



**Elizabeth Rose Triscari**  
Director, Corporate Counsel  
852 Wesley Drive | Mechanicsburg, PA 17055  
Phone: 717-550-1574 | Fax: 717-550-1255  
[elizabeth.triscari@amwater.com](mailto:elizabeth.triscari@amwater.com)

December 21, 2023

**VIA ELECTRONIC FILING**

Ms. Rosemary Chiavetta, Secretary  
Commonwealth of Pennsylvania  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Agreement of Sale dated November 21, 2023  
between Pennsylvania-American Water Company  
and Butler Township, Luzerne County for the  
purchase of Nutrient Credits from the 2022-2023  
Water Year**

Dear Secretary Chiavetta:

On behalf of Pennsylvania American Water, I am electronically filing with you, a copy of the above referenced agreement. Please note that Pennsylvania-American Water is filing this agreement under §507 and affirms that the agreement meets the exemption requirements under 66 Pa. C.S. §1102(a)(3)(ii)(A).

If you should have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari

Enclosures

cc: All Parties on the attached Certificate of Service (*via electronic mail*)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Agreement of Sale dated November 21, 2023 between Pennsylvania-American Water Company and Butler Township, Luzerne County for the Purchase of Nutrient Credits from the 2022-2023 Water Year</b>	: : : : : : :	<b>Docket No. U-2023-</b>
---	---------------------------------	---------------------------

**CERTIFICATE OF SERVICE**

I hereby certify that I am this day serving the above-referenced Agreement upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §1.54 (relating to service by a party).

**Service in the manner listed below addressed as follows on December 21, 2023**

Patrick Cicero, Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
*(via electronic mail)*

NazAarah Sabree, Small Business Advocate  
Office of Small Business Advocate  
555 Walnut Street  
1<sup>st</sup> Floor, Forum Place  
Harrisburg, PA 17101  
*(via electronic mail)*

Richard Kanaskie, Director  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
400 North Street  
PO Box 3265  
Harrisburg, PA 17105  
*(via electronic mail)*

Respectfully Submitted,



Elizabeth Rose Triscari, Esquire (PA ID #306921)  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
(717) 550-1574  
Email: [elizabeth.triscari@amwater.com](mailto:elizabeth.triscari@amwater.com)

**Attorney for Pennsylvania-American  
Water Company**

**AGREEMENT OF SALE**

THIS **AGREEMENT OF SALE** (the "Agreement") is made this \_\_\_21ST\_\_\_ day of November, 2023, by and between,

**PENNSYLVANIA AMERICAN WATER COMPANY ("PENNSYLVANIA AMERICAN WATER")**, a Pennsylvania corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with an address of 852 Wesley Drive, Mechanicsburg, PA 17055.

**AND**

**BUTLER TOWNSHIP, LUZERNE COUNTY ("BUYER")**, a municipal entity organized and existing under the laws of the Commonwealth of Pennsylvania, with an address of St Johns STP, 761 Saint Johns Road, Drums PA 18222.

**WITNESSETH:**

**WHEREAS**, PENNSYLVANIA AMERICAN WATER owns and operates a certain wastewater treatment facility located at 2500 Sanitary Drive, Scranton, PA 18505 (the "PENNSYLVANIA AMERICAN WATER WWTP"); and

**WHEREAS**, BUYER owns and operates a certain wastewater treatment facility located at St. Johns STP, Saint Johns Road, Drums, PA 18222 (the "BUYER WWTP"); and

**WHEREAS**, the BUYER WWTP was issued NPDES Permit No. PA0046388 (the "Permit") by the Pennsylvania Department of Environmental Protection ("DEP"); and

**WHEREAS**, the Permit requires BUYER to meet certain "Chesapeake Bay Nutrient Requirements" with respect to the BUYER WWTP, including nitrogen and phosphorus, as more particularly described in the Permit (the "Requirements"); and

**WHEREAS**, the PENNSYLVANIA AMERICAN WATER WWTP has been operated in such a manner that has allowed PENNSYLVANIA AMERICAN WATER to verify and certify nitrogen and/or phosphorus water quality nutrient credits ("Credits") within the Susquehanna Basin of the Chesapeake Bay Watershed; and

**WHEREAS**, BUYER desires to purchase from PENNSYLVANIA AMERICAN WATER, and PENNSYLVANIA AMERICAN WATER desires to sell to BUYER, certain Credits generated during the 2022-2023 water year on the terms and conditions hereinafter provided.

