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File #: 196374

March 17, 2023

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Sections 507, 508, 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of the City of Beaver Falls  
Docket No. A-2022-3033138**

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Dear Secretary Chiavetta:

We are counsel for Aqua Pennsylvania Wastewater, Inc. (“Aqua” or the “Company”) in connection with its above-referenced Application, filed with the Pennsylvania Public Utility Commission (“Commission”) on February 17, 2023, pursuant to Sections 507, 508, 1102, and 1329 of the Pennsylvania Public Utility Code (the “Code”), 66 Pa.C.S. §§ 507, 508, 1102, 1329, for approval of the acquisition of all of the assets, properties and rights related to the wastewater collection and treatment system owned by the City of Beaver Falls (“Beaver Falls” or “the City”). The Commission’s Bureau of Technical Utility Services (“TUS”) is reviewing the Application and has asked that we address certain requests for additional information. Request for additional information not addressed in this letter will be addressed in a later submission.

**INFORMATION REQUEST 1:**

Checklist Item No. 4. – In the Application’s confidential electronic working papers, the Excel workbook titled “EX 4.xlsx” (EX 4 Workbook), worksheet “EX 4” contained Error in Value warnings in cells B71:D75, and worksheet “Subject Financials”, contained Error in Value warnings in cells C77:E1, respectively. Please provide a revised Excel EX 4 Workbook that corrects the Error in Value warnings.

**RESPONSE:**

Included with this letter is an electronic copy of CONFIDENTIAL EX. 4. Aqua separately filed this CONFIDENTIAL document with the Commission and requests that it be afforded non-public treatment.

**INFORMATION REQUEST 2:**

Checklist Item No. 12 – The Application’s Exhibit D, Confidential Version, included a copy of the Engineers Assessment of Wastewater System Assets (Engineer Assessment) dated June 9, 2022, for the City of Beaver Falls (Beaver Falls) wastewater system. The Engineer Assessment included copies of maps in Appendix B entitled “Appendix B – City of Beaver Falls Sewer Maps” (Beaver Falls Maps) that appeared to depict points of service between Beaver Falls and the Boroughs of West Mayfield (at Flow Meter #6), Big Beaver (at the outlet of Wallace Run Pump Station), and Eastvale (at the Eastvale Pump Station) as being located outside the jurisdictional limits of the Beaver Falls. However, Page 8 of the pro forma tariff supplement provided in the Application’s Exhibit G does not identify rates for service provided outside of Beaver Falls. Please amend the Application’s Exhibit G, Page 8, to include a pro forma tariff supplement containing rates for services provided by Beaver Falls at points of service outside of Beaver Falls’ municipal limits.

**RESPONSE:**

Beaver Falls does not provide retail service to individual customers outside of the municipal boundaries of Beaver Falls. Beaver Falls provides wholesale/bulk service to the surrounding municipalities. The locations noted above, Flow Meter 6, Wallace Run Pump Station, and Eastvale Pump Station are where wastewater flow is measured from the Contributing Municipalities, which are charged at the Bulk Rates (\$4.54 per 1,000 gallons) set forth in Application Exhibit G.

**INFORMATION REQUEST 9:**

Checklist Item No. 24.a. – The Application’s Exhibit B included a copy of the Asset Purchase Agreement (APA) dated October 20, 2021, by and between Beaver Falls and Aqua Pennsylvania Wastewater, Inc. (APW). The APA’s Section 4.19, Pending Development Plans, appeared to include a formatting error causing a reference to a Schedule “Error! Reference source not found.” Please provide a copy of the referenced schedule.

**RESPONSE:**

Included with this letter is a replacement page of the Asset Purchase Agreement, Application Exhibit B, which corrects the reference error in Section 4.19. The Schedule 4.19 was included in Exhibit B of Aqua’s application filed on February 17, 2023.

**INFORMATION REQUEST 10:**

Checklist Item No. 24.a. – The APA’s Section 6.05(e) Escrow at Closing for Missing Easements referenced a Schedule 6.05(e). However, the APA does not include a copy of Schedule 6.05(e). Please provide a copy of the APA’s Schedule 6.05(e).

**RESPONSE:**

Included with this letter is the missing Application Exhibit B, Asset Purchase Agreement Schedule 6.05(e).

**INFORMATION REQUEST 12:**

Checklist Item No. 25. – The Application’s Exhibit F3 included a copy of an Agreement dated November 1998, by and between the Big Beaver Municipal Authority and Beaver Falls (Big Beaver Agreement) for the conveyance and treatment of wastewater flows from the Boroughs of Big Beaver and Homewood. However, the Big Beaver Agreement is unexecuted and is missing Exhibit “A” referenced in Section 2.01. Please revise the Application’s Exhibit F3 to include an executed copy of the Agreement with all referenced exhibits.

**RESPONSE:**

Included in Application Exhibit F3 is the Right to Know (“RTK”) request sent to Big Beaver Borough and Big Beaver Municipal Authority. Neither Big Beaver Borough nor Big Beaver Municipal Authority had a complete copy of the November 1998 agreement as shown in the responses to the RTK requests included in Application Exhibit F4.

