

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Rates/Ratemaking**

1. Estimate the potential monthly incremental cost impact on existing and acquired customers following the actual results of the Buyer’s most recently adjudicated base rate proceeding, whether litigated or settled, allocating the fair market value of the acquired system according to the Buyer’s previously approved single-tariff pricing model.
  - a. In the case of a wastewater acquisition, a Buyer that employs a combined revenue requirement pursuant to 66 Pa. C.S. § 1311 will provide information assuming a combined water and wastewater revenue requirement consistent with its most recent adjudicated base rate proceeding.
  - b. If a Buyer has filed the thirty-day notice of 52 Pa. Code § 53.45(a), or has filed a rate case, it should calculate the above using data as proposed in its upcoming or filed rate case.

**Response:** Please refer to **Appendix A-18-d** of the Application. The notices contained in **Appendix A-18-d** provide an estimate of the cost impact on existing and acquired customers using the methodology approved by the Commission in the Settlement of Docket No. A-2019-3006880.

**Provided by:** Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory

**Pennsylvania-American Water Company  
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**Rates/Ratemaking**

2. If the Buyer has a present intention to increase the acquired system’s rates to a certain level, please state the basis for the targeted rate.

**Response:** Pennsylvania-American Water Company (“PAWC”) will adopt BASA’s existing rates at closing. PAWC anticipates moving the acquired system’s rates into a PAWC-consolidated rate zone at a future rate proceeding.

**Provided by:** Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory

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**Rates/Ratemaking**

3. Provide the annual depreciation expense using the purchase price/proposed rate base. If the exact depreciation expense is not available, provide the best estimate of the annual depreciation expense. Show how the depreciation expense is calculated.

**Response:** The estimated annual depreciation expense associated with the purchase price is \$4,526,693. As explained in the Direct Testimony Ms. Everette at **Appendix A-14-a**, PAWC Statement No. 3, p. 6, PAWC proposes to record the acquired Utility Plant in Service (UPIS) at the net value. Please refer also to the tentative journal entry in **Appendix A-15-f**.

The depreciation expense is calculated as shown below:

UPIS at Acquisition:	\$231,500,000
Annual depreciation expense:	\$4,526,693
Composition depreciate rate:	1.96% [Note 1]

Note 1 – The composite depreciation rate is calculated for the acquired plant using the depreciation rates approved in PAWC’s most recently-approved base rate case for Wastewater Sanitary Sewer Systems General Operations at Docket No. R-2022-3031673. PAWC will utilize depreciation rates that are approved and in effect at the time of the closing of the acquisition.

**Provided by:** Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory

**Pennsylvania-American Water Company  
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**Rates/Ratemaking**

4. Provide an estimate of the annual revenue requirement of the municipal system under the Buyer’s ownership. Provide the assumptions for the annual revenue requirement, including expected rate of return, expected depreciation expense, O&M expenses, etc.

**Response:** The estimated annual revenue requirement of BASA’s system under PAWC ownership is \$30,593,000. Please refer to the Direct Testimony Ms. Everette at **Appendix A-14-a**, PAWC Statement No. 3, PAWC Exhibit AEE-1, for the assumptions for the annual revenue requirement shown above.

**Provided by:** Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory

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**Rates/Ratemaking**

5. Other than the STAS, does Buyer’s current water/wastewater tariff include any provisions that would fall under “pass-through costs or charges imposed by the Commonwealth of Pennsylvania”?

**Response:** No, other than the STAS, PAWC does not have any provisions in its tariff that would fall under pass-through costs or charges imposed by the Commonwealth of Pennsylvania.

PAWC’s current wastewater tariff also includes the Distribution System Improvement Charge (“DSIC”). PAWC’s Application requests that this charge be applied to BASA customers, subject to inclusion in PAWC’s wastewater LTIP.

**Provided by:** Ashley E. Everette, American Water Works Service Company Senior Director, Rates and Regulatory

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**Docket No. A-2022-3037047**

**Rates/Ratemaking**

6. Provide a listing of any entities that currently receive free service from the Seller.

**Response:** Under BASA ownership, the VA Medical Center is not billed for wastewater service. Upon closing, the Company will continue to offer free service to the VA Medical Center pursuant to Section 4.21 of the Asset Purchase Agreement (“APA”) and Section 1329’s requirement that existing rates be adopted at closing.

**Provided by: Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory**

**Pennsylvania-American Water Company  
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**Docket No. A-2022-3037047**

**Rates/Ratemaking**

7. In the next rate case, does buyer anticipate including the acquired system in a combined revenue requirement?

**Response:** The Buyer anticipates including Seller’s wastewater system in a combined revenue requirement in the next rate case.

**Provided by:** Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory

**Pennsylvania-American Water Company  
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**Docket No. A-2022-3037047**

**Rates/Ratemaking**

8. If Seller has increased rates in the last year, please state the date of the increase and provide a copy of the new rate schedule and the total annual revenues produced under the new rates.

**Response:** The Seller increased rates effective July 1, 2022 and will increase rates prior to Closing. A copy of the current rate schedule is attached as **Appendix A-18-a** to the Application. The schedule of rates at Closing can be found at Schedule 7.04(a)-2 to the APA attached as **Appendix A-24-a**. The estimated total annual sewer revenues produced under current rates is \$12,003,000 and the estimated total annual sewer revenues produced by the rates in effect at closing is \$12,698,000.

**Provided by:** Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory

**Pennsylvania-American Water Company  
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**Docket No. A-2022-3037047**

**Rates/Ratemaking**

9. Are there any leases, easements, and access to public rights-of-way that Buyer will need in order to provide service which will not be conveyed at closing? If yes, identify when the conveyance will take place and whether there will be additional costs involved.

**Response:** It is anticipated that any leases, easements and access to public-rights-of-way the Buyer will need in order to provide wastewater service will be conveyed at time of closing. See also APA Sections 4.09 and 6.05 as well as Schedule 4.09 and 6.05(d) attached to the Application at **Appendix A-24-a**, for further details in identifying all easements and obtaining any missing easements.

**Provided by:** **Scott D. Fogelsanger, Senior Manager – Business Development  
Pennsylvania-American Water Company**

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**Docket No. A-2022-3037047**

**Costs/Benefits**

10. Provide a breakdown of the estimated transaction and closing costs. Provide invoices to support any transaction and closing costs that have already been incurred.

**Response:** PAWC estimates transaction and closing costs of approximately \$1,200,000 to \$1,300,000. Please see the chart below for a breakdown of these estimated costs:

Area	Amount (Settlement)	Amount (Litigation)
Legal	\$500,000	\$600,000
PUC/Copying/Publication	6,200	8,700
Transfer Taxes	468,800	468,800
Title Insurance	83,700	83,700
Engineering Assessment Study	24,350	24,350
Customer Notice	36,200	36,200
Act 12 FMV Valuation	45,000	\$65,000
Total	\$1,164,250	\$1,286,750

Refer to Attachment 10 and **Appendix A-7** to the Application for a copy of the non-privileged invoices to support the transaction costs that have been incurred to date for the UVE appraisals.

**Provided by:** Ashley E. Everette, American Water Works Service Company  
Senior Director, Rates and Regulatory

**INVOICE*****Invoice Information***

Firm/Vendor: Cozen O'Connor  
 Office: Philadelphia  
 Invoice Number: 25059230  
 Date of Invoice: 11/29/2022  
 Billing Period: 10/11/2022 - 10/31/2022  
 Date Posted: 11/29/2022  
 Invoice Description/Comment: Active

***Amount Approved***

Approved Total **\$3,787.50**  
 Invoice Currency: **USD**  
 Date Approved: 12/02/2022  
 Final Approver: Elizabeth Triscari  
 Approved Fees \$3,787.50  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$3,787.50  
 Comments to AP:

***Accounting Code Allocations***

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account</u>	<u>String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000			B24-01-0094				\$3,787.50	100%	

***Vendor Address & Tax Information in Legal Tracker***

Cozen O'Connor  
 One Liberty Place  
 Suite 2800 - 1650 Market Street  
 Philadelphia, Pennsylvania 19103

Tel: (215) 665-2728  
 Fax: 215 665 2013

***Remittance Address***

Cozen O'Connor  
 7885  
 P.O. Box 7247  
 Philadelphia, Pennsylvania 19170-7885

Vendor Tax ID: 23-1732832

VAT ID: --

GST ID: --

HST ID: --

PST ID: --

Sales Tax ID: --

QST ID: --

Withholding Tax ID: --

**Other Invoice and Firm Information**

Regulatory Statements: --

**Amount Billed****Billed Total** \$3,787.50

Invoice Currency: USD

Billed Fees \$3,787.50

Billed Expenses \$0.00

Billed Total (excl. Tax) \$3,787.50

**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Kristina Bhatt	Uploaded (on hold)	11/29/2022	\$3,787.50	
	Posted	12/02/2022	\$3,787.50	
Elizabeth Triscari	Approved	12/02/2022	\$3,787.50	
Serengeti Administrator	AP Batch Run	12/07/2022	\$3,787.50	Batch ID: 007000154 (Sent to AP: 12/07/2022 3:03:28 AM)

**Additional Financial Information**

SAP Vendor ID: 107632

Name of Invoice File in .Zip: Cozen O'Connor - 25059230.html

Comments to Firm:

AP Route: PA - SAP

**Matter Information**

Matter Name (Short) Butler Area Sewer Authority Wastewater Acquisition

**INVOICE****Invoice Information**

Firm/Vendor: Cozen O'Connor  
 Office: Philadelphia  
 Invoice Number: 25064193  
 Date of Invoice: 12/12/2022  
 Billing Period: 11/01/2022 - 11/30/2022  
 Date Posted: 12/12/2022  
 Invoice Description/Comment: Active

**Amount Approved**

Approved Total **\$19,542.00**  
 Invoice Currency: **USD**  
 Date Approved: 12/13/2022  
 Final Approver: Elizabeth Triscari  
 Approved Fees \$19,542.00  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$19,542.00  
 Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account</u>	<u>String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094					\$19,542.00	100%	

**Vendor Address & Tax Information in Legal Tracker**

Cozen O'Connor  
 One Liberty Place  
 Suite 2800 - 1650 Market Street  
 Philadelphia, Pennsylvania 19103

Tel: (215) 665-2728  
 Fax: 215 665 2013

**Remittance Address**

Cozen O'Connor  
 7885  
 P.O. Box 7247  
 Philadelphia, Pennsylvania 19170-7885

Vendor Tax ID: 23-173:2832

VAT ID: --

GST ID: --

HST ID: --

PST ID: --

Sales Tax ID: --

QST ID: --

Withholding Tax ID: --

**Other Invoice and Firm Information**

Regulatory Statements: --

**Amount Billed****Billed Total** \$19,542.00

Invoice Currency: USD

Billed Fees \$19,542.00

Billed Expenses \$0.00

Billed Total (excl. Tax) \$19,542.00

**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Kristina Bhatt	Posted	12/12/2022	\$19,542.00	
Elizabeth Triscari	Approved	12/13/2022	\$19,542.00	
Serengeti Administrator	AP Batch Run	12/14/2022	\$19,542.00	Batch ID: 007000155 (Sent to AP: 12/14/2022 3:19:51 AM)

**Additional Financial Information**

SAP Vendor ID: 107632

Name of Invoice File .n.Zip: Cozen O'Connor - 25064193.html

Comments to Firm:

AP Route: PA - SAP

**Matter Information**

Matter Name (Short): Butler Area Sewer Authority Wastewater Acquisition

Matter ID: 202200079

**INVOICE****Invoice Information**

Firm/Vendor: Cozen O'Connor  
 Office: Philadelphia  
 Invoice Number: 25076233  
 Date of Invoice: 01/30/2023  
 Billing Period: 12/01/2022 - 12/31/2022  
 Date Posted: 01/30/2023  
 Invoice Description/Comment: Active

**Amount Approved**

Approved Total **\$25,816.00**  
 Invoice Currency: **USD**  
 Date Approved: 02/02/2023  
 Final Approver: Elizabeth Triscari  
 Approved Fees \$25,816.00  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$25,816.00  
 Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account</u>	<u>String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094					\$25,816.00	100%	

