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October 8, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Joint Application of Veolia Environnement S.A., Veolia North America, Inc., SUEZ S.A., SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc. for all approvals pursuant to Sections 1102(a)(3), (4), and 1103 of the Pennsylvania Public Utility Code, and as otherwise required under the Pennsylvania Public Utility Code for the change in control of SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc.; Docket No. A-2021-3026523

Dear Secretary Chiavetta:

Attached please find for filing with the Pennsylvania Public Utility Commission the Joint Applicants' Updated Response to the Bureau of Technical Utility Services ("TUS") Data Request 2-3.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served via email. We are also filing these documents electronically. We can provide parties with a hard copy upon request.

If you have any questions regarding the attached documents, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare'.

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

Counsel to Veolia Environnement S.A.
and Veolia North America, Inc.

c: Marie Intrieri, Bureau of Technical Utility Service (maintrieri@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA E-MAIL

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Harrisburg, PA 17101
PULP@pautilitylawproject.org
Counsel for CAUSE-PA



Adeolu A. Bakare

Counsel to Veolia Environnement S.A. and
Veolia North America, Inc.

Dated this 8th day of October, 2021, in Harrisburg, Pennsylvania

SUEZ Water Pennsylvania Inc. – Water Division
SUEZ Water Pennsylvania Inc. – Wastewater Division
SUEZ Water Bethel Inc. (collectively, SUEZ)

Docket Nos. A-2021-3026523, A-2021-3026515, and A-2021-3026522

SUEZ Responses to TUS Data Requests Set 2

TUS-2-3 Other Regulatory/Jurisdictional approval status update – Please provide the updated status of any regulatory approvals required for the proposed transaction to occur, including State Commission approvals in NY, NJ and DE, European Commission approval, Committee on Foreign Investment in the United States (CFIUS), Federal Communication Commission (FCC) and any permitting approvals required from the PA Department of Environmental Protection and the Susquehanna River Commission.

Response:

State Regulatory Proceedings

Veolia, SUEZ, Veolia North America, and the respective SUEZ utilities in each state are currently engaged in ongoing discovery and/or settlement negotiations in New York and New Jersey. On October 6, 2021, the Delaware Public Service Commission issued a final order approving the Transaction. The final order is attached as TUS-2-3, Attachment C.

European Commission

Veolia expects to submit its formal antitrust filing with the European Commission in October 2021.

Committee on Foreign Investment in the United States (CFIUS)

On September 3, 2021, Veolia and SUEZ submitted the required notification with CFIUS regarding the Transaction. CFIUS formally accepted the filing on September 14, 2021. The mandatory CFIUS waiting period will expire on October 14, 2021. The CFIUS initial 45-day review period will conclude no later than October 28, 2021.

Federal Communication Commission (FCC)

The Joint Applicants are in the process of completing the transfer application to the FCC.

Susquehanna River Basin Commission (SRBC)

On August 17, 2021, the SRBC notified the Joint Applicants that the combination of SUEZ and Veolia does not trigger the requirement to submit a transfer application or affect any current dockets or grandfathering certificates (or grandfathering quantities) for water withdrawals. Please see Joint Applicants' response to TUS-2-3, Attachment A.

Pennsylvania Department of Environmental Protection (DEP)

On September 17, 2021, DEP confirmed that the combination of SUEZ and Veolia does not trigger DEP permit transfer requirements for the SUEZ Pennsylvania Utilities' public water system, water allocation, or national pollutant discharge elimination system permits. Please see Joint Applicants' response to TUS-2-3, Attachment B.

Response Provided by: Keith Oldewurtel, Executive Vice President and Chief Operating Officer at Veolia North America

Date: September 24, 2021; Updated October 8, 2021



4423 N. Front Street | Harrisburg, PA 17110-1788 | 717.238.0423 | srbc.net | @SRBCnews

Via E-mail and First-Class Mail

August 17, 2021

Michael D. Klein, Esq.
Cozen O'Connor
17 North Second Street
Suite 1410
Harrisburg, PA 17101
mklein@cozen.com

RE: SUEZ-Veolia Transaction, Susquehanna River Basin Commission Opinion Request

Dear Attorney Klein:

I have received your August 3, 2021, letter outlining the corporate changes regarding the facilities owned by SUEZ Water Pennsylvania, Inc. (SWPA). You state that SWPA is a wholly owned subsidiary of SUEZ Water Resources LLC (SWR) and that all SUEZ entities in North America are subsidiaries of SUEZ North America Inc. You indicated that SUEZ and Veolia Environment S.A. (Veolia), including its subsidiary, Veolia North America, Inc. have entered into a combination agreement executed on May 14, 2021. The transaction will result in Veolia becoming the beneficial owner of a controlling interest in SUEZ.

