



McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Adeolu A. Bakare
Direct Dial: 717.237.5290
Direct Fax: 717.260.1744
abakare@mcneeslaw.com

October 13, 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 Nos. A-2021-3026515, A-2021-3026522 and A-2021-3026523

Dear Secretary Chiavetta:

Attached please find for filing with the Pennsylvania Public Utility Commission the Stipulation between 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"), SUEZ Water Pennsylvania Inc. ("SWPA"), a Pennsylvania corporation, and SUEZ Water Bethel Inc. ("SWB"), a Pennsylvania corporation (together, the "SUEZ Pennsylvania Utilities") (collectively, "Joint Applicants"), along with the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA").

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', written over a white background.

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)
David Huff, Bureau of Technical Utility Service (dhuff@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

David P. Zambito, Esq.
Jonathan Nase, Esq.
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
dzambito@cozen.com
jnase@cozen.com

Christine Hoover, Esq.
Erin Gannon, Esq.
Office of Consumer Advocate
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101
choover@paoca.org
egannon@paoca.org

Teresa Reed Wagner, Executive Director
Erin Fure, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut St., 1st Floor
Harrisburg, PA 17101
tereswagne@pa.gov
efure@pa.gov

John W. Sweet, Esq.
Pennsylvania Utility Law Project
118 Locust Street
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 13th day of October, 2021, in Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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	:	Docket Nos. A-2021-3026515
of the Pennsylvania Public Utility Code, and	:	A-2021-3026522
as otherwise required under the Pennsylvania	:	A-2021-3026523
Public Utility Code for the change in control of	:	
SUEZ Water Pennsylvania Inc.	:	
and SUEZ Water Bethel Inc.	:	

STIPULATION

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”), SUEZ Water Pennsylvania Inc. (“SWPA”), a Pennsylvania corporation, and SUEZ Water Bethel Inc. (“SWB”), a Pennsylvania corporation (together, the “SUEZ Pennsylvania Utilities”) (collectively, “Joint Applicants”), along with the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) (collectively, “Stipulating Parties”) hereby enter into this Stipulation to address issues raised by the OCA, OSBA, and CAUSE-PA in the above-referenced proceeding. The Stipulating Parties request that the Pennsylvania Public Utility Commission (“Commission”) approve and adopt this Stipulation without modification.

I. TERMS OF THE STIPULATION

1. Operational Stability.

- a. For three years following consummation of the Transaction, the Joint Applicants¹ will (i) not permit a net reduction due to involuntary attrition related to the Transaction in the employment levels at SWPA or SWB; and (ii) provide current employees of the SUEZ Pennsylvania Utilities with compensation and benefits that are at least as favorable in the aggregate as the compensation and benefits currently in place for those employees. In the event changes in management occur, key positions (V.P., Director/Manager of Operations, Finance, Customer Service, Water Quality, EH&S, and Public Relations) will be filled with qualified applicants consistent with the current job descriptions and duties for those positions.
- b. The collective bargaining agreements with the unionized work force that are currently in effect will be honored in full by the Joint Applicants through the remaining terms and beyond the expiration dates until new agreements are negotiated.
- c. The SUEZ Pennsylvania Utilities agree to continue their community presence by maintaining their administrative office in the service territory.

¹ Please note that post-closing of the Transaction, SUEZ will cease to exist in its current form. Therefore, any obligations of the Joint Applicants herein that are scheduled to occur post-closing will be obligations of Veolia, Veolia North America, and the SUEZ Pennsylvania Utilities only.