**Vendor Address & Tax Information in Legal Tracker**

Cozen O'Connor  
 One Liberty Place  
 Suite 2800 - 1650 Market Street  
 Philadelphia, Pennsylvania 19103

Tel: (215) 665-2728  
 Fax: 215 665 2013

**Remittance Address**

Cozen O'Connor  
 7885  
 P.O. Box 7247  
 Philadelphia, Pennsylvania 19170-7885

Vendor Tax ID: 23-1732832

VAT ID: --

GST ID: --

HST ID: --

PST ID: --

Sales Tax ID: --

QST ID: --

Withholding Tax ID: --

**Other Invoice and Firm Information**

Regulatory Statements: --

**Amount Billed**

**Billed Total**            **\$25,816.00**  
 Invoice Currency:    USD  
 Billed Fees            \$25,816.00  
 Billed Expenses      \$0.00  
 Billed Total (excl. Tax) \$25,816.00

**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Kristina Bhatt	Uploaded (on hold)	01/30/2023	\$25,816.00	
	Posted	02/02/2023	\$25,816.00	
Elizabeth Triscari	Approved	02/02/2023	\$25,816.00	
Serengeti Administrator	AP Batch Run	02/08/2023	\$25,816.00	Batch ID: 007000163 (Sent to AP: 02/08/2023 3:19:27 AM)

**Additional Financial Information**

SAP Vendor ID:            107632  
 Name of Invoice File in .Zip: Cozen O'Connor - 25076233.html  
 Comments to Firm:  
 AP Route:                PA - SAP

**Matter Information**

Matter Name (Short)    Butler Area Sewer Authority Wastewater Acquisition

**INVOICE****Invoice Information**

Firm/Vendor: K&L Gates  
 Office: Pittsburgh  
 Invoice Number: 4039419  
 Date of Invoice: 04/21/2022  
 Billing Period: 03/01/2022 - 03/24/2022  
 Date Posted: 04/21/2022  
 Invoice Description/Comment: PAWC - Butler Area Sewer Authority Wastewater Acquisition

**Amount Approved**

Approved Total **\$774.00**  
 Invoice Currency: **USD**  
 Date Approved: 07/12/2022  
 Final Approver: Angie Kubala  
 Approved Fees \$774.00  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$774.00  
 Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account</u>	<u>String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094					\$774.00	100%	

**Vendor Address & Tax Information in Legal Tracker**

K&L Gates  
 K&L Gates Center  
 210 Sixth Avenue  
 Pittsburgh, Pennsylvania 15222-2613

Tel: 412 355.6500  
 Fax: 412 355.6501

**Remittance Address**

For Checks-K&L Gates LLP  
 PO Box 844255 Boston, MA 02284-4255  
 For Wire-Acct. Name: K&L Gates LLP  
 Bank: PNC Bank N.A. 500 First Ave 92  
 Acct. No. 1077692783 ABA: 043000096

Swift Code: (for foreign wires) PNCCUS33  
Pittsburgh, Pennsylvania 15219

Vendor Tax ID: 25-0921018  
VAT ID: -  
GST ID: -  
HST ID: -  
PST ID: -  
Sales Tax ID: -  
QST ID: -  
Withholding Tax ID: -

**Other Invoice and Firm Information**

Regulatory Statements: -

**Amount Billed**

**Billed Total** \$774.00  
Invoice Currency: USD  
Billed Fees \$774.00  
Billed Expenses \$0.00  
Billed Total (excl. Tax) \$774.00

**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
KL GATES Billing	Posted	04/21/2022	\$774.00	
Angie Kubala	TK Rates Reviewed	07/12/2022		
Angie Kubala	Approved	07/12/2022	\$774.00	
Serengeti Administrator	AP Batch Run	07/13/2022	\$774.00	Batch ID: 007000134 (Sent to AP: 07/13/2022 3:02:55 AM)

**Additional Financial Information**

SAP Vendor ID: 107014  
Name of Invoice File in .Zip: K&L Gates - 4039419.html  
Comments to Firm:  
AP Route: PA - SAP

**INVOICE****Invoice Information**

Firm/Vendor: K&L Gates  
 Office: Pittsburgh  
 Invoice Number: 4047779  
 Date of Invoice: 05/16/2022  
 Billing Period: 02/01/2022 - 04/21/2022  
 Date Posted: 05/16/2022  
 Invoice Description/Comment: PAWC - Butler Area Sewer Authority Wastewater Acquisition

**Amount Approved**

**Approved Total \$9,321.00**  
**Invoice Currency: USD**  
 Date Approved: 08/30/2022  
 Final Approver: Brian Ardire  
 Approved Fees \$9,321.00  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$9,321.00  
 Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094				\$9,321.00	100%	

**Vendor Address & Tax Information in Legal Tracker**

K&L Gates  
 K&L Gates Center  
 210 Sixth Avenue  
 Pittsburgh, Pennsylvania 15222-2613

Tel: 412 355.6500  
 Fax: 412 355.6501

**Remittance Address**

For Checks-K&L Gates LLP  
 PO Box 844255 Boston, MA 02284-4255  
 For Wire-Acct. Name: K&L Gates LLP  
 Bank: PNC Bank N.A. 500 First Ave 92  
 Acct. No. 1077692783 ABA: 043000096

Swift Code: (for foreign wires) PNCCUS33  
Pittsburgh, Pennsylvania 15219

Vendor Tax ID: 25-0921018  
VAT ID: --  
GST ID: --  
HST ID: --  
PST ID: --  
Sales Tax ID: --  
QST ID: --  
Withholding Tax ID: --

**Other Invoice and Firm Information**

Regulatory Statements: --

**Amount Billed**

**Billed Total** \$9,321.00  
Invoice Currency: USD  
Billed Fees \$9,321.00  
Billed Expenses \$0.00  
Billed Total (excl. Tax) \$9,321.00

**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
KL GATES Billing	Posted	05/16/2022	\$9,587.00	
Angie Kubala	Rejected	07/12/2022	\$0.00	
Bryan Szafranski	Resubmitted	07/14/2022	\$9,321.00	
Brian Ardire	Approved	08/30/2022	\$9,321.00	
Serengeti Administrator	AP Batch Run	08/31/2022	\$9,321.00	Batch ID: 007000141 (Sent to AP: 08/31/2022 3:02:34 AM)

**Additional Financial Information**

SAP Vendor ID: 107014  
Name of Invoice File in .Zip: K&L Gates - 4047779.html  
Comments to Firm:  
AP Route: PA - SAP

## INVOICE

**Invoice Information**

Firm/Vendor: K&L Gates  
 Office: Pittsburgh  
 Invoice Number: 4059671  
 Date of Invoice: 06/16/2022  
 Billing Period: 05/01/2022 - 05/18/2022  
 Date Posted: 06/16/2022  
 Invoice Description/Comment: PAWC - Butler Area Sewer Authority Wastewater Acquisition

**Amount Approved**

Approved Total **\$4,961.20**  
 Invoice Currency: USD  
 Date Approved: 07/12/2022  
 Final Approver: Angie Kubala  
 Approved Fees \$4,961.20  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$4,961.20  
 Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094				\$4,961.20	100%	

**Vendor Address & Tax Information in Legal Tracker**

K&L Gates  
 K&L Gates Center  
 210 Sixth Avenue  
 Pittsburgh, Pennsylvania 15222-2613

Tel: 412 355.6500  
 Fax: 412 355.6501

**Remittance Address**

For Checks-K&L Gates LLP  
 PO Box 844255 Boston, MA 02284-4255  
 For Wire-Acct. Name: K&L Gates LLP  
 Bank: PNC Bank N.A. 500 First Ave 92  
 Acct. No. 1077692783 ABA: 043000096

Swift Code: (for foreign wires) PNCCUS33  
Pittsburgh, Pennsylvania 15219

Vendor Tax ID: 25-092 1018  
VAT ID: --  
GST ID: --  
HST ID: --  
PST ID: --  
Sales Tax ID: --  
QST ID: --  
Withholding Tax ID: --

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**Other Invoice and Firm Information**

Regulatory Statements: --

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**Amount Billed**

**Billed Total**            **\$4,961.20**  
Invoice Currency:    USD  
Billed Fees            \$4,961.20  
Billed Expenses      \$0.00  
Billed Total (excl. Tax) \$4,961.20

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**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
KL GATES Billing	Posted	06/16/2022	\$4,961.20	
Angie Kubala	Approved	07/12/2022	\$4,961.20	
Serengeti Administrator	AP Batch Run	07/13/2022	\$4,961.20	Batch ID: 007000134 (Sent to AP: 07/13/2022 3:02:55 AM)

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**Additional Financial Information**

SAP Vendor ID:            107014  
Name of Invoice File in .Zip: K&L Gates - 4059671.html  
Comments to Firm:  
AP Route:                    PA - SAP

## INVOICE

**Invoice Information**

Firm/Vendor: K&L Gates  
 Office: Pittsburgh  
 Invoice Number: 4067744  
 Date of Invoice: 07/12/2022  
 Billing Period: 06/01/2022 - 06/27/2022  
 Date Posted: 07/12/2022  
 Invoice Description/Comment: PAWC - Butler Area Sewer Authority Wastewater Acquisition

**Amount Approved**

**Approved Total** \$490.60

**Invoice Currency:** USD

Date Approved: 07/12/2022

Final Approver: Angie Kubala

Approved Fees \$490.60

Approved Expenses \$0.00

Approved Total (excl. Tax) \$490.60

Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account</u>	<u>String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094					\$490.60	100%	

**Vendor Address & Tax Information in Legal Tracker**

K&L Gates  
 K&L Gates Center  
 210 Sixth Avenue  
 Pittsburgh, Pennsylvania 15222-2613

Tel: 412 355.6500

Fax: 412 355.6501

**Remittance Address**

For Checks-K&L Gates LLP  
 PO Box 844255 Boston, MA 02284-4255  
 For Wire-Acct. Name: K&L Gates LLP  
 Bank: PNC Bank N.A. 500 First Ave 92  
 Acct. No. 1077692783 ABA: 043000096

Swift Code: (for foreign wires) PNCCUS33  
Pittsburgh, Pennsylvania 15219

Vendor Tax ID: 25-092 018  
VAT ID: --  
GST ID: --  
HST ID: --  
PST ID: --  
Sales Tax ID: --  
QST ID: --  
Withholding Tax ID: --

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**Other Invoice and Firm Information**

Regulatory Statements: --

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**Amount Billed**

**Billed Total**            **\$490.60**  
Invoice Currency:    USD  
Billed Fees            \$490.60  
Billed Expenses       \$0.00  
Billed Total (excl. Tax) \$490.60

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**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
KL GATES Billing	Posted	07/12/2022	\$490.60	
Angie Kubala	Approved	07/12/2022	\$490.60	
Serengeti Administrator	AP Batch Run	07/13/2022	\$490.60	Batch ID: 007000134 (Sent to AP: 07/13/2022 3:02:55 AM)

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**Additional Financial Information**

SAP Vendor ID:            107014  
Name of Invoice File in .Zip: K&L Gates - 4067744.html  
Comments to Firm:  
AP Route:                 PA - SAP

## INVOICE

**Invoice Information**

Firm/Vendor: K&L Gates  
 Office: Pittsburgh  
 Invoice Number: 4079481  
 Date of Invoice: 08/11/2022  
 Billing Period: 07/01/2022 - 07/18/2022  
 Date Posted: 08/11/2022  
 Invoice Description/Comment: PAWC - Butler Area Sewer Authority Wastewater Acquisition

**Amount Approved**

Approved Total **\$238.20**  
 Invoice Currency: USD  
 Date Approved: 08/30/2022  
 Final Approver: Brian Ardire  
 Approved Fees \$238.20  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$238.20  
 Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094				\$238.20	100%	

**Vendor Address & Tax Information in Legal Tracker**

K&L Gates  
 K&L Gates Center  
 210 Sixth Avenue  
 Pittsburgh, Pennsylvania 15222-2613