You have asked for my concurrence with your opinion that the transaction described in your letter would not trigger any regulatory action or review of the project, its existing dockets, grandfathering certificates (or grandfathered quantities), or require a transfer application for SWPA projects under the rules and regulations of the Susquehanna River Basin Commission (SRBC). I have reviewed your letter in consultation with the appropriate staff at SRBC. **I conclude that the combination of SUEZ and Veolia, as presented, do not trigger the requirement for SWPA to submit a transfer application or affect its current dockets, grandfathering certificates (or grandfathered quantities) for its water withdrawals.**

Your letter correctly notes that the combination of these companies occurs at the parent company level and that SWPA does not change ownership as contemplated under the SRBC's regulations at 18 CFR §§ 806.3-806.6. You further note that:

- SWPA is approximately five levels removed from the organizational change at the parent level.
- SWPA will retain its current status as a PA public utility corporation with the same corporate structure.
- SWPA will retain its current Employer ID Number.
- SWPA will retain ownership of the projects currently approved by the SRBC as the project sponsor (in Pennsylvania).
- No new filings will be needed with the PA Department of State as part of this transaction.

Michael D. Klein, Esq.

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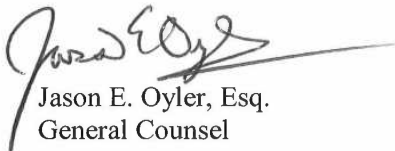
August 17, 2021

You also correctly note that if and when there is any name change to SWPA, the project sponsor must, within 90 days of the name change, request a reissuance of all of the project sponsor's approvals by the SRBC in accordance with 18 CFR § 808.6(c).

This opinion is analyzing the impact of the described corporate transactions on the status of the SWPA's projects, both docketed and grandfathered, with the SRBC. This opinion is based on the facts and analysis provided in your August 3, 2021 letter. Any changes to the transaction or additional facts may change this opinion and analysis. Further, no information was provided and no opinion is given as to whether the project may have lost grandfathering through another mechanism, such as adding a source or increasing the amount of its withdrawal or consumptive use over what is provided for in the applicable regulations.

If you have any further questions regarding this matter, please feel free to contact me.

Sincerely,



Jason E. Oyler, Esq.
General Counsel

cc: Stephen Matzura, Esq., McNees Wallace & Nurick
Andrew Dehoff
Andrew Gavin
Jeremy Hoffman
Todd Eaby
Curt Sebastian, Esq.

September 17, 2021

Michael D. Klein, Esq.
Cozen O'Connor
17 North Second Street
Suite 1410
Harrisburg, PA 17101
mklein@cozen.com

RE: SUEZ-Veolia Transaction, DEP Opinion Request

Dear Attorney Klein:

In review of the July 9, 2021 inquiry directed to Lisa Daniels, Director of the Bureau of Safe Drinking Water Program, the August 2, 2021 meeting between Pennsylvania Department of Environmental Protection (“PA DEP”) program staff and attorneys, and the subsequent information provided by you and your clients, the PA DEP program staff have concluded that the Combination Agreement involving Veolia Environment S.A. (“Veolia”), Veolia North America Inc., SUEZ S.A. (“SUEZ”), SUEZ Water Pennsylvania Inc., (“SWPA”) and SUEZ Water Bethel Inc. (“SWB”), will not trigger PA DEP permit transfer requirements for SWPA and SWB for the Public Water System (“PWS”), Water Allocation, and National Pollutant Discharge Elimination System (“NPDES”) permits.

You have requested that PA DEP provide a response to your question: whether the Combination Agreement will trigger a permit transfer requirement. In reviewing the materials you provided, and the explanation of the change occurring at the parent company level, PA DEP program staff have concluded that at this time, the Combination Agreement will not change ownership or control as contemplated under PA DEP’s regulations at 25 Pa. Code § 92a.71, 25 Pa. Code § 109.503(b)(2), and the Water Rights Law (32 P.S. §§ 631-641) .

