December 31, 2020 Deputy Chief Administrative Law Judge Joel H. Cheskis issued an Order Certifying Material Question to the Commission regarding Aqua’s status as Receiver. On January 14, 2021 the Commission entered an Opinion and Order in Docket No. P-2020-3020914 (“Receivership Order”) naming Aqua as Receiver for TLU.<sup>3</sup> Aqua was directed to assume its Receivership role on January 15, 2021.<sup>4</sup> Included within the PUC’s Receiver Order, the Company was directed to “[s]ubmit 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 and that copies of the status report and quarterly updates shall be served upon the Water and Wastewater Section of the Commission’s Bureau of Technical Utility Services.”<sup>5</sup>

Aqua submitted its Initial Status Report to the Commission on March 16, 2021. On April 22, 2021, the Administrative Law Judge issued a Recommended Decision that recommends the Commission order Aqua to acquire the TLU system subject to the condition that within thirty (30) days after the Commission’s final action in this proceeding Middlesex place in escrow \$1,675,000 to be used to offset the costs of replacing and remediating the existing infrastructure of the TLU system.<sup>6</sup> Exceptions to the Recommended Decision were filed by Aqua and TLU on May 13, 2021. Replies to Exceptions were Filed by Aqua, TLU, the Commission’s Bureau of Investigation and Enforcement, and the Office of Consumer Advocate on May 25, 2021. Aqua submitted its Second Status Report on June 23, 2021. Aqua now submits its Third Status Report (“Status Report”) on the operations of TLU as directed by the Commission.

---

<sup>1</sup> 66 Pa. C.S. § 529.

<sup>2</sup> See Aqua Letter of December 16, 2020 filed in this Docket whereby Aqua indicated it would be willing to act as receiver effective January 4, 2021. Subsequently, on December 22, 2020, Aqua filed a letter with the Commission which advised the Commission that Aqua was willing to act as receiver effective January 15, 2021, in order to accommodate Commission review of Aqua’s proposal at the January 14, 2021 public meeting.

<sup>3</sup> 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, Opinion and Order, Ordering Paragraph 2 (January 14, 2021) (hereinafter “Receivership Order”).

<sup>4</sup> Id.

<sup>5</sup> Id. Ordering Paragraph No. 14.

<sup>6</sup> Recommended Decision at 70.

## **B. THIRD STATUS REPORT**

### **1. Financial**

The Receivership Order directed Aqua to establish the financial position of TLU at the time Aqua assumed its Receivership role.<sup>7</sup> Middlesex provided Aqua with a Trial Balance as of December 31, 2020 and updated as of January 15, 2021 which was provided to the Commission in the Initial Status Report. Aqua will continue to track expenses and capital improvements related to the TLU system through deferred accounting treatment via establishment of a regulatory asset in accordance with Aqua's Receivership duties.<sup>8</sup>

Additionally, Aqua would like to continue to raise a concerning issue and disagreement regarding certain invoices that were forwarded from Middlesex for payment by Aqua. Aqua has received several requests from Middlesex for payment of certain invoices related to interest on outstanding promissory notes, included as **Attachment A**. Aqua continues to disagree that it should pay this promissory notes for the reasons set forth in Aqua's Second Status Report to the Commission.

### **2. Operations and Capital Expenditures**

On January 15, 2021, Aqua began its Receivership duties for the TLU system. Since Aqua's last status report, there have been no significant capital improvements made to the system.

The TLU system had no Department of Environmental Protection violations or significant operational changes since the last status report.

As Aqua continues to operate the system to ensure compliance with the Receivership Order, Aqua will make improvements necessary to provide quality and reliable service. Aqua will provide further information on operational issues in later reports.

## **C. CONCLUSION**

Aqua will continue to investigate the system's operations and financial status and will make necessary improvements to operate the TLU system to ensure quality service to the TLU customers for the period of its Receivership duties during the Section 529 proceeding. Aqua will provide an update to this Status Report on or before December 20, 2021.

