



November 7, 2023

VIA E-FILING

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Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North St., Second Floor
Harrisburg, PA 17120

Re: Application of Pennsylvania-American Water Company Pursuant to Sections 1102 and 1329 of the Public Utility Code for Approval of the Transfer, by Sale, of Substantially All of the Assets, Properties and Rights Related to the Wastewater Collection and Conveyance System Owned by Borough of Brentwood; and the Rights to Begin to Offer or Furnish Wastewater Service to the Public in the Borough of Brentwood, Allegheny County, Pennsylvania; Docket No. A-2021-3024058, et al.

Stipulation between Pennsylvania-American Water Company, Brentwood Borough, and the Allegheny County Sanitary Authority

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the above-referenced Stipulation. Copies are being served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. Please contact me if you have any question or concern.

Sincerely,

Cozen O'Connor
Counsel for *Pennsylvania-American Water Company*

DPZ/kmg

Enclosure

cc: Administrative Law Judge Katrina L. Dunderdale
Per Certificate of Service
Elizabeth Rose Triscari, Esq.
Erin Fure, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water Company :
Pursuant to Sections 1102 and 1329 of the Public Utility :
Code for Approval of the Transfer, by Sale, of :
Substantially All of the Assets, Properties and Rights :
Related to the Wastewater Collection and Conveyance : Docket No. A-2021-3024058 *et al.*
System Owned by Borough of Brentwood; and the :
Rights to Begin to Offer or Furnish Wastewater Service :
to the Public in the Borough of Brentwood, Allegheny :
County, Pennsylvania :

CERTIFICATE OF SERVICE

I hereby certify that I have this 7th day of November, 2023 served a true copy of the foregoing **Stipulation of Pennsylvania-American Water Company, Brentwood Borough, and the Allegheny County Sanitary Authority** upon the parties, listed below and in the manner described below in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

VIA E-MAIL AND FIRST CLASS MAIL

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Respectfully submitted,



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge Katrina L. Dunderdale

In re: Application of Pennsylvania-American Water :
Company for Approval of the Transfer, by Sale, of :
Substantially all of the assets, properties and rights related :
to the wastewater collection and conveyance system :
Owned by Borough of Brentwood and the rights to begin : Docket Nos. A-2021-3024058
to offer or furnish wastewater service to the public in : *et al.*
the Borough of Brentwood, Allegheny County, :
Pennsylvania :

JOINT STIPULATION

Pennsylvania-American Water Company (“PAWC”), the Borough of Brentwood (“Brentwood”) and the Allegheny County Sanitary Authority (“ALCOSAN”) (together, the “Stipulating Parties”) hereby enter into this Joint Stipulation¹ (“Stipulation”) to address issues raised by ALCOSAN in the above-referenced acquisition proceeding (“Proceeding”). The Stipulating Parties respectfully request that the Honorable Administrative Law Judge Katrina L. Dunderdale (the “ALJ”) recommend approval of and that the Public Utility Commission (“Commission”) approve and adopt this Stipulation, without modification.

¹ This Stipulation is subject to ratification at the ALCOSAN Board of Directors meeting of November 16, 2023 and the Brentwood Borough Council meeting of November 27, 2023. A letter will be filed by ALCOSAN’s counsel and Brentwood’s counsel confirming ratification.

I. TERMS OF THE STIPULATION

ALCOSAN does not take a position either in opposition to or in support of the Application. ALCOSAN's interest in this Proceeding is to: (1) preserve its status as the exclusive provider of sewage treatment within the service area, (2) maintain the uniformity of the Z Agreements with each customer municipality, (3) continue to meet its obligations under the Modified Consent Decree and trust indentures, and (4) protect itself as an independent municipal authority not subject to Commission oversight.

A. In the event the Application is approved:

1. PAWC and Brentwood shall honor their obligations under the terms of the Cooperation and Allocation of Responsibilities Agreement dated March 2, 2023 ("Cooperation Agreement").