If you have any further questions regarding this matter, please feel free to contact either of us.
Sincerely,

Leda J. Lacomba, Esq.
Assistant Counsel
llacomba@pa.gov

Adam T. Duh, Esq.
Assistant Counsel
aduh@pa.gov

cc: John Hollenbach
Stephen Matzura, Esq.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION)
OF VEOLIA ENVIRONNEMENT S.A.,)
VEOLIA NORTH AMERICA, INC., SUEZ) PSC DOCKET NO. 21-0436
S.A., AND SUEZ WATER DELAWARE)
INC. PURSUANT TO 26 DEL. C. § 215)
PERTAINING TO AN INDIRECT CHANGE)
IN CONTROL OF SUEZ WATER DELAWARE)
INC. (FILED JUNE 11, 2021))

ORDER NO. 9894

AND NOW, this 6th day of October 2021, the Delaware Public Service Commission (the “Commission”) determines and orders the following:

WHEREAS, SUEZ Water Delaware Inc., a Delaware corporation (“SWDE”), is a public utility, subject to the jurisdiction of this Commission, that provides water services within Delaware; and

WHEREAS, on June 11, 2021, Veolia Environnement S.A. (“Veolia”), a French *société anonyme*, Veolia North America, Inc., a Delaware corporation and wholly-owned subsidiary of Veolia (“Veolia North America”), SUEZ S.A., a French *société anonyme* (“SUEZ”), and SWDE (collectively, the “Joint Applicants”) filed an application (the “Application”) pursuant to 26 *Del. C.* § 215 seeking approval of an indirect change in control of SWDE; and

WHEREAS, the Joint Applicants seek the Commission’s approval of Veolia’s acquisition of a majority or all of the outstanding shares of SUEZ in accordance with a Combination Agreement entered into between those entities on May 14, 2021, pursuant to which Veolia would acquire a majority or all of SUEZ’s equity interests in SWDE (the “Transaction”); and

WHEREAS, on June 17, 2021, the Delaware Division of the Public Advocate (the “DPA”)

filed its Statutory Notice of Intervention, and no other parties have sought leave to intervene in this docket; and

WHEREAS, on June 23, 2021, the Commission entered Order No. 9831, which appointed Glenn C. Kenton, Esquire, as the Hearing Examiner and adopted a procedural schedule related to this proceeding; and

WHEREAS, by Order No. 9831, the Commission directed that notice of the proceeding be published, that an evidentiary hearing regarding the Application be conducted at a regularly scheduled Commission meeting, and that a Public Comment Session would be held regarding the Application; and

WHEREAS, the Joint Applicants caused notice to be published regarding the proceeding in the *Delaware State News* and *The News Journal* newspapers on July 11, 2021; and

WHEREAS, due to an incomplete docket number appearing in the July 11, 2021 *Delaware State News* publication, the Joint Applicants caused a second notice to be published regarding the proceeding in the *Delaware State News* on August 15, 2021; and

WHEREAS, Delaware Public Service Commission Staff (“Staff”) and DPA propounded substantial discovery in this matter, which has been responded to by the Joint Applicants; and

WHEREAS, a Public Comment Session was held before Hearing Examiner Kenton on August 18, 2021, in New Castle, Delaware, and no members of the public provided comment on the Application; and

WHEREAS, after having previously advised the Hearing Examiner that the Joint Applicants, Staff, and the DPA were engaged in settlement discussions, counsel for the Joint Applicants advised the Hearing Examiner on September 13, 2021, that the parties had reached an agreement in principle to settle the matters at issue in this docket, subject to the approval of the

Commission; and

WHEREAS, the Joint Applicants caused notice of a public evidentiary hearing, scheduled for October 6, 2021, to be published in *The News Journal* on September 16, 2021; and

WHEREAS, the Commission conducted a duly-noticed public evidentiary hearing for this matter on October 6, 2021; and

WHEREAS, at the October 6, 2021 evidentiary hearing, the Joint Applicants, Staff, and the DPA presented to the Commission a proposed Settlement Agreement, which is attached hereto as “Exhibit A” (the “Proposed Settlement”), and proffered testimony and exhibits in support of the Proposed Settlement; and

WHEREAS, the Commission has reviewed the Application, the pre-filed testimony, and Proposed Settlement, and has heard the parties’ testimony in support of the Proposed Settlement; and