Tel: 412 355.6500  
 Fax: 412 355.6501

**Remittance Address**

For Checks-K&L Gates LLP  
 PO Box 844255 Boston, MA 02284-4255  
 For Wire-Acct. Name: K&L Gates LLP  
 Bank: PNC Bank N.A. 500 First Ave 92  
 Acct. No. 1077692783 ABA: 043000096

Swift Code: (for foreign wires) PNCCUS33  
Pittsburgh, Pennsylvania 15219

Vendor Tax ID: 25-0921018  
VAT ID: --  
GST ID: --  
HST ID: --  
PST ID: --  
Sales Tax ID: --  
QST ID: --  
Withholding Tax ID: --

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**Other Invoice and Firm Information**

Regulatory Statements: --

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**Amount Billed**

**Billed Total**            **\$238.20**  
Invoice Currency:    USD  
Billed Fees            \$238.20  
Billed Expenses       \$0.00  
Billed Total (excl. Tax) \$238.20

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**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
KL GATES Billing	Posted	08/11/2022	\$238.20	
Brian Ardire	Approved	08/30/2022	\$238.20	
Serengeti Administrator	AP Batch Run	08/31/2022	\$238.20	Batch ID: 007000141 (Sent to AP: 08/31/2022 3:02:34 AM)

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**Additional Financial Information**

SAP Vendor ID:            107014  
Name of Invoice File in .Zip: K&L Gates - 4079481.html  
Comments to Firm:  
AP Route:                    PA - SAP

## INVOICE

**Invoice Information**

Firm/Vendor: K&L Gates  
 Office: Pittsburgh  
 Invoice Number: 4119395  
 Date of Invoice: 11/11/2022  
 Billing Period: 10/01/2022 - 10/31/2022  
 Date Posted: 11/11/2022  
 Invoice Description/Comment: PAWC - Butler Area Sewer Authority Wastewater Acquisition

**Amount Approved**

Approved Total **\$1,605.20**  
 Invoice Currency: USD  
 Date Approved: 11/11/2022  
 Final Approver: Andrew Swope  
 Approved Fees \$1,605.20  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$1,605.20  
 Comments to AP:

**Accounting Code Allocations**

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account</u>	<u>String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094					\$1,605.20	100%	

**Vendor Address & Tax Information in Legal Tracker**

K&L Gates  
 K&L Gates Center  
 210 Sixth Avenue  
 Pittsburgh, Pennsylvania 15222-2613

Tel: 412 355.6500  
 Fax: 412 355.6501

**Remittance Address**

For Checks-K&L Gates LLP  
 PO Box 844255 Boston, MA 02284-4255  
 For Wire-Acct. Name: K&L Gates LLP  
 Bank: PNC Bank N.A. 500 First Ave 92  
 Acct. No. 1077692783 ABA: 043000096

Swift Code: (for foreign wires) PNCCUS33  
Pittsburgh, Pennsylvania 15219

Vendor Tax ID: 25-0921018  
VAT ID: --  
GST ID: --  
HST ID: --  
PST ID: --  
Sales Tax ID: --  
QST ID: --  
Withholding Tax ID: --

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**Other Invoice and Firm Information**

Regulatory Statements: --

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**Amount Billed**

**Billed Total**            **\$1,605.20**  
Invoice Currency:    USD  
Billed Fees            \$1,605.20  
Billed Expenses      \$0.00  
Billed Total (excl. Tax) \$1,605.20

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**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
KL GATES Billing	Posted	11/11/2022	\$1,605.20	
Andrew Swope	Approved	11/11/2022	\$1,605.20	
Serengeti Administrator	AP Batch Run	11/16/2022	\$1,605.20	Batch ID: 007000151 (Sent to AP: 11/16/2022 3:02:57 AM)

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**Additional Financial Information**

SAP Vendor ID:            107014  
Name of Invoice File in .Zip: K&L Gates - 4119395.html  
Comments to Firm:  
AP Route:                 PA - SAP

**INVOICE*****Invoice Information***

Firm/Vendor: K&L Gates  
 Office: Pittsburgh  
 Invoice Number: 4140915  
 Date of Invoice: 01/17/2023  
 Billing Period: 12/01/2022 - 12/22/2022  
 Date Posted: 01/17/2023  
 Invoice Description/Comment: PAWC - Butler Area Sewer Authority Wastewater Acquisition

***Amount Approved***

**Approved Total** \$613.60  
**Invoice Currency:** USD  
 Date Approved: 01/17/2023  
 Final Approver: Elizabeth Triscari  
 Approved Fees \$613.60  
 Approved Expenses \$0.00  
 Approved Total (excl. Tax) \$613.60  
 Comments to AP:

***Accounting Code Allocations***

<u>Company Code</u>	<u>Cost Center</u>	<u>General Ledger</u>	<u>WBS</u>	<u>Internal Order</u>	<u>Profit Center</u>	<u>AWE Account</u>	<u>String</u>	<u>Amount</u>	<u>Percentage</u>	<u>Comment</u>
1024	53155000		B24-01-0094					\$613.60	100%	

***Vendor Address & Tax Information in Legal Tracker***

K&L Gates  
 K&L Gates Center  
 210 Sixth Avenue  
 Pittsburgh, Pennsylvania 15222-2613

Tel: 412 355.6500  
 Fax: 412 355.6501

***Remittance Address***

For Checks-K&L Gates LLP  
 PO Box 844255 Boston, MA 02284-4255  
 For Wire-Acct. Name: K&L Gates LLP  
 Bank: PNC Bank N.A. 500 First Ave 92  
 Acct. No. 1077692783 ABA: 043000096

Swift Code: (for foreign wires) PNCCUS33  
Pittsburgh, Pennsylvania 15219

Vendor Tax ID: 25-092 018  
VAT ID: --  
GST ID: --  
HST ID: --  
PST ID: --  
Sales Tax ID: --  
QST ID: --  
Withholding Tax ID: --

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**Other Invoice and Firm Information**

Regulatory Statements: --

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**Amount Billed**

**Billed Total**            **\$613.60**  
Invoice Currency:    USD  
Billed Fees            \$613.60  
Billed Expenses      \$0.00  
Billed Total (excl. Tax) \$613.60

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**Approval History**

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
KL GATES Billing	Posted	01/17/2023	\$613.60	
Elizabeth Triscari	Approved	01/17/2023	\$613.60	
Serengeti Administrator	AP Batch Run	01/18/2023	\$613.60	Batch ID: 007000160 (Sent to AP: 01/18/2023 3:18:48 AM)

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**Additional Financial Information**

SAP Vendor ID:            107014  
Name of Invoice File in .Zip: K&L Gates - 4140915.html  
Comments to Firm:  
AP Route:                 PA - SAP



369 East Park Drive  
 Harrisburg PA 17111  
 Phone: (717) 564-1121  
 Fax: (717) 564-1158

## Email Invoices to:

Scott Fogelsanger	Duane E. McKee	February 09, 2023
PA American Water Company	Butler Area Sewer Authority	Project No: R001358.0600
852 Wesley Drive	100 Litman Road	Invoice No: 167828
Mechanicsburg, PA 17055	Butler, PA 16001	

Project Manager Chad Hanley  
 Project R001358.0600 Engineer's Assessment Study

Professional Services from January 1, 2023 to January 29, 2023

Phase	01	Asset Inventory		
<b>Fee</b>				
Total Fee		15,300.00		
Percent Complete		100.00	Total Earned	15,300.00
			Previous Fee Billing	13,770.00
			Current Fee Billing	1,530.00
			<b>Total Fee</b>	<b>\$1,530.00</b>
			<b>Total this Phase</b>	<b>\$1,530.00</b>

Phase	02	Original Cost of Assets		
<b>Fee</b>				
Total Fee		12,300.00		
Percent Complete		100.00	Total Earned	12,300.00
			Previous Fee Billing	9,840.00
			Current Fee Billing	2,460.00
			<b>Total Fee</b>	<b>\$2,460.00</b>
			<b>Total this Phase</b>	<b>\$2,460.00</b>

Phase	03	EA Study Report		
<b>Fee</b>				
Total Fee		21,100.00		
Percent Complete		100.00	Total Earned	21,100.00
			Previous Fee Billing	12,660.00
			Current Fee Billing	8,440.00
			<b>Total Fee</b>	<b>\$8,440.00</b>
			<b>Total this Phase</b>	<b>\$8,440.00</b>

**TOTAL THIS INVOICE** \$12,430.00

As per Tri-Party Agreement, share to be paid as follows:  
 50% due from PAWC - \$6,215.00  
 50% due from BASA - \$6,215.00

**Outstanding Invoices**

<b>Number</b>	<b>Date</b>	<b>Balance</b>
167034	1/12/2023	18,135.00
		<b>\$18,135.00</b>

Payment Terms are Upon Receipt. Interest of 1.5% per month is charged on any invoice outstanding over 30 days old.

**REMITTANCE ADDRESS:**  
**Herbert, Rowland & Grubic, Inc.**  
**P.O. Box 60815**  
**Harrisburg, PA 17106**

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Costs/Benefits**

11. Please describe known and anticipated general expense savings and efficiencies under Buyer’s ownership. State the basis for all assumptions used in developing these costs and provide all supporting documentation for the assumptions, if available.

**Response:** PAWC’s national purchasing power will produce savings for expenses after ownership. Estimated cost savings include the following:

- a. PAWC’s contract pricing for pipe: 37% below the market index
- b. PAWC’s light duty vehicle purchasing: 13% below dealer invoice
- c. PAWC’s chemical expense: 20% below the market index
- d. PAWC’s power expense: at least \$0.01 per kwh less than utility price to compare
- e. PAWC’s natural gas: 10% savings over \$2.50/Dth price.

Other supply chain benefits include, but are not limited to, reliable and secure supply channels, improved warranties, price stability, strategic payment terms, discounting, and supplier responsiveness and support.

Additionally, as PAWC completes replacements of collection mains, it is expected that the reduction in inflow and infiltration will lower the wastewater treatment expense.

For additional examples, *see* **Appendix A-14-a**, Direct Testimony of Scott D. Fogelsanger, PAWC Statement No. 1, pp. 20-21.

**Provided by:** **Scott D. Fogelsanger, Senior Manager – Business Development  
Pennsylvania-American Water Company**

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Costs/Benefits**

12. Please provide a copy of the Seller’s request for proposals (if there was one) and any accompanying exhibits with respect to the proposed sale of the system.

**Response:** There was no request for proposal for the BASA Wastewater System.

**Provided by:** **Scott D. Fogelsanger, Senior Manager – Business Development  
Pennsylvania-American Water Company**

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Costs/Benefits**

13. Please provide a copy of the proposal and exhibits of the Buyer for the purchase of Seller’s system.

**Response:** There was no request for proposal for the BASA Wastewater System.

**Provided by:** **Scott D. Fogelsanger, Senior Manager – Business Development  
Pennsylvania-American Water Company**

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Costs/Benefits**

14. Provide a copy of the Buyer’s offer to purchase the Seller’s system and the Seller’s response to that offer.

**Response:** Please see **Attachment A-14 (CONFIDENTIAL)**, PAWC’s Non-Binding Offer Letter dated May 24, 2022 and Appendix J. The purchase price and Asset Purchase Agreement were negotiated at arm’s length.

**Provided by:** **Scott D. Fogelsanger, Senior Manager – Business Development  
Pennsylvania-American Water Company**

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Appraisals**

15. For each UVE in this case, please provide the following, if not already provided:
- a. A list of valuations of utility property performed by the UVE;
  - b. A list of appraisals of utility property performed by the UVE
  - c. A list of all dockets in which the UVE submitted testimony to a public utility commission related to the appraisal of utility property; and
  - d. An electronic copy of or electronic link to testimony in which the UVE testified on public utility fair value acquisitions in the past two years.