---

<sup>7</sup> Receivership Order, Ordering Paragraph 2, Appendix A Paragraph 1.q.

<sup>8</sup> Receivership Order, Ordering Paragraph 2, Appendix A Paragraphs 1.r and 1.s.

# ATTACHMENT A

**INVOICE**

**MIDDLESEX WATER COMPANY**  
**Attention: Tracy Tyrell**  
**485C Route 1 South Suite 400**  
**ISELIN, NEW JERSEY 08830**  
**(732) 634-1500**

INVOICE NUMBER: TLU 06-2021  
DATE: 07/19/2021

TO: [Twin Lakes Utilities, Inc.](#)  
[485C Route One South, Suite 400](#)  
[Iselin, NJ 08830](#)

DESCRIPTION OF CHARGES

AMOUNT

[Monthly Interest on Promissory Notes Outstanding \(June 2021\)](#)

AMOUNT OF PROMISSORY NOTE	INTEREST RATE PER YEAR	DAYS	ANNUAL INTEREST	MONTHLY INTEREST
\$ 1,000,000.00	7.00%	30	\$ 70,000.00	\$ 5,833.33
\$ 1,165,486.00	7.00%	30	\$ 81,584.02	6,798.67
\$ 386,839.31	7.00%	30	\$ 27,078.75	2,256.56
				<u>\$ 14,888.56</u>

**TOTAL DUE:**

\$ 14,888.56

**\*\*\*INVOICE DUE UPON RECEIPT\*\*\***

INVOICE

**MIDDLESEX WATER COMPANY**  
**Attention: Tracy Tyrell**  
**485C Route 1 South Suite 400**  
**ISELIN, NEW JERSEY 08830**  
**(732) 634-1500**

INVOICE NUMBER: TLU 07-2021  
DATE: 07/13/2021

TO: [Twin Lakes Utilities, Inc.](#)  
[485C Route One South, Suite 400](#)  
[Iselin, NJ 08830](#)

DESCRIPTION OF CHARGES

AMOUNT

Monthly Interest on Promissory Notes Outstanding (July 2021)

AMOUNT OF PROMISSORY NOTE	INTEREST RATE PER YEAR	DAYS	ANNUAL INTEREST	MONTHLY INTEREST
\$ 1,000,000.00	7.00%	31	\$ 70,000.00	\$ 6,027.78
\$ 1,165,486.00	7.00%	31	\$ 81,584.02	7,025.29
\$ 401,726.69	7.00%	31	\$ 28,120.87	2,421.52
				\$ 15,474.59

**TOTAL DUE:**

\$ 15,474.59

**\*\*\*INVOICE DUE UPON RECEIPT\*\*\***

**INVOICE**

**MIDDLESEX WATER COMPANY**  
**Attention: Tracy Tyrell**  
**485C Route 1 South Suite 400**  
**ISELIN, NEW JERSEY 08830**  
**(732) 634-1500**

INVOICE NUMBER: TLU 08-2021  
DATE: 09/20/2021

TO: [Twin Lakes Utilities, Inc.](#)  
[485C Route One South, Suite 400](#)  
[Iselin, NJ 08830](#)

DESCRIPTION OF CHARGES

AMOUNT

[Monthly Interest on Promissory Notes Outstanding \(August 2021\)](#)

AMOUNT OF PROMISSORY NOTE	INTEREST RATE PER YEAR	DAYS	ANNUAL INTEREST	MONTHLY INTEREST
\$ 1,000,000.00	7.00%	31	\$ 70,000.00	\$ 6,027.78
\$ 1,165,486.00	7.00%	31	\$ 81,584.02	7,025.29
\$ 417,201.28	7.00%	31	\$ 29,204.09	2,514.79
				<b>\$ 15,567.86</b>

**TOTAL DUE:**

**\$ 15,567.86**

**\*\*\*INVOICE DUE UPON RECEIPT\*\*\***