WHEREAS, based on the testimony and exhibits presented at the October 6, 2021 evidentiary hearing, the Commission finds the proposed Transaction meets the requirements of 26 *Del. C.* § 215, and that the adoption of the Proposed Settlement is in the public interest;

NOW, THEREFORE, BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS, IT IS ORDERED:

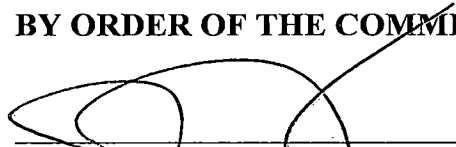
1. The Commission has jurisdiction over this matter pursuant to 26 *Del. C.* §§ 201, 215 and 512 and 29 *Del. C.* § 10128.
2. The Commission finds that the proposed Transaction meets the conditions required by 26 *Del. C.* § 215(d) in that the Transaction, subject to the terms of the Proposed Settlement, is in accordance with law, for a proper purpose, and is consistent with the public interest.
3. The Commission also finds that the Proposed Settlement is in the public interest as

required by 26 Del. C. § 512(c).


4. Based upon the foregoing, the proposed Transaction, subject to the terms of the Proposed Settlement, is APPROVED.

5. The Commission reserves jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:



J. Dallas Winslow, Jr., Chairman



Joann T. Conaway, Commissioner



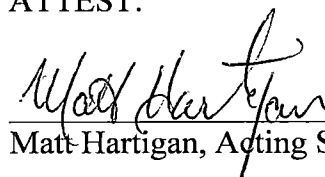
Harold B. Gray, Commissioner

Manubhai "Mike" C. Karia, Commissioner



Kim F. Drexler, Commissioner

ATTEST:



Matt Hartigan, Acting Secretary



EXHIBIT A

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)	
OF VEOLIA ENVIRONNEMENT S.A.,)	
VEOLIA NORTH AMERICA, INC., SUEZ)	
S.A., AND SUEZ WATER DELAWARE)	
INC. PURSUANT TO 26 DEL. C. § 215)	Docket No. 21-0436
PERTAINING TO AN INDIRECT)	
CHANGE IN CONTROL OF SUEZ WATER)	
DELAWARE INC. (Filed June 11, 2021))	

SETTLEMENT AGREEMENT

WHEREAS, Veolia Environnement S.A. (“VE”), a French *société anonyme*, and SUEZ S.A., a French *société anonyme* (“SUEZ”) executed a Combination Agreement on May 14, 2021, which would result in VE acquiring a majority or all of the outstanding shares of SUEZ (the “Transaction”);

WHEREAS, on June 11, 2021, VE, Veolia North America, Inc., a Delaware corporation and wholly-owned subsidiary of VE (“Veolia North America” or together with VE “Veolia”), SUEZ and SUEZ Water Delaware Inc. (“SWDE”) (collectively, the “Joint Applicants”) filed an application with the Delaware Public Service Commission (the “Commission”) seeking approval of an indirect change in control of SWDE pursuant to 26 *Del. C.* § 215 (the “Application”);

WHEREAS, the Delaware Division of the Public Advocate (“DPA”) filed its Statutory Notice of Intervention on June 17, 2021;

WHEREAS, no other parties have intervened in the above-captioned docket;

WHEREAS, on June 23, 2021, the Commission entered Order No. 9831, which appointed Glenn C. Kenton, Esquire, as the Hearing Examiner and adopted a procedural schedule related to this proceeding;

WHEREAS, by that same order, the Commission directed that notice of the proceeding be published, that an evidentiary hearing regarding the Application be conducted at a regularly scheduled Commission meeting, and that a Public Comment Session would be held regarding the Application;

WHEREAS, the Joint Applicants caused notice to be published regarding the proceeding in the Delaware State News and the News Journal on July 11, 2021;

WHEREAS, Delaware Public Service Commission Staff (“Staff”) and DPA propounded substantial discovery in this matter, which has been responded to by the Joint Applicants;

WHEREAS, a Public Comment Session was held before Hearing Examiner Kenton on August 18, 2021 and no members of the public provided comment on the Application;

WHEREAS, Staff and DPA have engaged in settlement discussions with the Joint Applicants to establish appropriate protections with respect to the interests of ratepayers and the public;

WHEREAS, subject to the approval of the Commission, the Joint Applicants have agreed to binding commitments above and beyond those contained in the Application;

WHEREAS, the Joint Applicants, Staff, and DPA (the "Settling Parties") have agreed to terms that they believe establish that the Transaction is in accordance with law, for a proper purpose, and is consistent with the public interest as required by 26 *Del. C.* § 215;

WHEREAS, pursuant to 26 *Del. C.* § 512, the public policy of the State of Delaware encourages the resolution of matters before the Commission through settlement; and

WHEREAS, the Settling Parties have, subject to approval by the Commission, agreed on settlement terms, with those terms encompassed herein.

