

EXHIBIT Z

CITY OF BEAVER FALLS
BEAVER FALLS, PENNSYLVANIA

DIRECT TESTIMONY
OF
HAROLD WALKER, III

FAIR MARKET VALUE APPRAISAL

CITY OF BEAVER FALLS
WASTEWATER SYSTEM ASSETS

February 2023

Prepared by:



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1 **INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.**

3 **A.** My name is Harold Walker III, and my business address is 1010 Adams Avenue, Audubon,
4 Pennsylvania.

5
6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 **A.** I am employed by Gannett Fleming Valuation and Rate Consultants, LLC (“Gannett
8 Fleming”) as Manager, Financial Studies.

9
10 **Q. WOULD YOU DESCRIBE BRIEFLY GANNETT FLEMING?**

11 **A.** Yes. Since 1915, Gannett Fleming and its predecessors have been helping clients in public
12 pricing policy and related financial matters for managerial purposes, before regulatory
13 commissions and courts of law. Gannett Fleming is registered as a Utility Valuation Expert
14 (“UVE”) in the Commonwealth of Pennsylvania. Gannett Fleming is also a registered
15 Municipal Advisor with the United States Securities and Exchange Commission (“SEC”)
16 and I am a licensed Municipal Advisor Representative (Series 50) with the Municipal
17 Securities Rulemaking Board (“MSRB”) and the Financial Industry Regulatory Authority
18 (“FINRA”). Gannett Fleming is a subsidiary of Gannett Fleming, Inc.

19
20 **Q. WHAT ARE YOUR RESPONSIBILITIES AS MANAGER, FINANCIAL STUDIES**
21 **OF GANNETT FLEMING?**

1 A. I supervise and develop financial and economic studies on behalf of investor-owned and
2 municipally owned water, wastewater, electric, natural gas distribution and transmission,
3 oil pipeline, and telephone utilities, as well as resource-recovery companies.

4
5 **Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND YOUR EDUCATIONAL
6 BACKGROUND AND EMPLOYMENT EXPERIENCE?**

7 A. My educational background, business experience and qualifications are provided in a
8 Curriculum Vitae included as **Appendix A**.

9
10 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA
11 PUBLIC UTILITY COMMISSION?**

12 A. Yes. I have testified before the Pennsylvania Public Utility Commission (“Commission”
13 or “PUC”), as well as other state regulatory commissions, on many occasions, as shown on
14 **Appendix A**.

15
16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

17 A. My testimony describes and explains the fair market value appraisal of the City of Beaver
18 Falls (“City”) wastewater system assets (“Wastewater System”) that I and staff, working
19 under my direction, performed. Gannett Fleming was engaged by the City to perform this
20 appraisal. Our report is entitled “City of Beaver Falls Wastewater System Assets Fair
21 Market Value Appraisal at December 31, 2021” (“Gannett Fleming Appraisal Report”).
22 The appraisal and its report were developed to meet the criteria established in Section 1329

1 of the Pennsylvania Public Utility Code (“Code”), 66 Pa. C.S. § 1329 (“Determination of
2 the fair market value of water and wastewater assets”).

3 In its 2015-2016 legislative session, the Pennsylvania Legislature passed Act 12 of
4 2016 and Governor Wolf signed Act 12 into law adding Section 1329 of the Code which
5 established the legislative requirements facilitating the acquisition of municipal and
6 authority water and wastewater systems by private investor-owned utilities and other
7 entities which are rate-regulated by the Commission. This legislation was intended to
8 facilitate the acquisition of water and wastewater systems in order to facilitate capital
9 improvements to the water and wastewater properties.

10
11 **QUALIFICATION AS UTILITY VALUATION EXPERT**

12 **Q. IS GANNETT FLEMING ON THE COMMISSION’S REGISTRY OF UTILITY**
13 **VALUATION EXPERTS?**

14 **A.** Yes. Gannett Fleming is a UVE in the Commonwealth of Pennsylvania approved by the
15 PUC (Utility Code 9919244).

16
17 **Q. PLEASE DESCRIBE THE PROCESS BY WHICH GANNETT FLEMING WAS**
18 **PLACED ON THE COMMISSION’S REGISTRY OF UTILITY VALUATION**
19 **EXPERTS.**

20 **A.** After passage of Section 1329 of the Code, the Commission established an application
21 process by which the Commission would approve and designate firms to be placed on the
22 Commission’s “Registry of Utility Valuation Experts.” To be included on the registry, the
23 UVEs must establish their qualifications. Gannett Fleming submitted its original

1 application and the required proof of experience in September of 2016 and received
2 confirmation and approval from the Commission of Gannett Fleming's placement on the
3 Commission's UVE Registry in December of 2016. Renewal of inclusion on the
4 Commission's UVE Registry must be done annually. Gannett Fleming submitted its 2018
5 renewal application and the required proof of experience in December of 2017 and received
6 confirmation and approval from the Commission of Gannett Fleming's placement on the
7 Commission's UVE Registry in January of 2018. In 2018, Gannett Fleming submitted its
8 2019 renewal application and the required proof of experience in December of 2018 and
9 received confirmation and approval from the Commission of Gannett Fleming's placement
10 on the Commission's UVE Registry in January of 2019. Again in 2019, Gannett Fleming
11 submitted its 2020 renewal application and the required proof of experience in December
12 of 2019 and received confirmation and approval from the Commission of Gannett
13 Fleming's placement on the Commission's UVE Registry in January of 2020. In 2020,
14 Gannett Fleming submitted its 2021 renewal application and the required proof of
15 experience in December of 2020 and received confirmation and approval from the
16 Commission of Gannett Fleming's placement on the Commission's UVE Registry in
17 February of 2021. Gannett Fleming submitted its 2022 renewal application and the
18 required proof of experience in December of 2021 and received confirmation and approval
19 from the Commission of Gannett Fleming's placement on the Commission's UVE Registry
20 in March of 2022.

21
22 **Q. HAVE YOU EVER HAD YOUR PROFESSIONAL CREDENTIALS REVOKED**
23 **OR SUSPENDED?**

1 A. No.

2

3 **Q. DO YOU HAVE SPECIFIC EXPERIENCE WITH THE VALUATION AND**
4 **APPRAISAL OF UTILITY ASSETS?**

5 A. Yes. In addition to serving as an expert witness on various financial and economic matters
6 before utility regulatory commissions for over 35 years, I have also provided valuations of
7 utility asset services for more than 20 years. In that capacity I have testified on valuation
8 matters before the Commission and sponsored or adopted Gannett Fleming's UVE
9 appraisals under Section 1329 of the Code in the New Garden Township proceeding, the
10 Limerick Township proceeding, the East Bradford Township proceeding, the Mahoning
11 Township (water) proceeding, the Mahoning Township (wastewater) proceeding, the
12 Exeter Township proceeding, the Cheltenham Township proceeding, the East Norriton
13 Township proceeding, the Kane Borough proceeding, the Delaware County Regional
14 Water Quality Control Authority proceeding, the Borough of Royersford proceeding, the
15 Valley Township (water) proceeding, the Valley Township (wastewater) proceeding, the
16 Upper Pottsgrove proceeding, the Lower Makefield Township proceeding, the East
17 Whiteland Township proceeding, the Willistown Township proceeding, and the
18 Shenandoah Borough proceeding. In addition to testifying in Section 1329 proceedings, I
19 have also testified and filed reports on valuation matters in California, Illinois, New
20 Hampshire, and Pennsylvania in courts of law and regulatory commissions.¹

21

¹ An electronic link to the PUC Dockets where I have testified in the last two years is provided in response to Section 1329 Application Standard Data Request 15-d. All other testimony relating to valuation is more than two years old and, therefore, is not provided.