**NOW, THEREFORE**, in consideration of mutual promises set forth herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

**1. SALE AND PURCHASE OF THE CREDITS.**

1.1. PENNSYLVANIA AMERICAN WATER hereby agrees to sell, and BUYER hereby agrees to purchase the Credits identified in Section 1.2 and Section 1.3, upon the terms and conditions set forth hereinafter.

1.2. NITROGEN CREDITS generated by PENNSYLVANIA AMERICAN WATER during water year 2022-2023 and verified by DEP in the amount of and at the unit credit purchase price as follows:

1.2.1. Amount: zero (0)

1.2.2. Unit Price: Not applicable

1.3. PHOSPHOROUS CREDITS generated by PENNSYLVANIA AMERICAN WATER during water year 2022-2023 and verified by DEP in the amount and at the unit credit purchase price as follows:

1.3.1. Amount: fifty-eight(58)

1.3.2. Unit Price: six dollars (\$6.00) per credit

1.4. The purchase price set forth in Section 1.2 and Section 1.3 is exclusive of all sales, use, excise, or similar taxes, which to the extent applicable, shall be paid solely by BUYER.

1.5. BUYER agrees to remit full payment for all purchased Credits to PENNSYLVANIA AMERICAN WATER within thirty (30) days of BUYER's receipt of notification by DEP of the registration of the Credits purchased pursuant to this Agreement.

1.6. BUYER acknowledges and agrees that:

1.6.1. The Credits may only be used for the BUYER WWTP, and may not be assigned, conveyed, or transferred in any fashion (whether by operation of law or otherwise) by BUYER without PENNSYLVANIA AMERICAN WATER's prior written consent, which consent may not be unreasonably withheld by PENNSYLVANIA AMERICAN WATER;

1.6.2. PENNSYLVANIA AMERICAN WATER is not making any, and has made no, representation, warranty, or covenant regarding:

1.6.2.1. The suitability of the Credits for the BUYER WWTP, and

1.6.2.2. The likelihood of the Credits satisfying the requirements of the BUYER NPDES Permit (or any successor permit); and

1.6.3. PENNSYLVANIA AMERICAN WATER has, and shall have, no duty, liability, or responsibility in any way relating to or arising out of the BUYER WWTP.

1.7. Within a reasonable time following the Verification of Nutrient Reduction Credits as issued by DEP ("Verification"), PENNSYLVANIA AMERICAN WATER shall provide the BUYER a true, correct, and complete copy of the Verification that verifies the Credits to be sold hereunder, a copy of which shall be attached hereto and incorporated herein by reference as Exhibit "A".

1.8. PENNSYLVANIA AMERICAN WATER consents to DEP transmitting a copy of said Verification directly to the BUYER. PENNSYLVANIA AMERICAN WATER consents to BUYER transmitting a copy of this Agreement to DEP for the purpose of Credit registration.

1.9. Each party agrees to execute any and all documents and take such other actions as the other party may reasonably request in order to consummate the transaction provided for herein and to accomplish the purposes of this Agreement.