NOW, THEREFORE, the following terms and conditions are agreed to by the Settling Parties to this Settlement Agreement as follows:

Recommendation of Approval of the Transaction

1. Subject to the provisions set forth in this Settlement Agreement, the Settling Parties agree that the statutory criteria for approval of an application for a change of control for a Delaware public utility as set forth in 26 *Del. C.* § 215 have been satisfied with respect to the Transaction and the change in control with respect to SWDE. Specifically, the Settling Parties agree that the record herein, coupled with the conditions set forth in this Settlement Agreement, support findings and conclusions by the Commission that the Transaction is in accordance with law, for a proper purpose, and is consistent with the public interest.

Operational Stability

2. The Joint Applicants commit to not make any changes to SWDE's management, jobs, employee compensation and benefits (including pensions, bonuses, medical benefits, etc.), or other contractual rights and obligations for at least 18 months following consummation of the Transaction.¹

3. The collective bargaining agreements with SWDE's unionized work force that are currently in effect will be honored in full by the Joint Applicants.

¹ Please note that post-closing of the Transaction, SUEZ S.A. will cease to exist in its current form. Therefore, any obligations of the Joint Applicants in the Settlement Agreement scheduled to occur post-closing will be obligations of Veolia and/or SWDE.

Rate Stability

4. Upon consummation of the Transaction, SWDE will institute a one-year moratorium on filing for any increases to distribution base rates.²

5. All Transaction costs, including direct and indirect costs, will be excluded from recovery from SWDE's customers.

Low-Income Relief

6. As stated in the Application, Veolia commits to expanding its shareholder-funded relief to low-income customers with the details to be determined in subsequent consultations with Staff, DPA, and interested stakeholders. Once the Transaction is consummated, \$110,000 will be contributed to SWDE's CARES program.

7. Veolia will also further promote the CARES program through public advertising and community outreach within SWDE's service territory.

8. The Joint Applicants will work with Staff, DPA, state agencies, and other interested stakeholders to implement other low-income programs that are currently being developed, including the Low-Income Household Water Assistance Program ("LIHWAP") funded by the American Rescue Plan and the Consolidated Appropriations Act of 2021 and other state or federally funded plans.

9. The Joint Applicants will work with Staff, DPA, and other interested stakeholders for the purpose of soliciting input to enhance the CARES program. No other program rules related to the CARES program will be diminished as a result of this Transaction.

Arrearage and COVID-19 Relief

10. Veolia's shareholders will contribute \$300,000 to reduce total residential customers' arrears that are more than 60 days overdue, measured as of the date of the Commission order approving the Transaction. If this \$300,000 contribution exceeds total residential customers' arrears that are more than 60 days overdue as of that date, the remaining dollars will be contributed to SWDE's CARES program. If this \$300,000 contribution does not exceed total residential customers' arrears that are more than 60 days overdue as of that date, Veolia will apply the credit to eligible residential customers' bills based on the most aged arrearage over 60 days. This \$300,000 contribution will not be recovered from SWDE's customers.

11. Only active customers with arrears that are more than 60 days overdue will receive the credits described in this section.

² Changes to SWDE's distribution system improvement charge are not included in this moratorium.

12. The credits agreed to in Paragraph 10 will appear on customers' bills within 90 days of consummation of the Transaction.

13. The arrearage relief set forth here shall be incremental to any LIHWAP or other state-funded programs.

14. SWDE agrees to forego recovery of its COVID-19 regulatory asset and shall not continue to record costs in the COVID-19 regulatory asset.

Affiliate Interest Agreements

15. No changes will be made to SWDE's affiliate interest agreement with SUEZ Water Management and Services Inc. as a result of the Transaction.

16. To the extent upstream changes occur in the future that require any amendment to affiliate interest or other operating agreements, SWDE will seek all necessary regulatory approvals in advance of finalizing such changes.