1 **Q. HAVE YOU OR GANNETT FLEMING OR ANY OF ITS STAFF DERIVED ANY**
2 **MATERIAL FINANCIAL BENEFIT FROM THE SALE OF THE WASTEWATER**
3 **SYSTEM ASSETS OTHER THAN FEES FOR YOUR SERVICES RENDERED?**

4 **A.** No.

5
6 **Q. ARE YOU OR GANNETT FLEMING OR ANY OF ITS STAFF AN IMMEDIATE**
7 **FAMILY MEMBER OF A DIRECTOR, OFFICER, OR EMPLOYEE OF EITHER**
8 **AQUA PENNSYLVANIA WASTEWATER, INC. (“AQUA”) OR THE CITY?**

9 **A.** No.

10

11 **Q. IS GANNETT FLEMING IN COMPLIANCE WITH APPLICABLE**
12 **PENNSYLVANIA LAWS?**

13 **A.** Yes.

14

15 **Q. DOES GANNETT FLEMING HAVE THE FINANCIAL AND TECHNICAL**
16 **FITNESS, INCLUDING PROFESSIONAL LICENSES AND TECHNICAL**
17 **CERTIFICATIONS, TO PERFORM A FAIR MARKET VALUATION OF THE**
18 **WASTEWATER ASSETS OF THE CITY?**

19 **A.** Yes, to be placed on the Commission’s “Registry of Utility Valuation Experts” Gannett
20 Fleming had to establish its qualifications.

21

22 **Q. ARE YOU AWARE OF ANY FACT, INCLUDING BUT NOT LIMITED TO ANY**
23 **POTENTIAL CONFLICT OF INTEREST THAT WOULD CAST DOUBT UPON**

1 **YOUR ABILITY TO PROVIDE A THOROUGH, OBJECTIVE, UNBIASED, AND**
2 **FAIR VALUATION IN THIS PROCEEDING?**

3 **A.** No.

4
5 **Q.** **HAVE YOU CORRESPONDED WITH BUYER'S UVE WITH REGARD TO ITS**
6 **RESPECTIVE FAIR MARKET VALUE APPRAISAL OF THE ASSETS AT ISSUE**
7 **IN THIS CASE?**

8 **A.** No.

9
10 **Q.** **DO YOU HAVE ANY AFFILIATION WITH EITHER THE SELLING UTILITY**
11 **OR THE ACQUIRING PUBLIC UTILITY?**

12 **A.** No. Other than the current assignment to provide the subject appraisal, and similar
13 assignments to provide appraisals of other utility systems, I have no business or personal
14 relationships with any party to the proposed acquisition.

15
16 **FEES PAID FOR UTILITY VALUATION EXPERT SERVICES**

17 **Q.** **WHAT IS THE GANNETT FLEMING FEE ARRANGEMENT TO DELIVER THE**
18 **APPRAISAL?**

19 **A.** Gannett Fleming is being compensated on an hourly basis. Our fee arrangement is included
20 as Exhibit S2 to Aqua's Application. True, correct, and complete copies of Gannett
21 Fleming's invoices to the City for this matter, as of the date of Aqua's Application filing,
22 are also included in Exhibit S2.

23

1 **Q. WHAT IS THE ESTIMATED TOTAL COMPENSATION THAT GANNETT**
2 **FLEMING WILL RECEIVE FOR ITS SERVICES IN THIS MATTER?**

3 **A.** The estimated total compensation that Gannett Fleming will receive for its services in this
4 matter as of the date of Aqua’s Application filing is approximately \$34,000, which
5 represents approximately 0.08% of the fair market valuation. I estimate our fee will total
6 \$75,000 if this proceeding is fully litigated, which represents approximately 0.18% of the
7 fair market valuation.

8
9 **Q. PLEASE DESCRIBE THE PROCESS BY WHICH THIS COMPENSATION WAS**
10 **NEGOTIATED?**

11 **A.** Gannett Fleming submitted a proposal to provide the required services in October 2020,
12 which the City accepted. The City sent us an official notice to begin our work in June
13 2022.

14
15 **Q. ARE THESE FEES CONSISTENT WITH COMPENSATION RECEIVED FOR**
16 **SIMILAR SERVICES PROVIDED TO OTHER CLIENTS?**

17 **A.** Yes.

18
19 **Q. WILL GANNETT FLEMING RECEIVE ITS FEE REGARDLESS OF WHETHER**
20 **THE COMMISSION APPROVES THE PROPOSED TRANSACTION OR**
21 **WHETHER IT CLOSES?**

22 **A.** Yes. 66 Pa.C.S. § 1329(a)(3) mandates that I comply with the Uniform Standards of
23 Professional Appraisal Practice (“USPAP”) when developing an appraisal. Under the

1 USPAP, I cannot perform the appraisal with bias, and acceptance of a fee contingent on a
2 particular outcome, like closing or Commission approval, would violate the Ethics Rule.

3
4 **Q. ARE YOU ADVOCATING FOR ANY PARTY OR OUTCOME?**

5 **A.** No. The Ethics Rule of the USPAP, applicable here pursuant to 66 Pa.C.S. § 1329(a)(3),
6 requires that I perform the appraisal with impartiality, objectivity, and independence, and
7 without accommodation of personal interests. I have not performed this appraisal
8 assignment with bias, and I am not advocating the cause or interest of any party or issue.
9 Further, I have not accepted this or any assignment that includes the reporting of
10 predetermined opinions and conclusions.

11
12 **FAIR MARKET VALUATION OF WASTEWATER SYSTEM ASSETS**

13 **Q. PLEASE IDENTIFY EXHIBIT R TO AQUA'S APPLICATION IN THIS**
14 **PROCEEDING?**

15 **A.** Exhibit R of Aqua's application includes Gannett Fleming's appraisal report dated August
16 10, 2022.

17
18 **Q. HOW DO YOU RECOGNIZE IT?**

19 **A.** I personally prepared, and also directed and supervised Gannett Fleming personnel in
20 preparing, the report, and recognize it as Gannett Fleming's work product.