2. Rate Stability.

- a. The SUEZ Pennsylvania Utilities will not file a general base rate increase pursuant to 66 Pa C.S. § 1308(d) before January 1, 2023, or no sooner than 12 months after the Transaction is consummated, whichever is later.²
- b. The Joint Applicants will not seek recovery of any Transaction or transition costs directly associated with the Transaction, including costs related to brokers' fees, insurance, consulting or advisory costs, accounting fees, or legal fees from SUEZ Pennsylvania Utilities' customers.
- c. The Joint Applicants will not seek recovery from SUEZ Pennsylvania Utilities' customers of any termination fees incurred if the Transaction is not consummated.
- d. The Joint Applicants will ensure that the Transaction closing will not affect ratemaking treatments of the SUEZ Pennsylvania Utilities' Accumulated Deferred Income Taxes ("ADIT"), including excess deferred income taxes, accumulated deferred tax credits and net operating losses. The Joint Applicants commit that no tax election will be employed as a result of this Transaction that would result in a reduction of the pre-closing SUEZ Pennsylvania Utilities' ADIT liability balances.
- e. The Joint Applicants will ensure any accounting treatments associated with the Transaction accounting do not affect rates charged to the SUEZ Pennsylvania Utilities' customers and, more generally, agree that there will be no impact from the Transaction on the SUEZ Pennsylvania Utilities' books of account.

² Changes to the SUEZ Pennsylvania Utilities' distribution system improvement charge, purchased water adjustment clause and state tax adjustment surcharge are not included in this moratorium.

- f. The SUEZ Pennsylvania Utilities will not do the following without Commission authorization:³
- i. Guarantee the debt or credit instruments of any parent or affiliate;
 - ii. Mortgage utility assets on behalf of any parent or affiliate; and
 - iii. Loan money or otherwise extend credit to any parent or affiliate.
- g. The cost of capital used in establishing all water and wastewater rates for the SUEZ Pennsylvania Utilities shall not reflect any risk adjustment associated with its corporate parents or any affiliate not regulated by the Commission.
- h. If equity/debt ratios were to change such that the average long term debt for a calendar year were to comprise more than 55% of the capital structure, the SUEZ Pennsylvania Utilities will report the change to the Commission and to OCA, OSBA, the Commission's Bureau of Investigation & Enforcement (I&E) (collectively, the "Public Advocates").
- i. The existing dividend restriction for the SUEZ Pennsylvania Utilities of below 85% of net income will be maintained or strengthened. The Commission and the Public Advocates be notified if the dividend is to meet or exceed the restriction, prior to the dividend being issued.
- j. For a period of three years commencing on the date of the Commission Order approving the Proposed Transaction, the SUEZ Pennsylvania Utilities will report to the Commission any downgrading of the bonds of SUEZ Water Resources LLC ("SWR") within 30 days of the public notification of such downgrading and, where available, will provide an English language copy of the report of the rating

³ This provision does not restrict the SUEZ Pennsylvania Utilities with regard to transactions governed by the Commission-approved Money Pool Agreement.

agency relating to the downgrading. The report will state the reason for the downgrade and remedial actions intended to strengthen credit ratings.

- k. No goodwill will be recorded on the books of the SUEZ Pennsylvania Utilities as a result of the Transaction.
 - l. No equity or debt issued to finance goodwill will be included in ratemaking capital structure of the SUEZ Pennsylvania Utilities.
 - m. Any goodwill resulting from this transaction will be permanently excluded from rate base of the SUEZ Pennsylvania Utilities in establishing future rates subject to the Commission's jurisdiction and also will be excluded from the SUEZ Pennsylvania Utilities' capital structures for ratemaking purposes.
 - n. No costs or expenses for operating Veolia's Nuclear Solutions Business Unit or its operations in Europe, Africa, Asia, Australia or South America, including but not limited to Argentina, will be passed down to the SUEZ Pennsylvania Utilities.
3. Low Income Programming.
- a. Within 90 days of consummation of the Transaction, the SUEZ Pennsylvania Utilities shall establish a Low Income Advisory Committee ("LIAC").
 - i. The LIAC shall meet at least twice annually until the SUEZ Pennsylvania Utilities' next base rate cases. The frequency of subsequent LIAC meetings will be determined in SUEZ Pennsylvania Utilities' next rate case, but shall not be less than at least one meeting annually.
 - ii. Membership of the LIAC shall include interested parties to this proceeding (the Joint Applicants, OCA, CAUSE-PA, and the OSBA), as well as interested representatives from the Bureau of Consumer Services and I&E