Capital Plans

17. The Joint Applicants will continue to implement SWDE's existing robust capital plans, which are in place through 2024, including those described in the SWDE Long-Term Infrastructure Improvement Plan report filed with the Commission.

18. Veolia will evaluate the potential of its Actiflo³ and other technologies to reduce the costs of water treatment. The Joint Applicants shall notify Staff and DPA if they decide to implement Actiflo or any technology similar to Actiflo, and shall provide a cost-benefit analysis demonstrating how such technology will reduce customer costs.

19. Veolia will ascertain whether and how to implement its Hubgrade data optimization system within existing budgets to conduct probabilistic assessments for prioritization of capital projects, identify and reduce leaks, and generally improve system performance at reduced costs.⁴ The Joint Applicants shall notify Staff and DPA if they decide to implement Hubgrade or any technology similar to Hubgrade, and shall provide a cost-benefit analysis demonstrating how such technology will reduce customer costs.

20. After the efforts outlined in Paragraphs 18 and 19 are completed, if the Joint Applicants determine such technologies should be implemented, the Joint Applicants will develop and, subject to any required Commission review, implement a best practices plan, including a cost-

³ Actiflo is a Veolia-patented high-performance water clarifier for municipal and industrial water treatment offering compact, high flow rate water clarification. It has been exclusively developed by Veolia Water Technologies.

⁴ Hubgrade encompasses a wide range of digital solutions for monitoring, evaluating, and optimizing data which combined with human expertise allows optimization of facilities and infrastructure. See Application, ¶ 35 (pp. 15-16).

benefit analysis related to any planned operational changes. In the event any current management system is replaced, recovery of any stranded costs of the existing system will not be sought.

21. For any new programs proposed pursuant to Paragraph 20 of this Agreement, prior to requesting Commission approval, SWDE or its successor shall file a cost-benefit analysis outlining the benefits to customers as well as overall cost savings.

Community Benefits

22. As stated in the Application, Veolia will provide financial and educational support to SWDE's local communities, and it will improve upon the level of presence and engagement in Delaware that now exists. In addition to preserving the approximately \$51,000 contributed by SUEZ over the prior three-year period, an additional \$100,000 over the following three years will be spent in support of community, charitable, or conservation and sustainability organizations impacting SWDE's service territory. This incremental \$100,000 contribution will not be recovered from SWDE's customers.

23. The Joint Applicants will build and expand upon the community activities SWDE is currently engaged in and additionally will work with local communities to identify how the Joint Applicants can improve relations with the community. Incremental costs related to expanded community activities will be excluded from recovery from ratepayers for a period of three years. Any additional costs of ongoing beneficial community activities will be addressed in SWDE's first rate case filing after this three-year period.

24. In addition to continuing SWDE's existing community outreach programs, the Joint Applicants will continue to coordinate with community leaders in Delaware. The Joint Applicants are committed to supporting the communities SWDE serves whether through collaborating to support local events or supporting local organizations.

Purchase Accounting Commitments

25. Veolia will not record any of the impacts of purchase accounting at any of its acquired regulated utility companies, thereby maintaining historical financial accounting at each of the utility companies. No goodwill or other fair value adjustments will be recorded at the regulated utility companies upon consummation of the Transaction. Veolia agrees that the impacts of the purchase accounting will not be recorded on SWDE's books, and if purchase accounting does impact SWDE's books, Veolia agrees there will be no impact to the assets and costs that are directly charged and allocated to SWDE. In addition, Veolia agrees there will be no impact to the assets and costs that are directly charged and allocated to SWDE.

Most Favored Nation Provision

26. The Joint Applicants will provide Staff and DPA a copy of the final Orders and/or Settlement Stipulations from New Jersey, New York, and Pennsylvania, following approval in each of those jurisdictions, along with an analysis indicating the total dollar amount of any customer benefits (*i.e.*, arrearage relief, low-income relief, and other customer contributions) provided in those states (including a calculation of that amount on a per customer basis) as compared to the total dollar amount of any customer benefits provided in Delaware (calculated on

a per customer basis). The Joint Applicants will include only dollars contributed by Veolia, as opposed to ratepayer dollars, in this calculation.

27. If, on a per customer basis, the aggregate dollar amount provided by Veolia in another jurisdiction is materially more beneficial than the terms of this Settlement Agreement, then Veolia will increase the dollar amount contributed to customer benefits in Delaware to reach an equivalent per customer contribution.