21
22 **Q. IS EXHIBIT R A TRUE, COMPLETE, AND ACCURATE COPY OF THE**
23 **GANNETT FLEMING APPRAISAL REPORT?**

1 A. Yes, and I incorporate it into my direct testimony as if set forth in its entirety.

2

3 **Q. PLEASE DESCRIBE THE PROCESS BY WHICH YOU PREPARED THE**
4 **GANNETT FLEMING APPRAISAL REPORT.**

5 A. In accordance with Section 1329 of the Code, the City engaged Gannett Fleming to prepare
6 the fair market valuation report of the Wastewater System. The City provided financial
7 statements and budget statements regarding the Wastewater System and a copy of the
8 Engineering Assessment² as required by Section 1329(a)(4). In addition, Gannett Fleming
9 reviewed the assets, reviewed additional information provided by the City and conducted
10 additional research regarding the City and the Wastewater System, including a site visit.
11 After those activities and data gathering, we developed the appraisal.

12 The appraisal contains a letter of transmittal; a table of contents detailing all the
13 sections of the report and work papers; and a narrative report explaining our methodology
14 and conclusions.

15 The intent of the valuation report is to provide the appraisal results, as well as the
16 entire appraisal work file, in sufficient detail to satisfy the parties' and Commission's
17 review requirements of Section 1329 and the Commission's Final Implementation Order,
18 *In re: Implementation of Section 1329 of the Public Utility Code*, Docket No. M-2016-
19 2543193 (Order Entered October 27, 2016), and Final Supplemental Implementation
20 Order, *In re: Implementation of Section 1329 of the Public Utility Code*, Docket No. M-
21 2016-2543193 (Order Entered February 28, 2019). In addition to a copy of the appraisal
22 report, I have provided supporting work papers for the appraisal report in Exhibit R of

² "City of Beaver Falls, Beaver County, Pennsylvania, Engineers Assessment of Wastewater System Assets," dated June 9, 2022, and related files prepared by Gannett Fleming, Inc.

1 Aqua's Application. The relevant work papers have also been submitted to the
2 Commission and provided to the public advocates in **CONFIDENTIAL** live electronic
3 format.

4
5 **Q. IS THERE ANYTHING THAT YOU WOULD CHANGE IN THE GANNETT**
6 **FLEMING APPRAISAL REPORT SINCE ITS PREPARATION?**

7 **A.** No.

8
9 **Q. WAS THE FAIR MARKET VALUATION OF THE WASTEWATER SYSTEM**
10 **ASSETS DETERMINED IN COMPLIANCE WITH USPAP?**

11 **A.** Yes. Our fair market valuation was determined in compliance with USPAP 2020-2021
12 Edition. On February 19, 2021, the Appraisal Foundation's Appraisal Standards Board
13 ("ASB") announced that the current edition of the USPAP would be extended by one year.
14 The 2020-2021 USPAP is now effective until December 31, 2022.

15
16 **Q. DID YOU EMPLOY THE COST, MARKET, AND INCOME APPROACHES IN**
17 **PREPARING YOUR VALUATION?**

18 **A.** Yes.

19
20 **Q. DID YOU INCLUDE ANY EXTRAORDINARY ASSUMPTIONS OR**
21 **HYPOTHETICAL CONDITIONS IN DEVELOPING YOUR APPRAISAL?**

22 **A.** No.

1 **Q. DID YOU INCLUDE ANY LIMITING CONDITIONS IN DEVELOPING YOUR**
2 **APPRAISAL?**

3 **A.** Yes. We accepted all information and data provided by the City as it pertains to this
4 assignment “as is” after a limited review. That is, we neither audited nor verified any data,
5 engineering assessment, financial record or operating data provided for this assignment.
6 We assumed all title to all assets included in the appraisal is good and marketable and no
7 hazardous conditions or materials exist which could affect the assets. We have not made
8 a specific compliance survey or analysis of the subject property to determine whether it is
9 subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation
10 does not consider the effect, if any, of noncompliance.

11 The economic and industry information and data included in our Appraisal have
12 been obtained from various printed or electronic reference sources that we believe to be
13 reliable. We have not performed any corroborating procedures to substantiate that
14 information and data.

15
16 **Q. PLEASE SUMMARIZE YOUR RESULTS OF THE APPLICATION OF THE**
17 **COST, MARKET, AND INCOME APPROACHES.**

18 **A.** Please see the below table:

Approach	Indicated Value	Weight	Weighted Value
Cost Approach	\$32,994,154	25.00%	\$8,248,539
Market Approach	50,664,671	37.50%	18,999,252
Income Approach	45,450,675	37.50%	17,044,003
		100%	\$44,291,794
Conclusion			\$44,292,000

19
20

1 **Q. PLEASE FURTHER DESCRIBE EACH APPROACH IN THE DEVELOPMENT**
2 **OF YOUR APPRAISAL.**

3 **A.** We developed our appraisal utilizing the cost, income, and market approaches as required
4 by USPAP and Section 1329 of the Code. We used seven methods under the Cost, Market,
5 and Income Approaches to valuation: Original Cost Method, Replacement Cost Method,
6 Capitalization of Earnings Method, Market Multiple Discounted Cash Flow Method,
7 Capitalization Discounted Cash Flow Method, Market Multiples Method, and the Selected
8 Transactions Method.

9 The results from the market multiple discounted cash flow method and the
10 capitalization discounted cash flow method form the basis for our Income Approach. Our
11 Market Approach is supported by the market multiples method and selected transactions
12 method. The results from the original cost method form the basis for our replacement cost
13 method, and both methods form the basis for our Cost Approach. These approaches are
14 summarized below.

15 *Cost Approach.* The cost approach utilized the original cost method and
16 replacement cost method. The original cost method determined the original cost of the
17 assets when “new” or first constructed based on the information contained in the
18 Engineering Assessment. The original cost new inventory was then trended using the
19 Handy Whitman Index of Public Utility Construction Costs for the water industry to
20 produce the trended cost, or reproduction cost, and was converted to replacement cost new
21 after obsolescence was factored. The calculated accrued depreciation was determined for
22 the original cost new and for the replacement cost new as of December 31, 2021. The
23 calculated accrued depreciation was based on the assets’ attained ages, and the service life

1 of the assets. The cost basis of depreciable assets was reduced annually by the accumulated
2 depreciation to reflect the loss in the service value of the assets since being constructed.

3 All land and land rights were valued at original cost.

4 *Income Approach.* The income approach utilized the capitalization of earnings
5 (cash flow) method and two discounted cash flow methods. The capitalization of earnings
6 method converted a single base economic income number to a value by dividing it by a
7 capitalization rate. The discounted cash flow methods used estimates of future debt free
8 net cash flow and discounted them to arrive at a present value or price of the cash flows.
9 The capitalization rate and the discount rate were developed based on market debt and
10 equity rates at the appraisal date. The discounted cash flow methods reflected two types
11 of discounted cash flow analyses, the EBIT and EBITDA terminal value model (market
12 multiple discounted cash flow method) and a capitalization of terminal value model
13 (capitalization discounted cash flow method).³

14 *Market Approach.* The market approach was developed based on the market
15 multiples method and the selected transactions method. The market multiples method was
16 based on the market price data of publicly traded corporations engaged in the same or a
17 similar line of business as the Wastewater System. The market price data of these
18 comparable publicly traded corporations was used to calculate the market multiples for the
19 comparable publicly traded corporations at the appraisal date. The selected transactions
20 method used certain public information relating to the purchase or sale of businesses
21 involved in the same or a similar business line as the Wastewater System to calculate
22 market multiples at the time of transaction (sale/purchase). The calculated market

³ “EBIT” is earnings before interest and taxes and “EBITDA” is earnings before interest, tax, depreciation, and amortization.