**Response: Jerome C. Weinert, Principal & Director – Weinert Appraisal & Depreciation Services LLC.**

- a. Please see Mr. Weinert’s Curriculum Vitae attached to **Appendix A-14-b** of the Application, Direct Testimony of Jerome C. Weinert (PAWC Statement No. 4) PAWC Exhibit JCW-1.
- b. Please see Mr. Weinert’s response to a. above.
- c. Please see below list of dockets in which Mr. Weinert submitted testimony to a public utility commission related to the appraisal of utility property:

- A-2016-2580061 – New Garden
- A-2017-2606103 – McKeesport
- A-2018-3001582 – East Bradford
- A-2018-3002437 – Sadsbury
- A-2018-3004933 – Exeter
- A-2019-3006880 – Steelton
- A-2019-3008491 – Cheltenham
- A-2019-3009052 – East Norriton

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

A-2019-3014248 – Kane  
A-2020-3019634 – Royersford  
A-2020-3019859 - Valley Township  
A-2020-3020178 - Valley Township  
A-2020-3021460 – Upper Pottsgrove  
A-2021-3024267 – Lower Makefield  
A-2021-3024681 – York  
A-2021-3026132 - East Whiteland  
A-2021-3027268 – Willistown

- d. In the past two years, Mr. Weinert submitted testimony in the below dockets. Links to the dockets where Mr. Weinert testified are below:
- i. Borough of Royersford – A-2020-3019634  
[http://www.puc.state.pa.us/about\\_puc/consolidated\\_case\\_view.aspx?Docket=A-2020-3019634](http://www.puc.state.pa.us/about_puc/consolidated_case_view.aspx?Docket=A-2020-3019634)
  - ii. Valley Township – A-2020-3019859  
[http://www.puc.state.pa.us/about\\_puc/consolidated\\_case\\_view.aspx?Docket=A-2020-3019859](http://www.puc.state.pa.us/about_puc/consolidated_case_view.aspx?Docket=A-2020-3019859)
  - iii. Valley Township – A-2020-3020178  
<https://www.puc.pa.gov/docket/A-2020-3020178>
  - iv. Upper Pottsgrove Township - A-2020-3021460  
<https://www.puc.pa.gov/docket/A-2020-3021460>
  - v. Lower Makefield Township - A-2021-3024267  
<https://www.puc.pa.gov/docket/A-2021-3024267>
  - vi. York City Sewer Authority - A-2021-3024681  
<https://www.puc.pa.gov/docket/A-2021-3024681>
  - vii. East Whiteland Township - A-2021-3026132  
<https://www.puc.pa.gov/docket/A-2021-3026132>
  - viii. Willistown Township - A-2021-3027268  
<https://www.puc.pa.gov/docket/A-2021-3027268>

**Response:** **Harold Walker III, Manager, Financial Studies - Gannett Fleming Valuation and Rate Consultants, Inc.**

- a. Please see Mr. Walker’s Curriculum Vitae attached as Exhibit HW-1 to Mr. Walker’s direct testimony, included as **Appendix A-13-b** to the Application (BASA Statement No. 3). Starred items represent

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

dockets where Mr. Walker presented testimony related to the appraisal of utility property.

- b. Please see Mr. Walker’s response to a. above.
- c. Please see Mr. Walker’s response to a. above.
- d. In the past two years, Mr. Walker submitted testimony in the below dockets. Links to the dockets where Mr. Walker testified are below:
  - i. Borough of Royersford – A-2020-3019634  
[http://www.puc.state.pa.us/about\\_puc/consolidated\\_case\\_view.aspx?Docket=A-2020-3019634](http://www.puc.state.pa.us/about_puc/consolidated_case_view.aspx?Docket=A-2020-3019634)
  - ii. Valley Township – A-2020-3019859  
[http://www.puc.state.pa.us/about\\_puc/consolidated\\_case\\_view.aspx?Docket=A-2020-3019859](http://www.puc.state.pa.us/about_puc/consolidated_case_view.aspx?Docket=A-2020-3019859)
  - iii. Valley Township – A-2020-3020178  
<https://www.puc.pa.gov/docket/A-2020-3020178>
  - iv. Upper Pottsgrove Township – A-2020-3021460  
<https://www.puc.pa.gov/docket/A-2020-3021460>
  - v. Lower Makefield Township – A-2021-3024267  
<https://www.puc.pa.gov/docket/A-2021-3024267>
  - vi. East Whiteland Township – A-2021-3026132  
<https://www.puc.pa.gov/docket/A-2021-3026132>
  - vii. Willistown Township – A-2021-3027268  
<https://www.puc.pa.gov/docket/A-2021-3027268>
  - viii. Shenandoah Borough – A-2022-3034143  
<https://www.puc.pa.gov/docket/A-2022-3034143>
  - ix. City of Beaver Falls – A-2022-3033138  
<https://www.puc.pa.gov/docket/A-2022-3033138>

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Appraisals**

16. Please explain each discount rate used in the appraisals, including explanations of the capital structure, cost of equity and cost of debt. State the basis for each input. Provide all sources, documentation, calculations and/or workpapers used in determining the inputs.

**Response:** **Jerome C. Weinert, Principal & Director – Weinert Appraisal & Depreciation Services LLC (“WAD”).**

Please see the Direct Testimony of Jerome C. Weinert, Application **Appendix A-14-b** (PAWC Statement No. 4) at p. 17-18. Information on the discount rate can also be found in Application **Appendix A-5.1** (WAD Appraisal), the section entitled “Cost of Capital/Required Return” and at **CONFIDENTIAL Appendix A-4.2** to the Application (WAD electronic workpapers).

**Response:** **Harold Walker III, Manager, Financial Studies - Gannett Fleming Valuation and Rate Consultants, Inc.**

Please see the direct testimony of Harold Walker III, included as **Appendix A-13-b** to the Application (BASA Statement No. 3) at p. 19-21, **Appendix A-5** to the Application (Gannett Appraisal), and **CONFIDENTIAL Appendix A-4.2** to the Application (Gannett electronic workpapers).

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Appraisals**

17. Please explain whether the UVE used replacement cost or reproduction cost and why that methodology was chosen.

**Response:** **Jerome C. Weinert, Principal & Director – Weinert Appraisal & Depreciation Services LLC (“WAD”).**

WAD used replacement cost. Please see direct testimony of Jerome C. Weinert, Application **Appendix A-14-b** (PAWC Statement No. 4) at p. 6 for an explanation of why the replacement cost was chosen.

**Response:** **Harold Walker III, Manager, Financial Studies - Gannett Fleming Valuation and Rate Consultants, Inc.**

Gannett Fleming used 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 (RCN) 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. Please see the direct testimony of Harold Walker III, included as **Appendix A-13-b** to the Application (BASA Statement No. 3) at p. 16-18 for an explanation of why this method was chosen.

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Appraisals**

18. Please provide a copy of the source for the purchase price and number of customers for each comparable acquisition used in the appraisals.

**Response:** **Jerome C. Weinert, Principal & Director – Weinert Appraisal & Depreciation Services LLC.**

The source of the purchase prices used in the comparable sales approach to the Market Approach was the Asset Purchase Agreements in those transactions. Please see Attachment 18.1 for excerpts from those agreements. Mr. Weinert did not consider number of customers in his comparable sales approach to the Market Approach. Mr. Weinert compared purchase price to original cost less depreciation and to replacement cost new less depreciation in the comparable sales approach.

**Harold Walker III, Manager, Financial Studies - Gannett Fleming Valuation and Rate Consultants, Inc.**

Please see pages 9 to 80 of Exhibit 23 (workpapers) from **Appendix A-4.2** to the Application (Gannett Appraisal) for the source for the purchase price and number of customers for each comparable acquisition used in the Gannett Appraisal.

## Pennsylvania Section 1329 Water and Wastewater Transactions

Utility System	Acquirer	Date	Purchase Price \$
New Garden Sewer System	Aqua Pennsylvania (Aqua PA)	August 2016	29,500,000
McKeesport Wastewater	Pennsylvania American (PAWC)	September 2016	156,000,000
Limerick Wastewater	Aqua PA	November 16, 2016	75,100,000
East Bradford Wastewater	Aqua PA	December 20, 2017	5,000,000
Sadsbury Wastewater	PAWC	September 5, 2017	9,500,000
Mahoning Water	SUEZ	April 20, 2018	4,734,800
Mahoning Wastewater	SUEZ	April 20, 2018	4,765,200
Steelton Water	PAWC	November 14, 2018	22,500,000
Exeter Wastewater	PAWC	May 28, 2018	96,000,000
Cheltenham Wastewater	Aqua PA	June 2018	50,250,000
East Norriton Wastewater	Aqua PA	October 29, 2018	21,000,000
Kane Wastewater	PAWC	September 30, 2018	17,560,000
Royersford Wastewater	PAWC	December 10, 2019	13,000,000
Valley Water	PAWC	December 17, 2019	7,325,000
Valley Wastewater	PAWC	December 17, 2019	13,950,000
DELCORA	Aqua PA	September 17, 2019	276,500,000
Upper Pottsgrove	PAWC	April 28, 2020	13,750,000
Lower Makefield	Aqua PA	September 17, 2020	53,000,000
East Whitland	Aqua PA	January 8, 2021	54,930,000
Willistown	Aua PA	January 20, 2021	17,500,000
City of York	PAWC	April 6, 2021	235,000,000

**Water and Wastewater System Sales  
Comparable Sales Approach**

**Market Sales Data post Section 1329**

RowID	Pennsylvania Public Utility Commission Case	Approximate Date	Buyer	Seller	Type of Purchase Process	County	Type of Facility Wastewater Collection and Treatment	Initial Purchase Price	Final Purchase Price <sup>1</sup>	Number of Total Customers	Relationship to the passage of Section 1329
1	A-2017-2606103	9/1/2016	PA American Water	City of McKeesport		Allegheny	Wastewater Collection and Treatment	156,000,000	159,000,000	21,953	Post
2	A-2016-2580061	8/1/2016	Aqua PA	New Garden Twp. SA		Chester	Wastewater Collection and Paid for and Owned Treatment	29,500,000	29,500,000	2,106	Post
3	A-2017-2605434	11/16/2016	Aqua PA	Limerick Township		Montgomery	Wastewater Collection and Treatment System	75,100,000	64,373,378	5,434	Post
4	A-2018-3001582	12/10/2017	Aqua PA	East Bradford Township		Chester	Wastewater Collection and paid for treatment Capacity	5,000,000	5,000,000	1,248	Post
5	A-2018-3003519	4/20/2018	SUEZ	Mahoning	Competitive 2 bidders	Carbon	Water Distribution System	4,734,800	4,734,800	1,186	Post
6	A-2018-3003517	4/20/2018	SUEZ	Mahoning	Competitive 2 bidders	Carbon	Wastewater Collection	4,765,200	4,765,200	1,451	Post
7	A-2019-3008491	6/1/2018	Aqua PA	Cheltenham	Competitive 3 bidders	Montgomery	Wastewater Collection	50,250,000	50,250,000	10,500	Post
8	A-2019-3006880	11/14/2018	PA American Water	Steelton	Competitive 4 bidders	Dauphin	Water Distribution and Treatment	22,500,000	21,750,000	2,325	Post
9	A-2018-3002437	1/1/2017	PA American Water	Sadsbury		Chester	Wastewater Collection	9,250,000	8,600,000	998	Post
10	A-2018-3004933	5/28/2018	PA American Water	Exeter		Berks	Wastewater Collection and Treatment	96,000,000	93,500,000	9,000	Post
11	A-2019-3009052	10/29/2018	Aqua PA	East Norriton	Competitive 3 bidders: Aqua, F	Montgomery	Wastewater Collection	21,000,000	21,000,000	4,950	Post
12	A-2019-3014248	9/30/2018	PA American	Kane		McKean	Wastewater Collection and Treatment	17,560,000	17,560,000	2,006	Post
13	A-2020-3019634	12/10/2019	PA American	Royersford		Montgomery	Wastewater Collection and Treatment	13,000,000	13,000,000	1,596	Post
14	A-2020-3019859	12/17/2019	PA American	Valley		Chester	Water Treatment and Distribution System	7,325,000	7,325,000	1,459	Post
15	A-2020-3014248	12/17/2019	PA American	Valley Delaware County Regional Water Quality Authority (DELCOA)		Chester	Wastewater Collection System	13,950,000	13,950,000	1,644	Post
16	A-2019-3015173	12/31/2019	Aqua PA	Upper Pottsgrove	Competitive 2 bidders PAWC & Aqua	Delaware	Wastewater Collection and Treatment	276,500,000	276,500,000	16,473	Post
17	A-2020-3021460	4/28/2020	PA American Water	Upper Pottsgrove	Competitive 2 bidders PAWC & Aqua	Montgomery	Wastewater Collection and Treatment	13,750,000	13,750,000	1,428	Post
18	A-2021-3024267	9/17/2020	Aqua PA	Lower Makefield	Competitive 3 bidders 2 IOUs AQUA & PAWC & 1 Muni	Bucks	Purchased Treatment Capacity	53,000,000	53,000,000	11,151	Post
19	A-2021-3026132	1/8/2021	Aqua PA	East Whiteland Township		Chester	Wastewater Collection and Purchased Treatment Capacity	54,930,000	54,930,000	3,918	Post
20	A-2021-3027268	1/20/2021	Aqua PA	Willistown Township		Chester	Wastewater Collection and Treatment	17,500,000	17,500,000	2,294	Post
21	A-2021-3024681	4/6/2021	PA American Water	City of York		York	Wastewater Collection and Treatment	235,000,000	235,000,000	15,851	Post