(“LIAC Members”). The other LIAC Members will assist the SUEZ Pennsylvania Utilities in identifying community-based organizations, social service providers serving low income customers and other vulnerable groups, and other interested parties in SUEZ Pennsylvania Utilities’ service territories. Subject to the consent of each LIAC Member, which shall not be unreasonably withheld, representatives from these community-based organizations, social service providers, and other interested parties (“Additional LIAC Participants”) will be invited to provide input at the LIAC meetings. On at least an annual basis, LIAC Members will review the LIAC meeting invitation list and evaluate whether additional parties should be invited to provide input at LIAC meetings as Additional LIAC Participants and whether any existing Additional LIAC Participants should be removed from the invitation list.

- iii. In its initial meetings leading up to SUEZ Pennsylvania Utilities’ next base rate cases, the LIAC will focus on evaluating potential improvements to the SUEZ Pennsylvania Utilities’ low-income programs, including but not limited to developing i) a Customer Assistance Program that includes rate discount and arrearage management components; ii) changes that expand CARES enrollment; and iii) expansion of CARES benefits to include monthly bill reductions as an alternative to a one-time grant. The LIAC will also discuss potential improvements to the SUEZ Pennsylvania Utilities’ processes for verifying program eligibility and communicating with customers with limited English proficiency. Customer-identifiable

information will not be produced or provided to LIAC Members or Additional LIAC Participants during or as a result of LIAC meetings.

- iv. The Joint Applicants will use input from the LIAC to propose changes to the SUEZ Pennsylvania Utilities' low-income programs in their next base rate cases (see paragraph 2.a. related to timing for the base rate filing). The changes will include the following, unless any such change conflicts with a Commission Order, regulation, statute, or statement of policy:
 1. Bill discount component based on a percentage of bill, percentage of specific charges, or percentage of household income.
 2. Arrearage management component, which allows customers to earn arrearage forgiveness for each full monthly payment.
 3. SUEZ CARES grant component.
 4. Service Line Leak Repair and Conservation component that provides resources for leak repairs and conservation measures available to low-income customers at no upfront cost to the low income customer.
- v. Following SUEZ Pennsylvania Utilities' next base rate cases, the LIAC will continue to meet at least once annually (as determined in SUEZ Pennsylvania Utilities' next rate case as detailed in paragraph 3.a.i. above) with respect to the company that has completed its base rate case, SUEZ will make best efforts to begin tracking the following information and share the following data, when it becomes available, and will invite

comments and input to improve the accessibility of its programs and related policies and practices:⁴

1. Number of confirmed low-income customers (defined as the number of customers for whom SUEZ has information indicating household income at or below 150% FPL).
 2. Number of SUEZ CARES grants awarded.
 3. Average amount of SUEZ CARES grants awarded.
 4. Number of customers enrolled in each approved program.
- vi. Veolia commits to providing a shareholder contribution of \$300,000 to support the low-income program changes presented in this future base rate case. Unspent funds will be rolled over and added to the budget for the following year. The SUEZ Pennsylvania Utilities reserve the right to propose ratepayer recovery for all costs associated with the low income programming changes referenced in Paragraph 3 beyond this initial \$300,000 shareholder contribution.
- b. Additionally, as stated in the Application, Veolia commits to expanding its shareholder-funded relief to low-income customers. Once the Transaction is consummated, a total of \$50,000 will be contributed collectively to the SUEZ Pennsylvania Utilities' CARES grant program annually until approval of the SUEZ Water Pennsylvania Inc.'s next base rate case. Thereafter, a minimum \$20,000 annual contribution will be made to support the SUEZ Pennsylvania Utilities' CARES program, though a higher annual contribution level may be established as part of any future proceeding. All unspent funds will be rolled over

⁴ Customer-identifiable information will not be included in this data production.

and added to the budget for the CARES program in the following year. If, at the end of any year, the CARES grant budget falls below \$50,000, rollover funds will be first used to replenish the grant budget. This annual contribution may be evaluated in subsequent base rate cases of the SUEZ Pennsylvania Utilities, subject to the minimum contribution level identified above. CARES will be expanded to include wastewater customers. Maximum annual grant assistance available to a residential consumer through CARES shall be increased to \$300 per year for water and \$150 per year for wastewater within 90 days of Closing of the Transaction. This grant amount may be subject to review and modification in future Commission proceedings, but in any event shall not be decreased.