1 multiples determined by the market multiples method and the selected transactions method
2 were then multiplied by the corresponding Wastewater System financial and operating
3 statistic to produce an indicated value for the Wastewater System.

4
5 **Q. PLEASE STATE THE NUMBER OF CUSTOMERS YOU USED IN DEVELOPING**
6 **YOUR APPRAISAL AND THE SOURCE OF THAT NUMBER.**

7 **A.** The number of customers I used was 3,259. This customer count number was provided by
8 the City. The Wastewater System's 3,259 customers include seven wholesale customers
9 (Big Beaver Borough, Eastvale Borough, North Sewickley Township, Patterson Township,
10 Patterson Heights Borough, West Mayfield Borough, and White Township) who provide
11 service to 3,760 customers ("ultimate wholesale customers"). In total, the Wastewater
12 System provides wastewater service directly and indirectly to 7,019 customers ("ultimate
13 customers").

14
15 **Q. DID YOU MAKE ANY UPDATES TO YOUR APPRAISAL AFTER IT WAS**
16 **SUBMITTED TO THE SELLER, AND IF SO, WHAT WAS THE UPDATE, WHEN**
17 **WAS IT MADE, AND WHY WAS IT NECESSARY?**

18 **A.** No.

19
20 **Q. DID YOU PERFORM AN ON-SITE INSPECTION OF THE WASTEWATER**
21 **SYSTEM?**

22 **A.** Wastewater engineers from our parent company viewed or observed the Wastewater
23 System's facilities on February 26, 2021, August 20, 2021, and January 28, 2022.

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Q. DID YOU RELY UPON A LICENSED ENGINEER’S ASSESSMENT OF THE TANGIBLE ASSETS OF THE WASTEWATER SYSTEM IN PERFORMING YOUR VALUATION?

A. Yes. The City provided a copy of the Engineering Assessment and this information was incorporated into our Cost Approach in our appraisal.

Cost Approach

Q. DID YOU USE THE REPRODUCTION COST OR THE REPLACEMENT COST IN YOUR COST APPROACH?

A. We utilized the original cost new (“OCN”) to calculate the trended original cost (“TOC”) measures, or the reproduction cost of the depreciable assets by multiplying the OCN by specific cost indices. We converted reproduction cost new to replacement cost new after factoring in obsolescence. We used the TOC method because the mandated use of the Engineering Assessment’s original cost essentially dictates the use of TOC over the reproduction cost or the replacement cost methods.

Q. WHAT INDEX, IF ANY, DID YOU USE FOR THAT METHOD?

A. The original cost new inventory was trended using the Handy Whitman Index of Public Utility Construction Costs for the water industry to produce the reproduction cost new.

1 **Q. UNDER YOUR APPLICATION OF THE COST APPROACH WHAT ASSETS DID**
2 **YOU VALUE OR TREND DIFFERENTLY FROM OTHER ASSETS AND WHY**
3 **WAS THAT NECESSARY?**

4 **A.** We did not trend land and land rights. That is, all land and land rights were valued at
5 original cost. Plant accounts were trended mainly using the Handy Whitman plant account
6 indices. In limited instances, when Handy Whitman plant account indices were not
7 available, we used the U.S. Bureau of Labor Statistics, Producer Price Index which best
8 matches the assets being trended.⁴

9
10 **Q. UNDER YOUR APPLICATION OF THE COST APPROACH, WHAT YEAR-END**
11 **DATE DID YOU USE FOR CALCULATING THE DEPRECIATION RESERVE?**

12 **A.** We used the date of December 31, 2021.

13
14 **Q. HOW DID YOU DETERMINE THE DEPRECIATION PARAMETERS OF**
15 **SURVIVAL/RETIREMENT CHARACTERISTICS AND SERVICE LIVES FOR**
16 **THE UTILITY PROPERTY UNDER THE COST APPROACH?**

17 **A.** We determined the average service lives of depreciable assets based on the materials used
18 for construction and how long the depreciable assets are likely to meet service demands.

19
20 **Q. WHY ARE THOSE PARAMETERS APPROPRIATE?**

⁴ The plant accounts for which Handy Whitman indices were not available included: 390.00 Office Furniture and Equipment; 390.70 Computers; 391.70 Transportation Equipment; 392.70 Stores Equipment; 393.70 Tools, Shop and Garage Equipment; 394.70 Laboratory Equipment; 395.70 Power Operated Equipment; 396.00 Communication Equipment; and 397.70 Miscellaneous Equipment.

1 A. We believe our average service lives of depreciable assets are appropriate based on our
2 experience of having determined average service lives for numerous other water and
3 wastewater utilities and given the fact they resemble those used by other Pennsylvania
4 wastewater companies.

5
6 **Income Approach**

7 **Q. REGARDING YOUR APPLICATION OF THE INCOME APPROACH, WHAT**
8 **METHOD DID YOU USE TO DETERMINE THE INCOME APPROACH**
9 **RESULT?**

10 A. We used the Market Multiple Discounted Cash Flow Method (“Market Multiple DCF”),
11 and Capitalization Discounted Cash Flow Method (“Capitalization DCF”) to determine the
12 Income Approach result. We refer to the Market Multiple DCF and the Capitalization DCF
13 collectively as the DCF method. We used the capitalization of earning method to estimate
14 value under current ownership and operations. The capitalization of earning method was
15 not used to determine the Income Approach result.

16
17 **Q. WHAT ASSUMPTIONS DID YOU EMPLOY TO DEVELOP YOUR INCOME**
18 **APPROACH RESULT?**

19 A. All general assumptions are listed on page 3 of Exhibit 12, and page 6 of Exhibits 13, 14,
20 15 and 16.⁵

21

⁵ Exhibit references herein are to the Exhibits in the Gannett Fleming Appraisal Report.

1 **Q. DID YOU USE AQUA’S CAPITALIZATION RATE OR THEIR DISCOUNT RATE**
2 **IN YOUR INCOME APPROACH TO VALUATION?**

3 **A.** No. Use of Aqua’s capitalization rate or their discount rate in an income approach to
4 valuation is not consistent with the standard of value of fair market value because the
5 “buyer” under the standard of value of fair market value is not a specific entity (i.e., Aqua),
6 but rather a hypothetical buyer. Use of Aqua’s capitalization rate or their discount rate in
7 an income approach to valuation is only used under the standard of value of investment
8 value.⁶ In accordance with Section 1329 of the Code, the standard of value is fair market
9 value, not investment value.