**ASSET PURCHASE AGREEMENT**

**Between**

**NEW GARDEN TOWNSHIP**

**And**

**NEW GARDEN TOWNSHIP SEWER AUTHORITY**

**And**

**AQUA PENNSYLVANIA WASTEWATER, INC.**

**August \_\_\_\_, 2016**

New  
GRABBY

b. The purchase price for the Assets will consist of payment of Twenty-nine Million Five Hundred Thousand Dollars (\$29,500,000.00) (the "Purchase Price") to be paid by Buyer at Closing in one lump sum payment of immediately available funds. Buyer and Seller agree that the results of the appraisals pursuant to Act 12 (as defined herein) shall have no effect on the Purchase Price.

c. Buyer also agrees to contribute Twenty Thousand Dollars (\$20,000.00) toward Seller's closing costs.

### 2.6 Assumption of Liabilities and Contracts

a. Buyer will (a) satisfy and comply with all conditions and requirements of the permits specified in Schedule 2.6(a) upon transfer of such permits to Aqua.

b. Seller and Buyer shall: (I) obtain consents to the assignment of the contracts listed on Schedule 2.6(b), section I from all parties to said contracts if required by the terms of the respective contracts; and (II) arrange for the termination or amendment of the contract listed on Schedule 2.6(b), section II and the execution of a new agreement or, in the case of an amendment, an assignment, that is agreeable to Aqua in its sole discretion, with any such new agreement to replace the terminated contract. The contracts listed on Schedule 2.6(b) are collectively referred to herein as the "Assumed Liabilities".

c. Seller hereby acknowledges that, following the effective time of Closing, Aqua shall be responsible for the provision of wastewater service to the customers of Seller.

d. All other liabilities and obligations of Seller shall remain the sole responsibility of Seller. Other than the Assumed Liabilities, Buyer shall not assume and shall not be liable for, and Seller shall indemnify and hold harmless Aqua and its officers, employees and agents from and against, any and all liabilities or obligations of Seller of any nature whatsoever whether express or implied, fixed or contingent, known or unknown at the time of Closing.

### 3. CLOSING

Closing hereunder (the "Closing") shall take place at the offices of Lamb McErlane PC, located at 24 E. Market St., West Chester, PA 19381 or other mutually agreed upon location, commencing at 10:00 a.m. local time, on the later to occur of: (i) one hundred fifty (150) days from the date Seller accepts Buyer's offer, as evidenced by the date of Seller's execution of this Agreement, and (ii) forty-five (45) days (a) after receipt of the last required unappealed regulatory approval of the transactions contemplated herein and (b) fulfillment of all conditions precedent under Section 4 hereof. Seller may terminate this Agreement should Buyer fail to obtain unappealed regulatory approval of the transactions contemplated herein within 365 days of the Effective Date, unless mutually extended in writing. The date of the Closing is referred to herein as the "Closing Date". The effective time of the Closing shall be 12:01 a.m. on the day following the Closing Date.

Execution Copy

**ASSET PURCHASE AGREEMENT**

**By and Among**

**THE CITY OF MCKEESPORT,**

**THE MUNICIPAL AUTHORITY OF THE CITY OF MCKEESPORT**

**AS SELLER**

**and**

**PENNSYLVANIA AMERICAN WATER COMPANY**

**AS BUYER**

**Dated as of September \_\_\_\_, 2016**

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## Execution Copy

not set forth on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

(e) From the date of this Agreement until the Closing Date, the Seller shall collect accounts receivable and pay accounts payable in the ordinary course and in a manner consistent with its past practices.

## ARTICLE III.

**ESCROW AND PURCHASE PRICE**

Section 3.01. **Escrow Amount.** At Closing, Seven Million Eight Hundred Thousand Dollars (\$7,800,000) of the Purchase Price (defined below) shall be deposited in escrow (the "**Escrow Fund**") with the Escrow Agent pursuant to an escrow agreement in the form of **Exhibit A**, by and among the Seller, the City, the Buyer and the Escrow Agent (the "**Closing Escrow Agreement**") to provide for any indemnification claims of the Buyer due and payable by the Seller pursuant to Section 8.02 herein; *provided, however*, that the Escrow Fund shall be released to the Seller or the City (in accordance with the Closing Escrow Agreement) on the Escrow Release Date, except for any amount reasonably required to cover any indemnification claim made by the Buyer prior to such date.

Section 3.02. **Purchase Price.** The purchase price for the Acquired Assets shall be One Hundred Fifty-Six Million Dollars (\$156,000,000) or the final appraised value as determined under 66 Pa.C.S. Section 1329, whichever is higher (the "**Purchase Price**") which shall be paid as follows:

(a) Within five (5) Business Days of the Effective Date, Buyer shall deposit Five Million Dollars (\$5,000,000) of the Purchase Price, payable to the City in immediately available funds (the "**Signing Cash Deposit**"), subject to Section 14.02 and secured by the City with a duly executed note (the "**Deposit Note**"), in the form attached hereto as Exhibit B;

(b) Within five (5) Business Days of receipt of written notice from the City that it has due and owing specific payables which meet the definition of Appropriate Use, such payables meet or exceed the amount set forth below and such payables are specifically identified in said notice, but in any case not prior to January 15, 2017, Buyer shall deposit Two Million Dollars (\$2,000,000) of the Purchase Price, payable to the City in immediately available funds (the "**2017 Cash Deposit**") and together with the Signing Cash Deposit, the "**Deposits**"), subject to Section 14.02 and secured by the City with the Deposit Note.

(c) At Closing, Buyer shall (i) provide for payment in full the total amount of Outstanding Indebtedness (less any amounts of Outstanding Indebtedness actually assumed by

- 17 -

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**EXECUTION VERSION**

**ASSET PURCHASE AGREEMENT**

**By and Between**

**Limerick Township, Montgomery County**

**As Seller**

**and**

**Aqua Pennsylvania Wastewater, Inc.**

**As Buyer**

**Dated as of November 16, 2016**

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Parties the economic and, to the extent permitted under applicable Law, operational equivalent of the transfer of such Nonassignable Asset to Buyer at the Closing and the performance by Buyer of its obligations with respect thereto, and so long as the Seller transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under applicable Law and the terms of any applicable contract that constitutes a Nonassignable Asset, as agent or subcontractor for the Seller, pay, perform and discharge the liabilities and obligations of the Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would constitute Assumed Liabilities if the applicable consent or approval had been obtained on or prior to the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under applicable Law, the Seller shall, at Buyer's expense, hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the date hereof and prior to the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.15 as an Assigned Contract as of the date hereof, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 identifying such contract, and such contract shall thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) In the event that, during the twelve (12) month period following the Closing, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III

#### PURCHASE PRICE AND ADDITIONAL CONSIDERATION

Section 3.01. Purchase Price and Additional Consideration. The purchase price for the Acquired Assets shall be Seventy-Five Million One Hundred Thousand Dollars (\$75,100,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall (i) provide for the payment in full the total amount of Outstanding Indebtedness; and

(b) Subject to any adjustment in Purchase Price resulting from the proration procedures set forth in Section 3.01(c), Buyer shall pay to the Seller at Closing by wire transfer

**ASSETS PURCHASE AGREEMENT**  
**Between**  
**EAST BRADFORD TOWNSHIP**  
**And**  
**AQUA PENNSYLVANIA WASTEWATER, INC.**

December 20, 2017

ENST  
Berklee

within thirty (30) days after receipt thereof.

1.4 Excluded Assets

The Assets shall not include any of the following (collectively, the "Excluded Assets"):

- a. Any and all customer service laterals that run from the curb area (or edge of road or right-of-way) to each of the individual customer's residences or structures.
- b. Any and all piping and fixtures internal to each of the individual customer's residences or structures.
- c. Any of Seller's cash, investments, cash equivalents and accounts, including without limitation any accounts receivable or unbilled charges for Services furnished for periods prior to and up to the Closing Date.
- d. The real and personal property, including the improvements on said real property, described in Schedule 1.4.
- e. Any other asset, property, easement or interest as is shown in Schedule 1.4.

1.5 Consideration

The aggregate cash purchase price for the Assets is FIVE MILLION U.S. Dollars (\$5,000,000.00) (the "Purchase Price"). The Purchase Price shall be paid by Buyer at Closing, by wire transfer of immediately available funds to Seller.

Buyer and Seller agree to utilize the procedures under Act 12 of 2016, 66 Pa. C.S. § 1329 ("Section 1329") in completing this transaction.

Buyer agrees to and shall (i) assume at Closing the Assumed Liabilities (hereinafter defined), and (ii) pay at Closing Seller's actual, out-of-pocket costs incurred for services performed, excluding attorneys' fees, after the date of this Agreement in order to comply with the PUC Implementation Order, provided such costs do not relate to the Original Cost Study or any update thereto, and further provided such costs do not relate to the preparation and completion of the Seller's Utility Valuation Expert appraisal report and any additional work by the Seller's Utility Valuation Expert necessary to assist in the processing and prosecution of the application to the Pennsylvania Public Utility Commission ("PUC") in regard to this transaction under Section 1329. Buyer and Seller will be responsible for the costs associated with their respective Utility Valuation Experts. Buyer and Seller agree that the costs associated with the licensed engineer to develop and finalize the Engineer's Assessment will be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller.

Upon its execution and delivery of this Agreement to the Seller, the Buyer shall obtain a performance bond equal to ten percent (10%) of the Purchase Price (the "Bond"). The Bond

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of SUEZ Water Pennsylvania Inc., :  
 Pursuant to the Pennsylvania Public Utility Code, : A-2018-3003517  
 66 Pa. C.S. § 1102(a), and 66 Pa. C.S. § 1329 :  
 For approval of 1) the transfer, by sale, of :  
 Substantially all of the Township of Mahoning’s :  
 Assets, properties and rights related to its :  
 Wastewater collection and conveyance system to :  
 SUEZ Water Pennsylvania Inc., and 2) the rights :  
 Of SUEZ Water Pennsylvania Inc. to begin to :  
 Offer or furnish Wastewater collection and :  
 Conveyance service to the public in portions of the :  
 Townships of Mahoning, Cooper and Valley, :  
 Montour County, Pennsylvania :

Application of SUEZ Water Pennsylvania Inc., :  
 Pursuant to the Pennsylvania Public Utility Code, : A-2018-3003519  
 66 Pa. C.S. § 1102(a), and 66 Pa. C.S. § 1329 :  
 For approval of 1) the transfer, by sale, of :  
 Substantially all of the Township of Mahoning’s :  
 Assets, properties and rights related to its water :  
 Distribution system to SUEZ Water :  
 Pennsylvania Inc., and 2) the rights of SUEZ Water :  
 Pennsylvania Inc. to begin to offer or furnish :  
 Water distribution service to the public in :  
 Portions of the Townships of Mahoning, Cooper :  
 And Valley, Montour County, Pennsylvania :

**RECOMMENDED DECISION**

Before  
 Joel H. Cheskis  
 Deputy Chief Administrative Law Judge

this issue is ripe for review and does not construe the Joint Petitioners' assent to this term to operate as their preapproval of SUEZ Water Pennsylvania Inc.'s request.