- c. The SUEZ Pennsylvania Utilities will promote the CARES programs and other low income programs through public advertising and community outreach within the SUEZ Pennsylvania Utilities' service territories. No other program rules related to the CARES program will be diminished.
 - d. The Joint Applicants will work with the state agencies, the parties to this proceeding, and other interested stakeholders to fully implement and participate in other low-income programs which are currently being developed, including the Low Income Household Water Assistance Program funded by the American Rescue Plan and the Consolidated Appropriations Act of 2021 and other state or federally funded plans.
4. Customer Service Policies
- a. Within 180 days of the consummation of the Transaction, the SUEZ Pennsylvania Utilities will review with the LIAC their policies regarding language access,

protections for victims of domestic violence and medically vulnerable households, as well as their policies for complying with the Discontinuance of Service to Leased Premises Act, and will solicit from the LIAC methods to improve their interactions with these vulnerable consumers. Within 90 days of the consummation of the Transaction, SUEZ Pennsylvania Utilities will provide LIAC members with copies of all applicable policies, procedures, and training materials related to these topics.

5. Arrearage/COVID-19 Relief.

- a. Veolia proposes that its shareholders would contribute an amount equal to 30% of residential and commercial arrears that are more than 60 days overdue, measured as of the date of a Commission Order approving the Transaction, which will be passed along to customers through bill credits. Only active customers and those who have been terminated within the past 12 months will be eligible to receive this bill credit, which will appear on customers' bills within 90 days of consummation of the Transaction. This bill credit will be automatically applied to the accounts of active customers. For customers who have been terminated within the past 12 months, these credits will be applied once they call to reestablish their accounts.
- b. All residential and commercial customers and applicants with an arrears of 60-days old, measured as of the date of the Commission's Order approving the Transaction and including customers and applicants who have had service disconnected for 12 months or less, will be offered a 24-month payment plan with no upfront payment for reconnection.

- c. For customers and applicants subject to paragraphs 5.a. and 5.b., SUEZ Pennsylvania Utilities will make at least two phone calls on different days and at different times of the day and will send at least one written notice advising consumers of the credit and offering a 24-month payment arrangement for any remaining arrears.
 - d. As of June 21, 2021, 30% of the residential and commercial arrears balance at more than 60 days overdue equaled approximately \$300,000.
 - e. The arrearage relief set forth here shall be incremental to any state, local, or federally funded utility assistance programming or other charitable assistance programming, including SUEZ Pennsylvania's CARES program.
6. Affiliate Interest Agreements.
- a. No changes will be made to the SUEZ Pennsylvania Utilities' affiliate interest agreement with SUEZ Water Management and Services Inc. or other affiliate agreements as a result of the Transaction.
 - b. No charges from any Veolia subsidiaries shall be made to the SUEZ Pennsylvania Utilities, directly or indirectly, unless and until modified affiliated services agreements are approved by the Commission.
 - c. To the extent upstream changes occur in the future that require any amendment to affiliate interest agreements or arrangements, the SUEZ Pennsylvania Utilities will seek all necessary regulatory approvals in advance of finalizing such changes.
7. Service Quality and Capital Plans.
- a. The Joint Applicants will adequately fund and maintain the SUEZ Pennsylvania Utilities' treatment, transmission and distribution and collection systems and

supply the service needs of SUEZ Pennsylvania Utilities' customers in accordance with the Public Utility Code and applicable provisions of the Commission's regulations, orders and policy statements including, but not limited to, all water quality, pressure and quality of service standards.