10

11 **Q. PLEASE EXPLAIN THE CAPITALIZATION RATE AND THE DISCOUNT RATE**
12 **USED IN YOUR INCOME APPROACH TO VALUATION.**

13 **A.** The capitalization rate used in the capitalization of earnings method and the discount rate
14 used in the DCF method are related. The discount rate is the opportunity cost rate related
15 to the risk of the cash flows. The capitalization rate is simply the discount rate minus the
16 expected growth rate. If no growth is assumed, the capitalization rate is equal to the
17 discount rate.

18 As explained previously, under the standard of value of fair market value the
19 “buyer” is not a specific entity (i.e., Aqua), but rather a hypothetical buyer. Accordingly,
20 the hypothetical bidder/buyer may range from large regional municipal authorities
21 (“MUNI”) to investor-owned utilities (“IOU”). For a MUNI, the appropriate discount rate
22 is the current municipal revenue bond yield on December 31, 2021 of 2.85%. The

⁶ Pratt, Shannon P. “Defining Standards of Value.” Valuation 34, no. 2, June 1989.
<http://www.appraisers.org/docs/default-source/college-of-fellows-articles/defining-standards-of-value.pdf>.

1 appropriate IOU discount rate is the current net of tax overall cost of capital (weighted
2 average cost of capital) on December 31, 2021 and ranges from 6.59% to 8.50%.⁷

3 For a MUNI, the appropriate discount rate is the current municipal revenue bond
4 yield, 2.85%, because debt is the only major source of capital available to finance an
5 acquisition (developed on Exhibit 22, pages 2-5). Although a MUNI likely carries equity
6 on their books (balance sheet), all existing equity is already invested in other assets and
7 therefore, cannot be used to finance an acquisition.⁸ For valuation purposes, an embedded
8 cost of debt, or the historical cost of all debt issuances outstanding is not used because this
9 capital is already invested in assets. Whereas the marginal cost of debt, 2.85%, at the
10 valuation date is used in accordance with accepted valuation practice and used for market
11 valuation purposes.

12 As discussed previously, for an IOU, the appropriate discount rate is the net of tax
13 overall cost of capital (weighted average cost of capital), 6.59% to 8.50% (Exhibit 22,
14 pages 2-8). In this instance, the net of tax overall cost of capital (weighted average cost of
15 capital) is based on the Comparable Group's market value capital structure of 22.7% debt
16 and 77.3% equity, a market cost of debt of 3.08% and a range of market cost of equity of
17 7.87% to 10.35%.⁹ The Comparable Group's net of tax overall cost of capital (weighted
18 average cost of capital) is used as a proxy to conform to the "hypothetical buyer" or

⁷ Both the American Society of Appraisers, ASA Business Valuation Standards, 2009, and the National Association of Certified Valuation Analysts, Professional Standards, 2007, use the same definition: "Weighted Average Cost of Capital (WACC). The cost of capital (discount rate) is determined by the weighted average, at market values, of the cost of all financing sources in the business enterprise's capital structure."

⁸ For example, when a municipal or government entity, such as the Commonwealth of Pennsylvania, finances construction of a road or bridge, they only consider the marginal debt cost despite having "equity" reflected on their books (balance sheet).

⁹ For an example of the net of tax overall cost of capital, see <http://www.investinganswers.com/financial-dictionary/financial-statement-analysis/weighted-average-cost-capital-wacc-2905>. Also see <http://www.wallstreetmojo.com/weighted-average-cost-capital-wacc/>, or <http://accountingexplained.com/misc/corporate-finance/wacc>.

1 “hypothetical seller” of fair market valuation. Use of the buyer’s net of tax overall cost of
2 capital (weighted average cost of capital) would produce an investment valuation, not a
3 fair market valuation. The supporting documentation for the development of the MUNI
4 and IOU discount rates is shown on pages 2 to 8 of Exhibit 22.

5
6 **Q. WHY IS THE NET OF TAX OVERALL COST OF CAPITAL APPROPRIATE TO**
7 **USE?**

8 **A.** The net of tax overall cost of capital is appropriate because the cash flows being discounted
9 are after tax, or net of tax. The income approach uses estimates of future free cash flow
10 and discounts them to arrive at a present value or price of the cash flows. Generally, this
11 analysis begins with an estimate of the Debt Free Net Cash Flow over the next five to
12 twenty years along with a terminal value. In each year, the Debt Free Net Cash Flow is
13 comprised of projected EBIT, minus income taxes, plus projected depreciation and
14 amortization, plus or minus projected changes in net cash working capital, less projected
15 capital expenditures.

16
17 **Q. WHAT IS THE BASIS FOR THE GROWTH RATE USED TO CALCULATE THE**
18 **CAPITALIZATION RATE USED IN THE INCOME APPROACH?**

19 **A.** The growth rate used to calculate the capitalization rate reflects the growth in the Debt Free
20 Net Cash Flow after the terminal value year. For the City, a growth rate of 0.1% was used
21 based on the current level of cash flow and rates. Under both MUNI and IOU ownership
22 a growth rate of 0.1% was used based on the projected growth in population (0.3%),
23 projected inflation (3.0%) and the actual growth in the Debt Free Net Cash Flow in the

1 years prior to the terminal value year. Under MUNI ownership the average growth in the
2 Debt Free Net Cash Flow for the last two years prior to the terminal value year was 0.1%
3 and 0.1% under IOU ownership. A growth of 0.1% was deemed reasonable based on the
4 aforesaid.

5
6 **Q. WHAT UTILITY EARNINGS REPORT WAS USED TO CREATE THE CAPITAL**
7 **STRUCTURE USED IN YOUR APPRAISAL?**

8 **A.** As documented previously in footnotes 6 and 8, book value capitalization is not used in
9 fair market valuation determination. Therefore, we did not use the 6.15% Comparable
10 Group's DSIC (distribution system improvement charge) related net of tax overall cost of
11 capital in our valuation because a "hypothetical buyer" cannot finance an acquisition at
12 such a rate and, therefore, its use would provide a meaningless result. The Comparable
13 Group's 6.15% DSIC related cost was determined based on the Comparable Group's book
14 value capital structure of 48.1% debt and 51.9% equity, a cost of debt of 3.08% and a DSIC
15 cost of equity of 9.80% based on the June 2021 Earnings Report (public meeting October
16 7, 2021). However, we note the 6.15% Comparable Group's DSIC related net of tax overall
17 cost of capital falls below the 6.59% to 8.50% range of discount rates used in our Income
18 Approach.

19 If we used the 6.15% Comparable Group's DSIC related net of tax overall cost of
20 capital in our valuation shown on Exhibit 16, the results of the Capitalization DCF would
21 show a value for Wastewater System of \$41.5 million. Further, the results of the Market
22 Multiple DCF would show a value of \$59.5 million and collectively, the DCF method
23 based on the IOU ownership scenario and a 0.1% growth assumption indicates a value of

1 \$50.6 million for the Wastewater System. The DCF method based on the MUNI ownership
2 scenario indicates a value of \$49.6 million and the DCF method based on the IOU
3 ownership scenario using DSIC indicates a value of \$50.6 million. Collectively, the DCF
4 method indicates a value of \$50.1 million when DSIC is considered.