2. PAWC and Brentwood shall not seek to amend or assign The Pittsburgh Zone Project Agreement of December 1, 1949 ("Z Agreement") between Brentwood, the City of Pittsburgh, and ALCOSAN, and Brentwood shall honor its obligations under the terms of the Z Agreement.

3. Without limiting the generality of the foregoing, PAWC and Brentwood shall honor their respective obligations under Section 2(g) of the Cooperation Agreement in fulfilling the obligations set forth in Section 16 and Section 18 of the Z Agreement with respect to payments due to ALCOSAN.

4. PAWC and Brentwood shall not seek to amend any of the terms of the Cooperation Agreement.

5. Nothing contained in this Stipulation or the Commission's approval of the Application shall preclude ALCOSAN from intervening or participating in a future PAWC

proceeding relating to either operation of the Brentwood system or any other potential purchase of wastewater system assets by a public utility within the ALCOSAN service area.

6. PAWC and Brentwood agree to amend the following schedules of the Asset Purchase Agreement and First Amendment to the Asset Purchase Agreement By and Between Brentwood and PAWC, dated as of December 22, 2020, and amended on March 2, 2023 (collectively the “Asset Purchase Agreement”)² as follows:

a. Schedule 4.05 (Required Governmental Consents):

1. Item 2 - Amend to read: “PaPUC Approval of Consent to Assignment and Amendment to Sewer Service Agreements (other than the Z Agreement) and Related Amendments

2. Item 4 – Retain: “Allegheny County Sanitary Authority approvals to the extent necessary”

b. Schedule 4.13 (Assigned Contacts):

1. Delete first row referring to the Z Agreement

c. Schedule 5.04 (Buyer Consent and Approvals):

1. Item 2 – Amend to read: “PaPUC Approval of Consent to Assignment and Amendment to Sewer Service Agreements (other than the Z Agreement) and Related Amendments

2. Item 4 – Delete “Allegheny County Sanitary Authority approval of new wastewater treatment agreement”

7. Brentwood shall enter into a separate agreement committing that upon closing of the system sale transaction, Brentwood shall reimburse ALCOSAN in full for any funds

² Copies of the pertinent Schedules are attached, although they are included in Appendix A-24-a of the Application.

received under the Grow Grants, which Grow Grants are more fully described in Recital G. of the Cooperation Agreement, and to decline in writing any awards outstanding under the Grow Grants. The Parties acknowledge that the amount of \$68,735.11, relating to the Viking Drive Project, has been received by Brentwood to date and will be reimbursed to ALCOSAN by Brentwood.

8. This Stipulation is conditioned upon the Commission's approval of the terms and conditions contained in the Stipulation, Asset Purchase Agreement, and Cooperation Agreement without any modification that ALCOSAN reasonably concludes could materially affect the rights, obligations or interests of ALCOSAN (except as modified by the Stipulation). If the Commission modifies the Stipulation, Asset Purchase Agreement, and/or Cooperation Agreement in a manner that ALCOSAN reasonably concludes could materially affect the rights, obligations or interests of ALCOSAN, ALCOSAN may elect to withdraw from the Stipulation and may proceed with litigation and, in such event, the Stipulation shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission, and served upon all parties to the Proceeding within five (5) business days after the entry of an Order modifying the Stipulation.

B. If the Commission does not approve the Stipulation and the Proceeding continues, the parties reserve their respective procedural rights, including the right to present additional testimony and to conduct full cross-examination, briefing and argument.

II. CONCLUSION

THEREFORE, the Stipulating Parties, by their respective counsel, hereby evidence their agreement to the terms of the Stipulation set forth above and respectfully request that the ALJ recommend approval of the Stipulation in the Recommended Decision and that the Commission approve and adopt the Stipulation in its final order in this Proceeding, without modification.

Respectfully submitted,



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