28. If Staff or DPA finds the amount or form of compensation offered by Veolia through SWDE to be insufficient, then Staff or DPA may petition the Commission to require that an increase in such benefits be provided.

Estimated Billing Practices

29. SWDE agrees to deploy a focused operational team that tracks estimated bills on an account-by-account basis and resolve each one to ensure no customer receives estimated bills for more than six consecutive months. Beginning on January 1, 2022, and continuing for a period of five years, SWDE will provide quarterly reports to the Commission regarding the number of customers who have received estimated bills for more than six consecutive months as of the most recent billing cycle. For a period of five years, commencing on January 1, 2022, for any customer who receives an estimated bill for more than six consecutive months, if a subsequent actual meter read demonstrates that SWDE *under recovered* based on the customer's actual usage during that period, SWDE agrees that it will not collect the difference between the estimated and actual usage. After the five-year period, the Settling Parties agree to evaluate the need for continued quarterly reporting. For any customer who receives an estimated bill for more than six consecutive months, if a subsequent actual meter read demonstrates that SWDE *over recovered* based on the customer's actual usage, SWDE will provide a credit to the customer based on the difference between the estimated and actual usage.

Other Transaction-Related Commitments

30. No assets of SWDE, or any subsidiary of SUEZ Water Resources LLC, will be pledged or used as collateral or for any purpose by Veolia or any VE subsidiary or affiliate in the Transaction.

31. The accounting policies and tax return elections associated with the Transaction will not impact SWDE's future deferrals or expense recognition.

32. The capital structure utilized for ratemaking for SWDE will not change as a result of the Transaction.

33. All financial protections presently in place between SWDE and other SUEZ entities, as outlined in the testimony of James Cagle which accompanies the Joint Application, will continue without change.

Miscellaneous Settlement Provisions

34. The Settling Parties agree that this Settlement Agreement represents the entirety of the agreement among the Settling Parties. This Settlement Agreement includes proposals and conditions above and beyond the terms contained in the Application.

35. This Settlement Agreement will become effective upon the Commission's issuance of a final order approving this Settlement Agreement without modification. After the issuance of such final order, the terms of this Settlement Agreement shall be implemented and enforceable notwithstanding the pendency of any legal challenge to the Commission's approval of this Settlement Agreement or to actions taken by another regulatory agency or Court, unless such implementation and enforcement is stayed or enjoined by the Commission, another regulatory agency, or a Court having jurisdiction over the matter.

36. This Settlement Agreement resolves all of the issues specifically addressed herein and precludes the Settling Parties from asserting contrary positions during subsequent litigation in this proceeding or related appeals; provided, however, that this Settlement Agreement is made without admission against or prejudice to any factual or legal positions which any of the Settling Parties may assert; (a) if the Commission does not issue a final order approving the Proposed Settlement without modification; or (b) in other proceedings before the Commission or other governmental body so long as such positions do not attempt to abrogate this Settlement Agreement. This Settlement Agreement is determinative and conclusive of all the items addressed herein and, upon approval by the Commission shall constitute a final adjudication as to the Settling Parties of all of the issues in this proceeding.

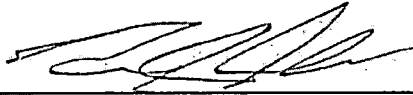
37. This Settlement Agreement is expressly conditioned upon the Commission's approval of all the specific terms and conditions contained herein without modification. If the Commission fails to grant such approval, or modifies any of the terms and conditions herein, this Settlement Agreement will terminate and be of no force and effect, unless the Settling Parties agree in writing to waive the application of this provision. The Settling Parties will make their best efforts to support this Settlement Agreement and to secure its approval by the Commission.

38. If this Settlement Agreement does not become final, either because it is not approved by the Commission or because it is the subject of a successful appeal and remand, each of the Settling Parties reserves its respective rights to submit additional testimony, file briefs, or otherwise take positions as it deems appropriate in its sole discretion to litigate the issues in this proceeding.

39. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. If any signature is delivered by facsimile transmission or by email delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the person or entity executing it (or on whose behalf such signature executed) with the same force and effect if such facsimile or “.pdf” signature page was an original thereof.

[SIGNATURE PAGES FOLLOW]

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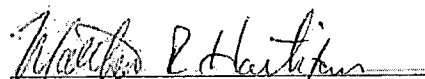
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