5
6 **Q. IF YOU USED A TERMINAL VALUE IN YOUR DISCOUNTED CASH FLOW**
7 **ANALYSIS WHAT IS THE NUMBER OF YEARS OVER WHICH THE CASH**
8 **FLOWS ARE CONSIDERED?**

9 **A.** The use of a “terminal value” in a Discounted Cash Flow analysis is reasonable and is in
10 accordance with accepted valuation practice. Simply put, the “terminal value” is a
11 mathematical shortcut to avoid having to show and/or calculate annual Debt Free Net Cash
12 Flows for hundreds of time periods, or hundreds of years. Within the Discounted Cash
13 Flow analysis, the “terminal value” is simply a point in time in which the growth in annual
14 Debt Free Net Cash Flows changes from multiple growth rates to a constant growth rate.
15 For example, in our Discounted Cash Flow analysis, the growth rate of annual Debt Free
16 Net Cash Flows during time periods 1 through 20 changes multiple times due to the various
17 general assumptions listed in the Gannett Fleming Appraisal Report. After time period 20,
18 the growth in annual Debt Free Net Cash Flows is a constant growth rate. Accordingly,
19 period 20, or year 20, is the “terminal value” year in our DCF method.

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Market Approach

Q. REGARDING YOUR APPLICATION OF THE MARKET APPROACH, WHAT METHODS DID YOU USE TO DETERMINE THE MARKET APPROACH RESULT?

A. I used the market multiples method and the selected transaction method.

Q. WHAT ASSUMPTIONS, ANALYSES, AND/OR ADJUSTMENTS DID YOU MAKE UNDER EACH METHOD?

A. The general assumptions used for the market multiples method are listed on page 1 of Exhibit 17. No assumptions were made under the selected transaction method.

Q. REGARDING YOUR APPLICATION OF THE MARKET MULTIPLES METHOD, DID YOU LIMIT YOUR PROXY GROUP USED FOR CALCULATING MARKET VALUE TO ONLY COMPANIES WHICH ENGAGE IN PENNSYLVANIA FAIR MARKET VALUE ACQUISITIONS?

A. No.

Q. REGARDING YOUR APPLICATION OF THE COMPARABLE SALES USED TO ESTABLISH THE VALUATION, DID YOU LIMIT THE TRANSACTIONS SELECTED TO THOSE THAT YOU PREVIOUSLY APPRAISED?

A. No.

1 **Q. PLEASE STATE THE COMPARABLE TRANSACTIONS YOU USED IN**
2 **DEVELOPING YOUR MARKET APPROACH.**

3 **A.** Please see Aqua’s Application Exhibit R (the Gannett Fleming appraisal), Exhibit 18,
4 pages 2 and 3, which shows that we reviewed the following transactions¹⁰ in developing
5 the selected transactions method:

- 6 • Sale of the City of McKeesport Wastewater system to Pennsylvania-American
7 Water Company in 2017.
- 8 • Sale of New Garden Township Sewer Authority to Aqua Pennsylvania in 2017.
- 9 • Sale of Limerick Township Wastewater system to Aqua Pennsylvania in 2017.
- 10 • Sale of East Bradford Township Wastewater system to Aqua Pennsylvania in
11 2018.
- 12 • Sale of Mahoning Township Water system to Suez Water Pennsylvania in 2018.
- 13 • Sale of Mahoning Township Wastewater system to Suez Water Pennsylvania
14 in 2018.
- 15 • Sale of Sadsbury Township Wastewater system to Pennsylvania-American
16 Water Company in 2018.
- 17 • Sale of Exeter Township Wastewater system to Pennsylvania-American Water
18 Company in 2019.
- 19 • Sale of Steelton Borough Authority Water system to Pennsylvania-American
20 Water Company in 2019.

¹⁰ The years listed indicate when the applicant sought approval or when the Commission approved each of the transactions.

- 1 • Sale of Cheltenham Township Wastewater system to Aqua Pennsylvania in
2 2019.
- 3 • Sale of East Norriton Township Wastewater system to Aqua Pennsylvania in
4 2019.
- 5 • Sale of Kane Borough Authority Wastewater system to Pennsylvania-American
6 Water Company in 2020.
- 7 • Sale of Royersford Borough Authority Wastewater system to Pennsylvania-
8 American Water Company in 2021.
- 9 • Sale of Upper Pottsgrove Township Wastewater system to Pennsylvania-
10 American Water Company in 2021.
- 11 • Sale of Valley Township Wastewater system to Pennsylvania-American Water
12 Company in 2021.
- 13 • Sale of Valley Township Water system to Pennsylvania-American Water
14 Company in 2021.
- 15 • Sale of Upper Pottsgrove Township Wastewater system to Pennsylvania-
16 American Water Company in 2020.
- 17 • Sale of York City Sewer Authority Wastewater system to Pennsylvania-
18 American Water Company in 2021.
- 19 • Sale of Lower Makefield Township Wastewater system to Aqua Pennsylvania
20 in 2021.
- 21 • Sale of Willistown Township Wastewater system to Aqua Pennsylvania in
22 2021.

1 indicate a range of value for the Wastewater System of \$33.0 million to \$50.7 million and
2 collectively indicate a fair market value of \$44,292,000 for the Wastewater System.

3
4 **Q. GENERALLY SPEAKING, IS IT COMMON FOR DIFFERENT APPRAISERS TO**
5 **REACH VARYING OPINIONS OF FAIR MARKET VALUE?**

6 **A.** Yes. I do not think the underlying results of the models employed for valuation purposes
7 are ever the same from one appraiser to another appraiser. Further, the conclusion of value
8 from one appraiser to another appraiser usually differs as well. I believe these are some of
9 the reasons the results of the conclusion of value from two different UVEs are averaged
10 under Section 1329, 66 Pa.C.S. § 1329.

11
12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 **A.** Yes. However, I reserve the right to supplement my testimony as additional issues or facts
14 arise during the course of this proceeding.

APPENDIX A
Professional Qualifications
of
Harold Walker, III
Manager, Financial Studies
Gannett Fleming Valuation and Rate Consultants, LLC.

EDUCATION

Mr. Walker graduated from Pennsylvania State University in 1984 with a Bachelor of Science Degree in Finance. His studies concentrated on securities analysis and portfolio management with an emphasis on economics and quantitative business analysis. He has also completed the regulation and the rate-making process courses presented by the College of Business Administration and Economics Center for Public Utilities at New Mexico State University. Additionally, he has attended programs presented by The Institute of Chartered Financial Analysts (CFA).