9. That SUEZ Water Pennsylvania Inc. may defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes. The Commission recognizes that the Joint Petitioners reserve their rights to litigate their positions fully in future rate cases when this issue is ripe for review and does not construe the Joint Petitioners' assent to this term to operate as their preapproval of SUEZ Water Pennsylvania Inc.'s request.

10. That, pursuant to 66 Pa. C.S. § 1329(d)(iv), SUEZ Water Pennsylvania Inc. may include, in its next base rate case, a claim for transaction and closing costs related to the acquisition of the Mahoning water and wastewater systems. The Commission recognizes that the Joint Petitioners reserve their rights to litigate their positions fully in future rate cases when this issue is ripe for review and does not construe the Joint Petitioners' assent to this term to operate as their preapproval of SUEZ Water Pennsylvania Inc.'s request.

11. That the Commission's Secretary's Bureau shall issue Certificates of Filing or approvals for the following agreements between SUEZ Water Pennsylvania Inc. and a municipal corporation:

- (1) Asset Purchase Agreement Between Township of Mahoning and SUEZ Water Pennsylvania Inc., dated April 20, 2018;
- (2) Water Service Agreement dated July 9, 2001, between Danville Municipal Authority and Mahoning Township Authority;
- (3) Service Agreement dated October 17, 2005 between Valley Township and Mahoning Water Authority;
- (4) Connection and Conveyance Agreement dated October 16, 2017 between the Township of Mahoning and Cooper Township Municipal Authority;
- (5) Service Agreement dated October 17, 2005 between Valley Township and Mahoning Sewer Authority;

13. SWPA was notified by Mahoning that SWPA was selected as the successful bidder for the Systems, and Mahoning sent a draft asset purchase agreement to SWPA for review and comment. SWPA Statement No. 1 p. 9.

14. The final asset purchase agreement (“APA”) was signed on April 20, 2018. SWPA Statement No. 1 p. 9.

15. The APA sets forth the terms and conditions pursuant to which Mahoning will sell, and SWPA will purchase, substantially all assets, properties and rights that Mahoning owns and uses in connection with the Systems. Under the APA, the closing of the Transaction will occur after the receipt of all applicable governmental approvals, including approvals from the Commission, and after all applicable conditions have been met (or waived) by the parties. SWPA Statement No. 1 p. 10.

16. Upon closing of the Transaction, SWPA will take ownership of the Systems and begin rendering water distribution and wastewater collection and conveyance services to Mahoning’s current customers and Mahoning will permanently discontinue providing or furnishing water distribution and wastewater collection and conveyance service to the public. SWPA Statement No. 1 p. 10.

17. The negotiated purchase price is \$9,500,000 for both the Water System and the Wastewater System. SWPA has allocated \$4,734,800 of the negotiated purchase price to the Water System and \$4,765,200 of the negotiated purchase price to the Wastewater System. SWPA Statement No. 1 pp. 11-12.

**D. The Application and the Utility Valuation Expert (“UVE”) Appraisals**

18. On July 20, 2018, SWPA filed an application with the Commission to acquire the Water System (the “Water Application”) and an application to acquire the Wastewater System (“Wastewater Application”) (together, the “Applications”). Water

**ASSET PURCHASE AGREEMENT**  
**BETWEEN**  
**TOWNSHIP OF SADBURY**  
**AND**  
**PENNSYLVANIA-AMERICAN WATER COMPANY**

**SEPTEMBER 5, 2017**

(c) Any and all grinder pumps, piping and fixtures located at the curb-line or edge-of-the road to and throughout the customer's property and included as components of the Customer Sewer Laterals;

(d) Any and all stormwater system facilities including, but not limited to: (a) facilities located on, in, within, or under the real property, including easements, that is a part of the Assets, (b) facilities that are connected to the System and located within the public rights-of-way and (c) facilities or assets used in the operation of a municipal separate stormwater system;

(e) Seller's cash on hand on the date of Closing and Seller's account receivables related to the System for services rendered through the close of business on the Closing Date;

(f) All rights of Seller under this Agreement and related Bill of Sale and Assignment of Contracts Agreement as it pertains to the transfer and sale herein contemplated; and

(g) the specific assets, properties and rights of Seller set forth on Schedule 1.3.

1.4 Accounts Receivable. Accounts receivable for wastewater services related to the System rendered through the close of business on the Closing Date shall be excluded assets as per Section 1.3, and accounts receivable for wastewater services related to the System rendered thereafter shall belong to PAWC.

**ARTICLE 2  
PURCHASE PRICE**

*SUBS 17*

2.1 Purchase Price for the Assets.

(a) Upon its execution and delivery of this Agreement to the Seller, PAWC shall remit a deposit of THIRTY SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$37,500.00) (i) which shall be retained by Seller in the event that the Closing does not occur for any reason other than Seller's default under this Agreement or a failure of a condition precedent under Section 8.1 below, and (ii) which, in the event of Closing, shall be applied to the Purchase Price.

(b) Subject to the terms and conditions of this Agreement, the purchase price (the "Purchase Price") for the Assets shall be NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000.00). The parties agree that the Purchase Price represents the "negotiated purchase price" for such Assets, pursuant to the valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. § 1329. The Purchase Price shall be payable directly to Seller on the Closing Date by wire transfer or by corporate check, at Seller's discretion.

2.2 Use of Fair Market Valuation Process. Following the execution of this Agreement, PAWC and Seller shall each take such any and all further actions as are necessary to invoke, commence and complete the fair market valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. § 1329. Without limiting the generality of the foregoing, PAWC and Seller have each engaged a utility valuation expert from the list of such experts maintained by the Pennsylvania Public Utility Commission ("PUC") and have jointly selected and engaged a licensed engineer for the purposes set forth in Section 1329(a)(4) of the Public Utility Code, 66 Pa.C.S. § 1329(a)(4). The final reports of each of the two utility valuation experts are attached as Schedule 2.2. All costs and expenses associated with the utility valuation experts shall be the responsibility of the party engaging such expert. All costs and expenses associated with the licensed engineer jointly selected by the parties were shared equally between PAWC and Seller prior to the execution of this Agreement. PAWC

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**ASSET PURCHASE AGREEMENT**

**By and Between**

**Steelton Borough Authority**

**As Seller**

**and**

**Pennsylvania-American Water Company**

**As Buyer**

**Dated as of November 14, 2018**

the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the date hereof and prior to the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.15 as an Assigned Contract as of the date hereof, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 identifying such contract, and such contract shall thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) In the event that, during the twelve (12) month period following the Closing, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### PURCHASE PRICE

##### Section 3.01 Purchase Price.

(a) Purchase Price for the Assets. Subject to the terms and conditions of this Agreement, the purchase price ("Purchase Price") for the Acquired Assets shall be Twenty Two Million Five Hundred Thousand Dollars (\$22,500,000). The Purchase Price shall be payable directly to seller on the Closing Date by wire transfer.

(b) Use of Fair Market Valuation Process. Following the execution of this Agreement, Buyer and Seller shall each take such actions as are necessary to invoke, commence and complete the fair market valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. §1329. Without limiting the generality of the foregoing, Buyer and Seller shall each engage a utility valuation expert other than HRG from the list of such experts maintained by the PaPUC and shall jointly utilize HRG, a licensed engineer for the purposes set forth in Section 1329(a)(4) of the Public Utility Code, 66 Pa.C.S. §1329(a)(4). All costs and expenses associated with the licensed engineer jointly utilized by the parties shall be shared equally between the Buyer and Seller. Seller agrees that Buyer shall prosecute an application for approval of the transaction contemplated by this Agreement and Buyer agrees that: (1) Seller has the right to intervene and participate in any regulatory or legal proceeding relating to the application, including negotiation or execution of a settlement agreement related to the application; (2) Buyer shall not oppose

**ASSET PURCHASE AGREEMENT**  
**Between**  
**TOWNSHIP OF EXETER**  
**(as Seller)**  
**and**  
**PENNSYLVANIA-AMERICAN WATER COMPANY**  
**(AS BUYER)**  
**dated as of May 24, 2018**

**Article 2.4 Excluded Liabilities.** Any other liabilities and obligations of Seller shall remain the sole responsibility of Seller, including any liabilities and obligations of Seller arising under or to be performed under the Collective Bargaining Agreement and any liabilities or obligations with respect to any Compensation Plan that the Seller maintains, contributes to, has an obligation to contribute to or otherwise has any liability with respect thereto, and any withdrawal liability or funding obligation incurred by Buyer on or after the Closing with respect to any multi-employer pension plan (the "Excluded Liabilities").

**Article 2.5 Customer Billing.** Unless Buyer and Seller agree to a different procedure prior to Closing, Seller shall issue final bills for all customer accounts in accordance with its current billing practices after the Closing Date.

**Article 2.6 Purchase Price.**

a) **Purchase Price.** Subject to Section 3.4, the purchase price for the sale, transfer, assignment, conveyance and delivery of the Assets shall be \$96,000,000.00 as may be adjusted in accordance with the terms of this Agreement (the "Purchase Price"), which shall be paid by Buyer to Seller at Closing in one lump sum payment by cash or by wire transfer of immediately available funds. Buyer and Seller agree that the results of any appraisals pursuant to Act 12 (defined below) shall have no effect on the Purchase Price.

b) **Deposit.** Within fourteen (14) days after the Effective Date, Buyer shall remit a deposit in the form of a performance bond in substantially the form attached hereto as Exhibit "A" (the "Bond") in the amount of \$9,600,000.00 (equal to ten percent (10%) of the Purchase Price) ("Deposit"). The Bond is payable to Seller and the surety company shall pay to Seller the amount of the Bond under the circumstances set forth in Sections 10.1(a) and 10.2(c), if applicable. Upon Closing, Seller will provide a full and unconditional discharge and release of the Bond by way of a written release letter addressed to and in a form reasonably satisfactory to the surety company (the "Bond Release").

c) **Intentionally Deleted.**

d) **Transfer Taxes.** Any and all deed stamps or transfer taxes that may be due the Commonwealth of Pennsylvania or any political subdivision in connection with the sale, transfer, assignment, conveyance and delivery hereunder of the Assets to Buyer (collectively, "Transfer Taxes"), shall be borne equally between Buyer and Seller.

**ARTICLE 3  
CLOSING**

**Article 3.1 Closing.** The Closing hereunder (the "Closing") shall take place at the offices of Fox Rothschild LLP at 2000 Market Street, Philadelphia, Pennsylvania, or other mutually agreed upon location, commencing at 10:00 a.m. local time, within five (5) Business Days after the date upon which all the conditions precedent to Closing described in this Agreement have been fulfilled or waived, or at such other place and time as may be mutually agreed to by the

**Execution Copy**

**ASSET PURCHASE AGREEMENT**

**By and Between**

**Township of Cheltenham, Montgomery County**

**As Seller**

**and**

**Aqua Pennsylvania Wastewater, Inc.**

**As Buyer**

**Dated as of June \_\_, 2018**

119682994\_9

*Cheltenham*

**ARTICLE III.**

**PURCHASE PRICE**

**Section 3.01. Purchase Price**

. The purchase price for the Acquired Assets shall be Fifty Million Two Hundred Fifty Thousand Dollars (\$50,250,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall (i) provide for payment in full of the total amount of Outstanding Indebtedness (less any amounts of Outstanding Indebtedness actually assumed by Buyer pursuant to clause (ii) below) and/or (ii) subject to the provisions of Section 7.07, assume any of Seller's obligations related to the Outstanding Indebtedness and obtain a release of Seller from all obligations thereunder in such form and terms reasonably acceptable to Seller and/or provide written evidence of such payment in full to Seller in such form reasonably acceptable to Seller, at Buyer's discretion;

(b) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(c), to Seller by wire transfer of immediately available funds the balance of the Purchase Price (after taking into account the amount paid or assumed by Buyer pursuant to Section 3.01(b)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days prior to the Closing Date.