**INFORMATION REQUEST NO. 13:**

Checklist Item No. 25. – The Application’s Exhibit F4 included a copy of an Agreement dated January 9, 2003, by and between North Sewickley Township Sewer Authority and Beaver Falls (North Sewickley Agreement) for the conveyance and treatment of wastewater flows from North Sewickley Township. However, the North Sewickley Agreement is missing Exhibit “A” referenced in Section 2.01 and Exhibit “B” referenced in Article 3. Please revise the Application’s Exhibit F4 to include copies of the North Sewickley Agreement’s Exhibits A and B.

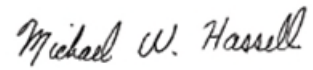
**RESPONSE:**

Included in Application Exhibit F4 is the RTK request sent to North Sewickley Township and North Sewickley Township Sewage Authority. Neither North Sewickley Township nor North Sewickley Township Sewage Authority had a complete copy of the January 9, 2003 agreement as shown in the responses to the RTK requests included in Application Exhibit F4.

The copy of CONFIDENTIAL Ex. 4 has been conspicuously labeled as “CONFIDENTIAL,” and has been separately compiled and submitted to the Commission via ShareFile. Aqua requests that the copies of the materials that have been labeled “CONFIDENTIAL” and that have been separately submitted to the Commission as “CONFIDENTIAL” documents be given confidential treatment by the Commission, including its various offices and bureaus. That is, Aqua requests that the confidential materials be excluded from the Commission’s public document folder and that the confidential copies of these documents not be disclosed to the public.

Rosemary Chiavetta, Secretary, Secretary  
March 17, 2023  
Page 4

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael W. Hassell".

Michael W. Hassell

MWH/dmc  
Attachments

cc: Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

### VIA E-MAIL

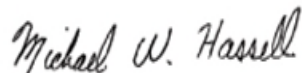
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Date: March 17, 2023



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Michael W. Hassell

# **REQUEST No. 9**

**UPDATED APA PAGE 23 –  
Section 4.19**

sale of the System. Seller is solely responsible to pay all fees owed to PFM Financial Advisors LLC in connection with the transactions contemplated by this Agreement.

**Section 4.18. Title to the Acquired Assets; Sufficiency**

(a) Except as set forth on Schedule 4.18(a), the Seller has good and marketable title to, valid leasehold interest in or valid licenses to use, all of the Acquired Assets, free and clear of all Liens, other than Permitted Liens and Liens which will be fully and unconditionally released at or before Closing. The use of the Acquired Assets is not subject to any Liens, other than Permitted Liens, and such use does not encroach on the property or the rights of any Person.

(b) Except as set forth on Schedule 4.18(b), the Acquired Assets are sufficient for, and constitute all the assets, properties, business, goodwill and rights of every kind and description, and services required for, the continued conduct and operation of the System by Buyer in substantially the same manner as currently conducted and operated by Seller. Except for the Excluded Assets and except as set forth on Schedule 4.18(b), (i) the Acquired Assets, taken as a whole, comprise all the assets, properties, business, goodwill and rights of every kind and description used or held for use in, or useful or necessary to the operation of the System as currently operated by Seller, and (ii) there are no assets, properties, business, goodwill, rights or services used in the conduct or operation of the System that are owned by any Person other than Seller that will not be licensed or leased to Buyer under valid, current license arrangements or leases. None of the Excluded Assets are material to the System.

**Section 4.19. Pending Development Plans**

Schedule 4.19 sets forth a full and complete list of all Pending Development Plans for which Seller has received notice as of the Effective Date. Each Pending Development Plan, if consummated, could result in additional customers and reduction of available treatment capacity. Schedule 4.19 also identifies all agreements with third parties with respect to current or pending extensions of the System or any other sanitary sewer system that is connected to the System together with any financial security held by Seller with respect to such extensions. Seller provides no assurances whatsoever that any development or expansion of the Service Area associated with any Pending Development Plan will actually be undertaken or completed. The Parties expect that Schedule 4.19 will change from time to time between the Effective Date and Closing, and the Seller shall provide updates to Schedule 4.19 upon the occurrence of any significant change, decision or development and shall further deliver such updates pursuant to Section 9.03.

**Section 4.20. Customer Service Laterals and Grinder Pumps**

The Seller does not own, or have any responsibility for: any grinder pumps; connecting facilities located in the area originating from the Seller's terminus point of the collection facilities at the edge-of-road or curb-line or curb stop when the facilities are located with a public right-of-way or the edge of an easement where the collection facilities are located within private property to and throughout the customer's property; or any and all piping and fixtures internal to each individual customer structure (whether residential, commercial, industrial or other customer classes/types).

# **REQUEST No. 10**

**UPDATED APA Schedule 6.05(e)**

**Schedule 6.05(e)**

Missing Easements

To be provided at closing.