Mr. Walker was awarded the professional designation "Certified Rate of Return Analyst" (CRRRA) by the Society of Utility and Regulatory Financial Analysts. This designation is based upon education, experience, and the successful completion of a comprehensive examination. He is also a member of the Society of Utility and Regulatory Financial Analysts (SURFA) and has attended numerous financial forums sponsored by the Society. The SURFA forums are recognized by the Association for Investment Management and Research (AIMR) and the National Association of State Boards of Accountancy for continuing education credits.

Mr. Walker is also a licensed Municipal Advisor Representative (Series 50) by Municipal Securities Rulemaking Board (MSRB) and Financial Industry Regulatory Authority (FINRA).

BUSINESS EXPERIENCE

Prior to joining Gannett Fleming Valuation and Rate Consultants, LLC., Mr. Walker was employed by AUS Consultants - Utility Services. He held various positions during his eleven years with AUS, concluding his employment there as a Vice President. His duties included providing and supervising financial and economic studies on behalf of investor owned and municipally owned water, wastewater, electric, natural gas distribution and transmission, oil pipeline and telephone utilities as well as resource recovery companies.

In 1996, Mr. Walker joined Gannett Fleming Valuation and Rate Consultants, LLC. In his capacity as Manager, Financial Studies and for the past twenty years, he has continuously studied rates of return requirements for regulated firms. In this regard, he supervised the preparation of rate of return studies in connection with his testimony and in the past, for other individuals. He also assisted and/or developed dividend policy studies, nuclear prudence studies, calculated fixed charge rates for avoided costs involving cogeneration projects, financial decision studies for capital budgeting purposes and developed financial models for determining future capital requirements and the effect of those requirements on investors and ratepayers, valued utility property and common stock for acquisition and divestiture, and assisted in the private placement of fixed capital securities for public utilities.

Head, Gannett Fleming GASB 34 Task Force responsible for developing Governmental Accounting Standards Board (GASB) 34 services and educating Gannett Fleming personnel and Gannett Fleming clients on GASB 34 and how it may affect them. The GASB 34 related services include inventory of assets, valuation of assets, salvage estimation, annual depreciation rate determination, estimation of depreciation reserve, asset service life determination, asset condition assessment, condition assessment documentation, maintenance estimate for asset preservation, establishment of condition level index, geographic information system (GIS) and data management services, management discussion and analysis (MD&A) reporting, required supplemental information (RSI) reporting, auditor interface, and GASB 34 compliance review.

In 2004, Mr. Walker was elected to serve on the Board of Directors of SURFA. Previously, he served as an ex-officio director as an advisor to SURFA's existing President. In 2000, Mr. Walker was elected President of SURFA for the 2001-2002 term. Prior to that, he was elected to serve on the Board of Directors of SURFA during the period 1997-1998 and 1999-2000. He also previously served on the Pennsylvania Municipal Authorities Association, Electric Deregulation Committee.

EXPERT TESTIMONY

Mr. Walker has submitted testimony or been deposed on various topics before regulatory commissions and courts in 26 states including: Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, and West Virginia. His testimonies covered various subjects including: fair market value, the taking of natural resources, appropriate capital structure and fixed capital cost rates, depreciation, fair rate of return, purchased water adjustments, synchronization of interest charges for income tax purposes, valuation, cash working capital, lead-lag studies, financial analyses of investment alternatives, benchmarking, and fair value. The following tabulation provides a listing of the electric power, natural gas distribution, telephone, wastewater, and water service utility cases in which he has been involved as a witness.

<u>Client</u>	<u>Docket No.</u>	
Alpena Power Company	U-10020	
Armstrong Telephone Company - Northern Division	92-0884-T-42T	
Armstrong Telephone Company - Northern Division	95-0571-T-42T	
Artesian Water Company, Inc.	90 10	
Artesian Water Company, Inc.	06 158	
Aqua Illinois Consolidated Water Divisions and Consolidated Sewer Divisions	11-0436	
Aqua Illinois Hawthorn Woods Wastewater Division	07 0620/07 0621/08 0067	
Aqua Illinois Hawthorn Woods Water Division	07 0620/07 0621/08 0067	
Aqua Illinois Kankakee Water Division	10-0194	
Aqua Illinois Kankakee Water Division	14-0419	
Aqua Illinois Vermilion Division	07 0620/07 0621/08 0067	
Aqua Illinois Willowbrook Wastewater Division	07 0620/07 0621/08 0067	
Aqua Illinois Willowbrook Water Division	07 0620/07 0621/08 0067	
Aqua Pennsylvania, Inc	A-2022-3034143	*
Aqua Pennsylvania Wastewater Inc	A-2016-2580061	*
Aqua Pennsylvania Wastewater Inc	A-2017-2605434	*
Aqua Pennsylvania Wastewater Inc	A-2018-3001582	*
Aqua Pennsylvania Wastewater Inc	A-2019-3008491	*
Aqua Pennsylvania Wastewater Inc	A-2019-3009052	*
Aqua Pennsylvania Wastewater Inc	A-2019-3015173	*
Aqua Pennsylvania Wastewater Inc	A-2021-3024267	*
Aqua Pennsylvania Wastewater Inc	A-2021-3026132	*
Aqua Pennsylvania Wastewater Inc	A-2021-3027268	*
Aqua Virginia - Alpha Water Corporation	Pue-2009-00059	
Aqua Virginia - Blue Ridge Utility Company, Inc.	Pue-2009-00059	
Aqua Virginia - Caroline Utilities, Inc. (Wastewater)	Pue-2009-00059	
Aqua Virginia - Caroline Utilities, Inc. (Water)	Pue-2009-00059	
Aqua Virginia - Earlysville Forest Water Company	Pue-2009-00059	
Aqua Virginia - Heritage Homes of Virginia	Pue-2009-00059	
Aqua Virginia - Indian River Water Company	Pue-2009-00059	

Aqua Virginia - James River Service Corp.	Pue-2009-00059	
Aqua Virginia - Lake Holiday Utilities, Inc. (Wastewater)	Pue-2009-00059	
Aqua Virginia - Lake Holiday Utilities, Inc. (Water)	Pue-2009-00059	
Aqua Virginia - Lake Monticello Services Co. (Wastewater)	Pue-2009-00059	
Aqua Virginia - Lake Monticello Services Co. (Water)	Pue-2009-00059	
Aqua Virginia - Lake Shawnee	Pue-2009-00059	
Aqua Virginia - Land'or Utility Company (Wastewater)	Pue-2009-00059	
Aqua Virginia - Land'or Utility Company (Water)	Pue-2009-00059	
Aqua Virginia - Mountainview Water Company, Inc.	Pue-2009-00059	
Aqua Virginia - Powhatan Water Works, Inc.	Pue-2009-00059	
Aqua Virginia - Rainbow Forest Water Corporation	Pue-2009-00059	
Aqua Virginia - Shawnee Land	Pue-2009-00059	
Aqua Virginia - Sydnor Water Corporation	Pue-2009-00059	
Aqua Virginia - Water Distributors, Inc.	Pue-2009-00059	
Atlantic City Sewerage Company	WR21071006	
Berkshire Gas Company	18-40	
Berkshire Gas Company	22-20	
Borough of Hanover	R-2009-2106908	
Borough of Hanover	R-2012-2311725	
Borough of Hanover	R-2014-242830	
Borough of Hanover	R-2021-3026116	
Borough of Hanover	P-2021-3026854	
Borough of Royersford	A-2020-3019634	*
Chaparral City Water Company	W 02113a 04 0616	
California-American Water Company	CIVCV156413	*
Connecticut-American Water Company	99-08-32	
Connecticut Water Company	06 07 08	
Citizens Utilities Company Colorado Gas Division	-	
Citizens Utilities Company Vermont Electric Division	5426	
Citizens Utilities Home Water Company	R 901664	
Citizens Utilities Water Company of Pennsylvania	R 901663	