(c) Final Billing: The Parties agree that Buyer shall be entitled to all customer billings with respect to sanitary wastewater customers services for the period on or after the Closing Effective Time, and Seller shall be entitled to all such billings for the period prior to the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to the extent that either Party collects billings that are attributable to service provided by the other Party, the Party holding the other Party's billing collections shall pay such amount to the other Party.

**Section 3.02. Fair Consideration**

. The Parties acknowledge and agree that the consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's-length good faith negotiations between the Parties and their respective Representatives.

**Section 3.03. Allocation of the Purchase Price**

. Buyer and Seller agree that the Purchase Price (which for purposes of this Section 3.03 shall include any liabilities required to be treated as part of the Purchase Price for federal income tax

**Execution Version**

**ASSET PURCHASE AGREEMENT**

**By and Between**

**Township of East Norriton, Montgomery County**

**As Seller**

**and**

**Aqua Pennsylvania Wastewater, Inc.**

**As Buyer**

**Dated as of October 29, 2018**

120008705\_7

Aqua-East Norriton Asset Purchase Agreement

Page 3 of 82

## ARTICLE III.

PURCHASE PRICE*East Norriton*

**Section 3.01. Purchase Price.** The purchase price for the Acquired Assets shall be Twenty-One Million Dollars (\$21,000,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall (i) provide for payment in full of the total amount of Outstanding Indebtedness (less any amounts of Outstanding Indebtedness actually assumed by Buyer pursuant to clause (ii) below) and/or (ii) subject to the provisions of Section 7.06, assume any of Seller's obligations related to the Outstanding Indebtedness and obtain a release of Seller from all obligations thereunder in such form and terms reasonably acceptable to Seller and/or provide written evidence of such payment in full to Seller in such form reasonably acceptable to Seller, at Buyer's discretion;

(b) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(c), to Seller by wire transfer of immediately available funds the balance of the Purchase Price (after taking into account the amount paid or assumed by Buyer pursuant to Section 3.01(b)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days prior to the Closing Date.

(c) **Final Billing:** The Parties agree that Buyer shall be entitled to all customer billings with respect to sanitary wastewater customers services for the period on or after the Closing Effective Time, and Seller shall be entitled to all such billings for the period prior to the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to the extent that either Party collects billings that are attributable to service provided by the other Party, the Party holding the other Party's billing collections shall pay such amount to the other Party.

**Section 3.02. Fair Consideration.** The Parties acknowledge and agree that the consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's-length good faith negotiations between the Parties and their respective Representatives.

**Section 3.03. Allocation of the Purchase Price.** At Buyer's request and Seller shall agree that the Purchase Price (which for purposes of this Section 3.03 shall include any liabilities required to be treated as part of the Purchase Price for federal income tax purposes), as may be adjusted pursuant to this Section 3.03, shall be allocated among the Acquired Assets in accordance with the allocation reflected in a schedule prepared by Buyer in accordance with this Section 3.03 (the "Allocation Schedule"). Within sixty (60) days following the final determination of the Purchase Price pursuant to Section 3.01, Buyer shall deliver to Seller a draft of the Allocation Schedule setting forth Buyer's proposed allocation for Seller's review. Seller shall have the right to review and reasonably comment upon Buyer's proposed Allocation Schedule, *provided*, that (a) such proposed Allocation Schedule shall be deemed approved by Seller and shall be final and binding upon the Parties unless Seller provides written notice of

- 17 -

120008705\_7

Aqua-East Norriton Asset Purchase Agreement

Page 25 of 92

**ASSET PURCHASE AGREEMENT**  
**BETWEEN**  
**BOROUGH OF KANE AUTHORITY, TOGETHER WITH**  
**BOROUGH OF KANE AND WETMORE TOWNSHIP**  
**AND**  
**PENNSYLVANIA-AMERICAN WATER COMPANY**

*November 4, 2019*

Purchase Price \$ 17,560,000  
APA Pg 3

{L0825790.2}

(b) Following the Closing, PAWC shall assume only those contractual liabilities arising after the Closing Date under the Assigned Contracts (specifically excluding any liability under the Assigned Contracts arising out of or relating to a breach or other circumstances that occurred on or prior to the Closing Date).

1.3 Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, the Assets shall not include any of the following:

(a) Any and all connecting facilities (customer's sewer laterals) from the Seller's wastewater lines, mains or collection facilities at the curb-line or edge-of-road that are within the customer's property (the "Customer Sewer Laterals");

(b) Any and all piping and fixtures internal to each individual customer's structure (whether residential, commercial, industrial or other types);

(c) Any and all grinder pumps, piping and fixtures located at the curb-line or edge-of-the road that are within the customer's property;

(d) Any and all stormwater system facilities including, but not limited to: (a) facilities located on, in, within, or under the real property, including easements, that is a part of the Assets, (b) facilities that are connected to the System and located within the public right-of-way and (c) facilities or assets used in the operation of a municipal separate stormwater system;

(e) Seller's cash on hand on the date of Closing and Seller's accounts receivable related to the System for services rendered through the close of business on the Closing Date;

(f) All rights of Seller under this Agreement and related Bill of Sale and Assignment of Contracts Agreement as it pertains to the transfer and sale herein contemplated; and

(g) The specific assets, properties and rights of Seller set forth on Schedule 1.3.

1.4 Accounts Receivable. Accounts receivable for wastewater services related to the System rendered through the close of business on the Closing Date shall be excluded assets as per Section 1.3, and accounts receivable for wastewater services related to the System rendered thereafter shall belong to PAWC.

## **ARTICLE 2**

### **PURCHASE PRICE**

2.1 Purchase Price for the Assets. Subject to the terms and conditions of this Agreement, the negotiated purchase price shall be Seventeen Million, Five Hundred Sixty Thousand Dollars (\$17,560,000.00) (the "Purchase Price"). The Purchase Price shall be payable directly to Seller on the Closing Date by wire transfer or by corporate check, at the Seller's discretion.

2.2 Use of Fair Market Valuation Process. Following the execution of this Agreement, PAWC and Seller shall each take such further actions as are necessary to invoke, commence and complete the fair market valuation process set forth in Section 1329 of the Public Utility Code, 66 Pa.C.S. § 1329. Without limiting the generality of the foregoing, PAWC and Seller have each engaged a utility valuation expert from the list of such experts maintained by the Pennsylvania Public Utility Commission ("PUC") and have jointly selected and engaged a licensed engineer for the purposes set forth in Section 1329(a)(4) of the Public Utility Code, 66 Pa.C.S. § 1329(a)(4). All costs and expenses associated with the utility valuation experts shall be the

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**ASSET PURCHASE AGREEMENT**

**By and Between**

**Royersford Borough, Montgomery County**

**As Seller**

**and**

**Pennsylvania-American Water Company**

**As Buyer**

**Dated as of December 10, 2019**

4824-5430-5949

permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.15, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### PURCHASE PRICE

**Section 3.01. Purchase Price.** The purchase price for the Acquired Assets is Thirteen Million Dollars (\$13,000,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall provide for payment in full of the total amount of Outstanding Indebtedness directly to Seller's obligees on account of the Purchase Price;

(b) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(c), to Seller by wire transfer of immediately available funds the balance of the Purchase Price (remaining after the debt repayment pursuant to Section 3.01(a)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(c) **Final Billing:** The Buyer is entitled to all customer billings with respect to sanitary wastewater customers services for the period on or after the Closing Effective Time, and Seller is entitled to all such billings for the period before the Closing Effective Time. The Parties

**Execution Version**

**WATER  
ASSET PURCHASE AGREEMENT  
By and Between  
Valley Township, Chester County  
As Seller  
and  
Pennsylvania-American Water Company  
As Buyer**

**Dated as of December 17, 2019**

4826-7132-5345

and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.13, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.13 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.13 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE

##### Section 3.01. Purchase Price.

The purchase price for the Acquired Assets is Seven Million Three Hundred Twenty-Five Thousand Dollars (\$7,325,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b) and to release Liens, to Seller by wire transfer of immediately available funds the Purchase Price to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(b) Final Billing: The Buyer is entitled to all customer billings with respect to drinking water customers services for the period on or after the Closing Effective Time, and Seller is entitled to all such billings for the period before the Closing Effective Time. The Parties

**Execution Version**

**SANITARY SEWER  
ASSET PURCHASE AGREEMENT**

**By and Between**

**Valley Township, Chester County**

**As Seller**

**and**

**Pennsylvania-American Water Company**

**As Buyer**

**Dated as of December 17, 2019**

4833-0982-2110

(b) Until such time as a Nonassignable Asset is transferred to Buyer pursuant to this Article II, Buyer and Seller shall cooperate in any commercially reasonable and economically feasible arrangements (such as subleasing, sublicensing or subcontracting) to provide to the Parties the economic and, to the extent permitted under Law, operational equivalent of the transfer of such Nonassignable Asset to Buyer at the Closing and the performance by Buyer of its obligations with respect thereto, and so long as Seller transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.13, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.13 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.13 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE

##### **Section 3.01. Purchase Price.**

The purchase price for the Acquired Assets is Thirteen Million Nine Hundred Fifty Thousand Dollars (\$13,950,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b), to Seller by wire transfer of immediately available funds the Purchase Price (remaining after the payments required in Section 3.01(a)) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

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4833-0982-2110

**EXECUTION VERSION**

**ASSET PURCHASE AGREEMENT**

**By and Among**

**The Delaware County Regional Water Quality Control Authority,**

**As Seller**

**and**

**Aqua Pennsylvania Wastewater, Inc.**

**As Buyer**

**Dated as of September 17, 2019**

4836-0962-5504

(c) If, following the Effective Date and prior to the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.15 as an Assigned Contract as of the Effective Date, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 identifying such contract, and such contract shall thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) If, during the twelve (12) month period following the Closing Date, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### **ESCROW; PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE**

##### Section 3.01. **Escrow Amount.**

At Closing, Five Million Dollars (\$5,000,000) of the Purchase Price shall be deposited in escrow (the "Escrow Fund") with the Escrow Agent pursuant to an escrow agreement in the form of Exhibit B, by and among the Seller, the Buyer, and the Escrow Agent (the "Escrow Agreement") to provide for Seller's post-Closing obligations pursuant to Article VI. The Escrow Fund shall be released in accordance with the Escrow Agreement. After the Closing Date and notwithstanding any other provision of this Agreement, the Escrow Fund is Buyer's sole recourse with respect to providing for Seller's post-Closing obligations pursuant to Article VI.

##### Section 3.02. **Purchase Price and Additional Consideration**

The purchase price for the Acquired Assets shall be Two Hundred Seventy-Six Million Five Hundred Thousand Dollars (\$276,500,000) (the "Purchase Price") which shall be paid as follows at Closing:

(a) Buyer shall pay in full, fully fund or defease the total amount of Outstanding Indebtedness.

(b) Subject to any adjustment in Purchase Price resulting from the proration procedures set forth in Section 3.02(c) and after making the payments required in Sections 3.01 and 3.02(a), Buyer shall pay to the Seller by wire transfer of immediately available funds the balance of the Purchase Price to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days prior to the Closing Date.

Execution Version

**SANITARY SEWER  
ASSET PURCHASE AGREEMENT**

**By and Between**

**Upper Pottsgrove Township, Montgomery County**

**As Seller**

**and**

**Pennsylvania-American Water Company**

**As Buyer**

**Dated as of April 28, 2020**

effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE

##### **Section 3.01. Purchase Price.**

The purchase price for the Acquired Assets is Thirteen Million Seven Hundred Fifty Thousand Dollars (\$13,750,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b), to Seller by wire transfer of immediately available funds the Purchase Price less (i) debt repayments, if any, required to release any Liens on Acquired Assets, (ii) the deposit as provided in Section 3.01(c), and (iii) Seller's share of Transfer Taxes payable upon recording of real estate, if any, as provided in Section 3.03, to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(b) Final Billing: The Buyer is entitled to all customer billings with respect to sanitary wastewater customers' services for the period on or after the Closing Effective Time, and Seller is entitled to all such billings for the period before the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to the extent that either Party collects billings that are attributable to service provided by the other Party, the Party holding the other Party's billing collections shall pay such amount to the other Party.