- b. The Joint Applicants will continue to implement the SUEZ Pennsylvania Utilities' existing capital plans through 2024. Similarly, the Joint Applicants intend to adopt SWPA's Long-Term Infrastructure Improvement Plan that is in place through 2026.
- c. Veolia will evaluate the potential of its Actiflo⁵ and other technologies to reduce the costs of water treatment.
- d. 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.⁶
- e. After the efforts outlined in (c) and (d) are completed, the Joint Applicants will develop and, subject to any required Commission review, implement a best practices plan, including a cost-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.

⁵ 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.

⁶ 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, p. 19.

8. Community Benefits.

- a. As stated in the Application, Veolia will not only continue to provide financial and educational support to its local communities through the SUEZ Pennsylvania Utilities, but further improve upon the level of presence and engagement in Pennsylvania that now exists. In addition to preserving the approximately \$66,000 contributed by SUEZ Pennsylvania Utilities over the prior three-year period, Veolia's shareholders will contribute an additional \$50,000 per year in support of community, charitable, or conservation and sustainability organizations impacting the SUEZ Pennsylvania Utilities' service territories beginning the calendar year following Closing of the Transaction. These contributions shall not be recovered in the rates of SUEZ Pennsylvania Utilities' customers. SUEZ will file its charitable contribution spending annually with the Commission and serve the Public Advocates and CAUSE-PA.
- b. The Joint Applicants will build and expand upon the community activities in which the SUEZ Pennsylvania Utilities are currently engaged and additionally will work with local communities to identify how the Joint Applicants can improve relations with the communities.
- c. In addition to continuing the SUEZ Pennsylvania Utilities' existing community outreach programs, the Joint Applicants will continue to coordinate with community leaders in Pennsylvania. The Joint Applicants are committed to supporting the communities the SUEZ Pennsylvania Utilities serve, whether through collaborating to support local events or supporting local organizations.

9. Records.

- a. The SUEZ Pennsylvania Utilities' Annual Reports to the Commission shall include a complete, English-language copy of the annual report of Veolia. This requirement can be satisfied by providing an Internet link to an English-language copy.
- b. Whenever the SUEZ Pennsylvania Utilities are requested to provide documents to the Commission, or in any proceeding before the Commission, concerning the operations of Veolia or any other subsidiaries or holdings of Veolia, those documents shall be provided in English. If the original document is not in English, then the SUEZ Pennsylvania Utilities must verify the accuracy of the English-language translation.

10. Ring-Fencing.

- a. All currently existing ring-fencing, including all ring-fencing described in **Attachment A**, will remain in place for at least two years from consummation of the Transaction.
- b. After the two-year period referenced in Paragraph 10.a., the Joint Applicants will notify the Public Advocates regarding any changes to existing ring-fencing 60 days in advance of such changes taking effect and seek any necessary Commission approvals.
- c. Related to existing commitments to utility regulatory agencies in New Jersey and New York:

- i. Through December 31, 2023, should the common equity ratio of SWR fall below 50 percent on a 12-month rolling basis, the Joint Applicants will notify the Public Advocates.
 - ii. Through February 27, 2024, if the equity portion of the SWR capital structure rises above 54% at December 31, the Joint Applicants will notify the Public Advocates.
- d. Long-term debt financial covenants for SWR which contribute to the existing ring-fencing of SWR will remain in place for at least four years following the consummation of the proposed transaction, including:
 - i. Regulated Utility Revenues must be 90% of the consolidated revenues of SWR.
 - ii. The minimum consolidated tangible net worth is \$900 million.
 - iii. Net utility assets no less than \$400 million.
 - iv. The debt portion of the capital structure of SWR is limited to 65% of Total Capitalization.
 - v. Short Term Debt may not exceed 20% of Total Capitalization.
 - vi. Total secured debt cannot be more than 15% of total indebtedness or \$15 million. Currently, SWR has no secured debt.
 - vii. A subsidiary of SWR may not have more than \$15 million of secured debt. Currently, there is no secured debt at the SWR subsidiary level.