City of Bethlehem - Bureau of Water	R-00984375	
City of Bethlehem - Bureau of Water	R 00072492	
City of Bethlehem - Bureau of Water	R-2013-2390244	
City of Bethlehem - Bureau of Water	R-2020-3020256	
City of Dubois – Bureau of Water	R-2013-2350509	
City of Dubois – Bureau of Water	R-2016-2554150	
City of Lancaster Sewer Fund	R-00005109	
City of Lancaster Sewer Fund	R-00049862	
City of Lancaster Sewer Fund	R-2012-2310366	
City of Lancaster Sewer Fund	R-2019-3010955	
City of Lancaster Sewer Fund	R-2019-3010955	
City of Lancaster Water Fund	R-00984567	
City of Lancaster Water Fund	R-00016114	
City of Lancaster Water Fund	R 00051167	
City of Lancaster Water Fund	R-2010-2179103	
City of Lancaster Water Fund	R-2014-2418872	
City of Lancaster Water Fund	R-2021-3026682	
Coastland Corporation	15-cvs-216	
Consumers Pennsylvania Water Company		
Roaring Creek Division	R-00973869	
Consumers Pennsylvania Water Company		
Shenango Valley Division	R-00973972	
Country Knolls Water Works, Inc.	90 W 0458	
East Resources, Inc. - West Virginia Utility	06 0445 G 42T	
Elizabethtown Water Company	WR06030257	
Forest Park, Inc.	19-W-0168 & 19-W-0269	
Hampton Water Works Company	DW 99-057	
Hidden Valley Utility Services, LP	R-2018-3001306	
Hidden Valley Utility Services, LP	R-2018-3001307	
Illinois American Water Company	16-0093	
Illinois American Water Company	22-0210	
Indian Rock Water Company	R-911971	
Indiana Natural Gas Corporation	38891	
Jamaica Water Supply Company	-	
Kane Borough Authority	A-2019-3014248	*
Kentucky American Water Company, Inc.	2007 00134	

Middlesex Water Company	WR 89030266J	
Millcreek Township Water Authority	55 198 Y 00021 11	*
Missouri-American Water Company	WR 2000-281	
Missouri-American Water Company	SR 2000-282	
Mount Holly Water Company	WR06030257	
Nevada Power Company d/b/a NV Energy	20-06003	
New Jersey American Water Company	WR 89080702J	
New Jersey American Water Company	WR 90090950J	
New Jersey American Water Company	WR 03070511	
New Jersey American Water Company	WR-06030257	
New Jersey American Water Company	WR08010020	
New Jersey American Water Company	WR10040260	
New Jersey American Water Company	WR11070460	
New Jersey American Water Company	WR15010035	
New Jersey American Water Company	WR17090985	
New Jersey American Water Company	WR19121516	
New Jersey American Water Company	WR22010019	
New Jersey Natural Gas Company	GR19030420	
New Jersey Natural Gas Company	GR21030679	
Newtown Artesian Water Company	R-911977	
Newtown Artesian Water Company	R-00943157	
Newtown Artesian Water Company	R-2009-2117550	
Newtown Artesian Water Company	R-2011-2230259	
Newtown Artesian Water Company	R-2017-2624240	
Newtown Artesian Water Company	R-2019-3006904	
North Maine Utilities	14-0396	*
Northern Indiana Fuel & Light Company	38770	
Oklahoma Natural Gas Company	PUD-940000477	
Palmetto Utilities, Inc.	2020-281-S	
Palmetto Wastewater Reclamation, LLC	2018-82-S	
Pennichuck Water Works, Inc.	DW 04 048	*
Pennichuck Water Works, Inc.	DW 06 073	
Pennichuck Water Works, Inc.	DW 08 073	
Pennsylvania Gas & Water Company (Gas)	R-891261	
Pennsylvania Gas & Water Co. (Water)	R 901726	
Pennsylvania Gas & Water Co. (Water)	R-911966	
Pennsylvania Gas & Water Co. (Water)	R-22404	

Pennsylvania Gas & Water Co. (Water)	R-00922482	
Pennsylvania Gas & Water Co. (Water)	R-00932667	
Philadelphia Gas Works	R-2020-3017206	
Public Service Company of North Carolina, Inc.	G-5, Sub 565	
Public Service Electric and Gas Company	ER181010029	
Public Service Electric and Gas Company	GR18010030	
Presque Isle Harbor Water Company	U-9702	
Sierra Pacific Power Company d/b/a NV Energy	19-06002	
Sierra Pacific Power Company d/b/a NV Energy	22-06014	
St. Louis County Water Company	WR-2000-844	
Suez Water Delaware, Inc.	19-0615	
Suez Water Idaho, Inc.	SUZ-W-20-02	
Suez Water New Jersey, Inc.	WR18050593	
Suez Water New Jersey, Inc.	WR20110729	
Suez Water Owego-Nichols, Inc.	17-W-0528	
Suez Water Pennsylvania, Inc.	R-2018-3000834	
Suez Water Pennsylvania, Inc.	A-2018-3003519	*
Suez Water Pennsylvania, Inc.	A-2018-3003517	*
Suez Water Rhode Island, Inc.	Docket No. 4800	
Suez Water Owego-Nichols, Inc.	19-W-0168 & 19-W-0269	
Suez Water New York, Inc.	19-W-0168 & 19-W-0269	
Suez Westchester, Inc.	19-W-0168 & 19-W-0269	
Town of North East Water Fund	9190	
Township of Exeter	A-2018-3004933	*
United Water New Rochelle	W-95-W-1168	
United Water Toms River	WR-95050219	
Upper Pottsgrove Township	A-2020-3021460	*
Valley Township (water)	A-2020-3019859	*
Valley Township (wastewater)	A-2020-3020178	*
Valley Water Systems, Inc.	06 10 07	
Virginia American Water Company	PUR-2018-00175	
Virginia American Water Company	PUR-2021-00255	
West Virginia-American Water Company	15-0676-W-42T	
West Virginia-American Water Company	15-0675-S-42T	
Wilmington Suburban Water Corporation	94-149	
York Water Company	R-901813	
York Water Company	R-922168	

York Water Company	R-943053
York Water Company	R-963619
York Water Company	R-994605
York Water Company	R-00016236
Young Brothers, LLC	2019-0117

* - Testimony related to valuation