(c) The Buyer shall pay a deposit of Ninety Thousand Dollars (\$90,000) within ten (10) days of the Effective Date to the Seller to be used for Seller's incurred engineering and legal fees related to this transaction. At the successful closing of the transaction, the deposit will be deducted from the Purchase Price at settlement. In the event that the transaction does not successfully close, the amount of the deposit that has not been spent on engineering and legal fees will be refunded to the Buyer. The amount of such refund will be calculated as of the date of a termination under Section 14.01 based on the Seller's expenditures and accrued expenses as of such date of termination. Any engineering and legal fees incurred by the Seller related to this transaction that exceed the \$90,000 deposit shall be the sole responsibility of the Seller.

##### **Section 3.02. Fair Consideration.**

The consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's length good faith negotiations between the Parties and their respective Representatives.

##### **Section 3.03. Transfer Taxes.**

**Execution Version**

**ASSET PURCHASE AGREEMENT**

**By and Between**

**The Township of Lower Makefield, Bucks County**

**As Seller**

**and**

**Aqua Pennsylvania Wastewater, Inc.**

**As Buyer**

**Dated as of September 17, 2020**

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the terms of any applicable contract that constitutes a Nonassignable Asset, as agent or subcontractor for the Seller, pay, perform and discharge the liabilities and obligations of the Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would constitute Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, the Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which the Seller is a party which is not identified on Schedule 4.14 as an Assigned Contract as of the Effective Date, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.14 identifying such contract, and such contract will thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) If, during the twelve (12) month period following the Closing Date, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.14 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract will be deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### PURCHASE PRICE AND ADDITIONAL CONSIDERATION

##### Section 3.01. Purchase Price and Additional Consideration

The purchase price for the Acquired Assets is Fifty Three Million Dollars (\$53,000,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay Three Million Dollars (\$3,000,000) to Seller as a deposit on account of the Purchase Price (the "Deposit") upon the earlier to occur of: (1) the third business day following Buyer's receipt of notice from the PaPUC that the application to the PaPUC for the transaction contemplated by this Agreement has been conditionally accepted; and (2) December 15, 2020. The Deposit shall be governed as follows:

(i) Subject to subparagraph (ii) below, Seller shall be free to use the Deposit upon receipt as it determines in Seller's sole discretion.

**Execution Version**

**SANITARY SEWER  
ASSET PURCHASE AGREEMENT**

**By and Between**

**Township of East Whiteland, Chester County**

**As Seller**

**and**

**Aqua Pennsylvania Wastewater, Inc.**

**As Buyer**

**Dated as of January 8, 2021**

the economic and, to the extent permitted under Law, operational equivalent of the transfer of such Nonassignable Asset to Buyer at the Closing and the performance by Buyer of its obligations with respect thereto, and so long as Seller transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.13, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.13 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer or Seller identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.13 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### **PURCHASE PRICE AND ADDITIONAL PURCHASE PRICE**

##### **Section 3.01. Purchase Price.**

The purchase price for the Acquired Assets is Fifty Four Million Nine Hundred Thirty Thousand Dollars (\$54,930,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b) and any amounts required to be deposited into the escrow fund pursuant to Section 6.05(e), to Seller by wire transfer of immediately available funds the Purchase Price to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(b) Final Billing: The Buyer is entitled to all customer billings with respect to sanitary wastewater customers' services for the period on or after the Closing Effective Time, and Seller is

**EXECUTION VERSION**

**SANITARY SEWER  
ASSET PURCHASE AGREEMENT**

**By and Between**

**Township of Willistown, Chester County**

**As Seller**

**and**

**Aqua Pennsylvania Wastewater, Inc.**

**As Buyer**

**Dated as of January 20, 2021**

and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and the terms of any applicable contract that is a Nonassignable Asset, as agent or subcontractor for Seller, pay, perform and discharge the liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would be Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which Seller is a party which is not set forth on Schedule 4.13, and Buyer reasonably determines such contract is necessary or useful to the operation of the System, Buyer shall notify Seller of such determination and Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.13 reflecting the addition of such contract, and such contract will be an "Assigned Contract" for all purposes hereunder.

(d) If during the twelve (12) month period following the Closing, Buyer or Seller identifies any contract to which Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.13 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary or useful to the operation of the System, Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract is deemed an Assigned Contract for all purposes hereunder.

## ARTICLE III.

### PURCHASE PRICE

#### **Section 3.01. Purchase Price.**

The purchase price for the Acquired Assets is Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) (the "Purchase Price") which Buyer shall pay as follows at Closing:

(a) Buyer shall pay, subject to any adjustment pursuant to Section 3.01(b), and any amounts required to be deposited into the escrow fund pursuant to Section 6.05(e), to Seller by wire transfer of immediately available funds the Purchase Price to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date; and

(b) Final Billing: The Buyer is entitled to all customer billings with respect to sanitary wastewater customers' services for the period on or after the Closing Effective Time, and Seller is entitled to all such billings for the period before the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to the extent

**EXECUTION COPY**

ASSET PURCHASE AGREEMENT

By and Among

York City Sewer Authority  
As Seller

The City of York

and

Pennsylvania-American Water Company  
As Buyer

Dated as of April 6, 2021

respect thereto, and so long as Seller or the City transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under applicable Law and the terms of any applicable contract that constitutes a Nonassignable Asset, as agent or subcontractor for Seller or the City, pay, perform and discharge the Liabilities and obligations of Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would constitute Assumed Liabilities if the applicable consent or approval had been obtained on or prior to the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under applicable Law, Seller or the City shall, at Seller's or the City's expense, hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and prior to the Closing, Buyer identifies any contract to which Seller or the City is a party which is not identified on Schedule 4.15 as an Assigned Contract as of the Effective Date, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to Seller or the City and Seller or the City shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 identifying such contract, and such contract shall thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) In the event that, during the twelve (12) month period following the Closing, Buyer identifies any contract to which Seller or the City was a party as of the Closing and which (i) was not set forth on or properly identified on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, Seller or the City shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract shall be deemed an Assigned Contract for all purposes hereunder.

### ARTICLE III.

#### PURCHASE PRICE

##### **Section 3.01 Purchase Price; Agreement Proposal Security.**

(a) **Purchase Price for the Assets; Adjustment for City Deposit.** Subject to the terms and conditions of this Agreement, the purchase price ("**Purchase Price**") for the Acquired Assets shall be (i) \$235,000,000, *plus* (ii) the Average Daily AR Payment. The Purchase Price shall be delivered as follows:

(i) Within 60 days of the Effective Date, Buyer shall deposit Twenty Million Dollars (\$20,000,000) of the Purchase Price, payable to the City in immediately available funds ("**City Deposit**"), subject to Sections 4.03, 6.06, 9.05 and 13.02 and secured by the City with a tax and revenue anticipation note (the "**Deposit Note**") substantially in the form attached hereto as Exhibit A; and

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Appraisals**

19. Have Buyer’s and Seller’s UVE corresponded with regard to their respective fair market value appraisals of the assets at issue in this case? If yes, provide the following information:
- a. Identify the nature and date(s) of correspondence;
  - b. Identify the type(s) of correspondence (i.e. written, verbal, etc); and,
  - c. Provide copies of any written correspondence exchanged between the UVEs.

**Response:** **Jerome C. Weinert, Principal & Director – Weinert Appraisal & Depreciation Services LLC.**

No.

**Harold Walker III, Manager, Financial Studies - Gannett Fleming Valuation and Rate Consultants, Inc.**

No. The Buyer’s and Seller’s UVE did not correspond with regards to their respective fair market value appraisals of the assets at issue in this case.

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

**Miscellaneous**

20. Are there any outstanding compliance issues that the Seller’s system has pending with the PA Department of Environmental Protection. If yes, provide the following information:
- a. Identify the compliance issue(s);
  - b. Provide an estimated date of compliance;
  - c. Explain Buyer’s anticipated or actual plan for remediation;
  - d. Provide Buyer’s estimated costs for remediation; and,
  - e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

**Response:**

- a. The BASA System experiences illegal sanitary sewer overflows (SSO’s) and hydraulic overloading in portions of its collection system. From 2018 through November 10, 2022, the System has received forty-six notices of violations from PADEP for illegal SSO discharges.
- b. August 31, 2026
- c. On February 15, 2019 BASA submitted a Corrective Action Plan (CAP) to address pump station SSOs in two portions of its collection system. The CAP was revised on March 11, 2019 and ultimately approved by PADEP on March 26, 2019. The approved CAP requires sewer rehabilitation repairs in the two subareas of the collection system, replacement of six sewage pump stations, and restrictions on new sewer connections in these areas. All work was to be completed by June 30, 2024. BASA submitted a revised CAP to PADEP on October 13, 2020 requesting an extension of the completion date to December 31, 2025. PADEP approved this revised CAP and deadline on February 22, 2021. BASA submitted a second revision to the CAP on May 18, 2022, and amended the proposed revision on May 31, 2022. This second revision

**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

requested a further extension of the completion deadline to August 31, 2026. PADEP approved this second revision to the CAP and completion deadline on June 2, 2022. BASA is currently in the design and permitting phases of the projects required under the approved CAP.

- d. \$11 million
- e. **WAD:** The WAD appraisal considered any system remediation in its depreciation deduction in the cost approach and the capital expenditures deducted from future cash flows prior to arriving at the net cash flows to discount. The market approach used the cost approach conclusion as a basis of comparison to market sales and as such the depreciation deduction taken in the cost approach also recognizes any remediation cost in the market approach.

**Gannett Fleming:** Gannett Fleming’s appraisal did not factor in specific projected remediation cost. However, the income approach does factor in (deduct) estimated capital expenditures when calculating future net cash flows. Historical remediation cost is reflected in the cost approach to the extent they are included in the Engineers Assessment’s inventory.

- Provided by :**
- (a-d) **Daniel J. Hufton, P.E., Engineering Manager  
Pennsylvania-American Water Company**
  - (e) **Jerome C. Weinert, Principal & Director – Weinert  
Appraisal & Depreciation Services LLC.**
  - (e) **Harold Walker III, Gannett Fleming Valuation and Rate  
Consultants, Inc. Manager, Financial Studies**



**Pennsylvania-American Water Company  
Acquisition of the Butler Area Sewer Authority (“BASA”) Wastewater System**

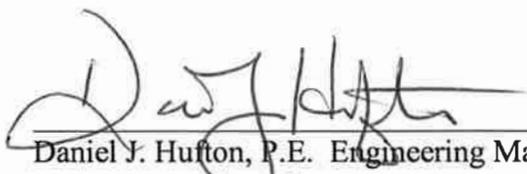
**Section 1329 Application Standard Data Requests**

**Docket No. A-2022-3037047**

- (e) Harold Walker III, Gannett Fleming Valuation and Rate Consultants, Inc. Manager, Financial Studies**

## VERIFICATION

I, Daniel J. Hufton hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.



---

Daniel J. Hufton, P.E. Engineering Manager  
Pennsylvania-American Water Company

Dated: 2/10/2023

## VERIFICATION

I, Harold Walker, III hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.



Harold Walker III, Manager of Financial Studies  
Gannett Fleming Valuation and Rate Consultants LLC

Dated:

2/6/23

## VERIFICATION

I, Jerome C. Weinert, P.E., hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.

  
\_\_\_\_\_  
Jerome C. Weinert, P.E. Principal and Director  
WAD Consultants

Dated: February 9, 2023

## VERIFICATION

I, Scott D. Fogelsanger hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.



\_\_\_\_\_  
Scott D. Fogelsanger, Senior Manager – Business Development  
Pennsylvania-American Water Company

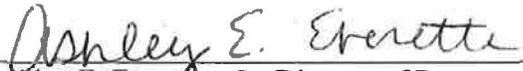
Dated: 2/9/2023

**VERIFICATION**

I, Ashley E. Everette, hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.

2/10/23

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Ashley E. Everette, Sr. Director of Rates and  
Regulatory American Water, Mid-Atlantic Division