11. Other Transaction-Related Commitments.

- a. Except as modified by this Stipulation, the Joint Applicants will adhere to all other commitments in the Joint Application filed on June 14, 2021 at the above-referenced docket.

II. CONCLUSION

THEREFORE, the Stipulating Parties, by their respective counsel, hereby evidence their agreement to the terms of the Stipulation set forth above and request respectfully that the Commission adopt the Stipulation in the Final Order of this case.

Respectfully submitted,



Adeolu A. Bakare (ID # 208541)
Teresa Harrold (ID # 311082)
Kenneth R. Stark (ID # 312945)
McNees Wallace & Nurick LLC
100 Pine Street
Harrisburg, PA 17101
Phone: 717-232-8000
Fax: 717-232-5300
Email: abakare@mcneeslaw.com
Email: tharrold@mcneeslaw.com
Email: kstark@mcneeslaw.com

Attorneys for Veolia Environnement S.A. and Veolia North America, Inc.

David P. Zambito (ID # 80017)
Jonathan P. Nase (ID # 44003)
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
Phone: 717-703-4892
Fax: 215-989-4216
Email: dzambito@cozen.com
Email: jnase@cozen.com

Attorneys for SUEZ S.A., SUEZ Water Pennsylvania Inc., and SUEZ Water Bethel Inc.

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Respectfully submitted,

Adeolu A. Bakare (ID # 208541)
Teresa Harrold (ID # 311082)
Kenneth R. Stark (ID # 312945)
McNees Wallace & Nurick LLC
100 Pine Street
Harrisburg, PA 17101
Phone: 717-232-8000
Fax: 717-232-5300
Email: abakare@mcneeslaw.com
Email: tharrold@mcneeslaw.com
Email: kstark@mcneeslaw.com

Attorneys for Veolia Environnement S.A. and Veolia North America, Inc.



David P. Zambito (ID # 80017)
Jonathan P. Nase (ID # 44003)
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
Phone: 717-703-4892
Fax: 215-989-4216
Email: dzambito@cozen.com
Email: jnase@cozen.com

Attorneys for SUEZ S.A., SUEZ Water Pennsylvania Inc., and SUEZ Water Bethel Inc.



Erin Gannon, Esq.
Office of Consumer Advocate
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101
Phone: (717) 783-5048
[Email: choover@paoca.org](mailto:choover@paoca.org)
[Email: egannon@paoca.org](mailto:egannon@paoca.org)

Attorneys for the Office of Consumer Advocate

Erin Fure, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut St., 1st Floor
Harrisburg, PA 17101
Phone: (717) 783-2525
[Email: efure@pa.gov](mailto:efure@pa.gov)

Attorney for the Office of Small Business Advocate

John W. Sweet, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
Phone: (610) 248-7186
[Email: PULP@pautilitylawproject.org](mailto:PULP@pautilitylawproject.org)

*Attorney for Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

Dated: October 13, 2021

Erin Gannon, Esq.
Office of Consumer Advocate
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101
Phone: (717) 783-5048
[Email: choover@paoca.org](mailto:choover@paoca.org)
[Email: egannon@paoca.org](mailto:egannon@paoca.org)

Attorneys for the Office of Consumer Advocate

Erin K. Fure

Erin Fure, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut St., 1st Floor
Harrisburg, PA 17101
Phone: (717) 783-2525
[Email: efure@pa.gov](mailto:efure@pa.gov)

Attorney for the Office of Small Business Advocate

John W. Sweet, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
Phone: (610) 248-7186
[Email: PULP@pautilitylawproject.org](mailto:PULP@pautilitylawproject.org)

*Attorney for Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

Dated: October 13, 2021

Erin Gannon, Esq.
Office of Consumer Advocate
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101
Phone: (717) 783-5048
[Email: choover@paoca.org](mailto:choover@paoca.org)
[Email: egannon@paoca.org](mailto:egannon@paoca.org)

Attorneys for the Office of Consumer Advocate

Erin Fure, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut St., 1st Floor
Harrisburg, PA 17101
Phone: (717) 783-2525
[Email: efure@pa.gov](mailto:efure@pa.gov)

Attorney for the Office of Small Business Advocate



John W. Sweet, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
Phone: (610) 248-7186
[Email: PULP@pautilitylawproject.org](mailto:PULP@pautilitylawproject.org)

*Attorney for Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

Dated: October 13, 2021

Attachment A

The following ring-fencing measures are currently in place for the SUEZ Pennsylvania Utilities:

Organizational Structure:

Regulated and unregulated functions are organized as separate corporate structures. Within the current structure of SUEZ Water Resources LLC (“SWR”), each utility is a separate legal entity and, outside of SUEZ Operations Inc. (“SOI”), Corwick Realty Company (“Corwick”), and SUEZ Water New Jersey Inc.’s 50% interest in The Dundee Water Power and Land Company which are immaterial, they are all regulated by a Commission or other economic regulator.

Corporate subsidiaries maintain their own corporate officers and directors.

Corporate subsidiaries maintain their current status as subsidiaries and are organized in a manner that provides corporate separation of regulated and non-regulated activities.

Employees of the regulated entities are not direct employees of the parent or non-regulated entities.

Accounting:

Each utility subsidiary of SWR (singularly, a “Utility Subsidiary” or collectively, the “Utility Subsidiaries”) maintains its own accounting records and financial statements to reflect its own assets and liabilities.

Affiliate Agreements:

Transactions among the Utility Subsidiaries and their corporate affiliates take place pursuant to the terms of a Commission-approved affiliated agreement where required.

Debt Issuances:

Each Utility Subsidiary maintains the capability to issue its own long-term debt (with such debt issuances subject to Commission approval if required). Historically, debt is issued at the immediate parent level (i.e., the SWR level) for the benefit of each SWR subsidiary. This methodology has been utilized for ratemaking in each of the Company’s base rate cases. In the event subsidiary debt should be issued, such issuances would be made in accordance with any required Commission approvals.

The Utility Subsidiaries do not pledge or encumber their assets or make any loan guarantees for the benefit of corporate affiliates.

No Utility Subsidiary assumes debt issued by a holding company nor does any Utility Subsidiary guarantee any debt for its parent or affiliates. If such debt were assumed or guaranteed, all applicable Commission approvals would be sought.

The SWR subsidiaries each participate in an approved money pooling agreement as required by the applicable regulatory commission.

Currently, no debt exists at any of SWR's Utility Subsidiaries except for an immaterial amount of legacy debt (approximately \$63k) at SUEZ Water New Jersey Inc. ("SWNJ"). In the past, debt that was issued at a utility subsidiary level maintained its own credit rating. SWNJ debt is currently rated "A" by S&P Global.

Money pooling:

Money pools are maintained separately for regulated and unregulated operations. The current Money Pooling agreement includes SWR entities only. Only SWR's unregulated affiliates (SOI and Corwick) are included. Per the current Money Pooling agreement, SOI and Corwick may only be net contributors to the money pool.

Governance Measures:

The following governance measures are currently in place:

- Stitching Depository PGGM Infrastructure Funds, acting in its capacity as title holder of PGGM Infrastructure Fund (together, "PGGM"), a cooperative Dutch pension fund service provider, headquartered in the Netherlands, is the 20% owner of SUEZ Utility Holdings Inc. ("SUHI"), the immediate parent company of SWR. Anti-dilutive measures are in place to ensure PGGM can maintain its economic interest at current levels and there are no cross-default provisions between SUEZ S.A. and SUEZ Utility Holdings Inc. (or its subsidiaries).
- As a part of the current governance structure, in recognition of PGGM's 20% ownership in SUHI, SUHI's Board of Directors comprises members from SUEZ (3 employee directors), PGGM (1 director and 1 non-voting observer) and one non-employee (independent) director.