## **2. ADDITIONAL REPRESENTATIONS AND WARRANTIES.**

2.1. BUYER hereby represents and warrants to and with PENNSYLVANIA AMERICAN WATER that:

2.1.1. BUYER has power and authority to enter into this Agreement and to consummate the transactions contemplated hereby;

2.1.2. BUYER has complied with all requirements of the Butler Township Code and other applicable laws, rules, and requirements in entering into and delivering this Agreement;

2.1.3. BUYER is entering into this Agreement and purchasing the Credits due to the necessity of securing a source for Credits;

2.1.4. The customers of BUYER WWTP will be benefited by BUYER entering into this Agreement and securing a source for Credits;

2.1.5. BUYER entering into this Agreement and securing a source for Credits involves and constitutes a legislative or governmental function;

2.1.6. Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any contract, agreement or other understanding to which BUYER is party or by which it is bound; and

2.1.7. This Agreement, when executed and delivered by BUYER, shall constitute a valid and legally binding obligation of BUYER enforceable in accordance with its terms, except to the extent that the same may generally be rendered unenforceable by reason of any bankruptcy, reorganization or insolvency laws generally affecting creditors' rights and remedies.

2.2. PENNSYLVANIA AMERICAN WATER hereby represents and warrants to and with BUYER that:

2.2.1. PENNSYLVANIA AMERICAN WATER has power and authority to enter into this Agreement and to consummate the transactions contemplated hereby;

2.2.2. Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any contract, agreement or other understanding to which PENNSYLVANIA AMERICAN WATER is party or by which it is bound; and

2.2.3. This Agreement, when executed and delivered by PENNSYLVANIA AMERICAN WATER, shall constitute a valid and legally binding obligation of PENNSYLVANIA AMERICAN WATER enforceable in accordance with its terms, except to the extent that the same may generally be rendered unenforceable by reason of any bankruptcy, reorganization or insolvency laws generally affecting creditors' rights and remedies;

2.2.4. PENNSYLVANIA AMERICAN WATER owns and operates a wastewater treatment facility in Scranton, Lackawanna County, and that the Credits sold hereunder were generated from activities located within the Susquehanna River Basin of the Chesapeake Bay Watershed; and

2.2.5. PENNSYLVANIA AMERICAN WATER shall supply to BUYER such information, certificates, and verifications as may be necessary or convenient to allow BUYER to assure that the Credits are in compliance with the applicable laws, rules, and regulations.

### **3. MISCELLANEOUS.**

3.1. This Agreement contains the entire agreement and understanding between the parties concerning the subject matter hereof, and supersedes any and all prior understandings or agreements, written or oral, between the parties respecting the subject matter hereof.

3.2. This Agreement may not be amended, modified, superseded, cancelled, renewed or extended, nor may any term or condition hereof be waived, except by a written instrument or document signed by all-parties hereto or, in the case of a waiver, signed by the party sought to be charged therewith. No waiver by any party of the breach of any provision hereof shall be deemed to constitute a waiver of any continuing or subsequent breach of such provision or any other provision hereof. Except as otherwise provided herein, the rights and remedies expressly granted hereunder shall be cumulative with respect to, and shall not be deemed to exclude, any other rights and remedies to which any party shall be entitled at law or in equity.

3.3. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but shall not be assigned by any party without the prior written consent of the other parties (which consent shall not be unreasonably withheld or delayed), as well as any necessary consents or approvals of the applicable regulatory authorities

3.4. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

3.5. Headings have been set forth for convenience of reference only and shall not be used in construing this Agreement. References to persons or things shall be deemed to refer to such persons or things in the singular or plural and in the masculine, feminine or neuter gender as the context shall require.

3.6. This Agreement shall be deemed to be severable, so that if any provision hereof shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to remain valid and enforceable in accordance with their terms.

3.7. All notices shall be in writing, shall be sent to the address contained in the introductory section and shall be considered as delivered:

3.7.1. On the next business day, if sent by telex, telecopy, telegram or overnight carrier; or;

3.7.2. Three (3) days after the postmark, if sent by first class mail.

3.8. Nothing in this Agreement shall be deemed to create any agency, partnership, joint venture, or fiduciary relationship (or duties) between the parties.

3.9. This Agreement may be executed in any number of counterparts (and delivered by overnight express mail, or by fax with confirmation in writing delivered by overnight express mail), each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall be binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected on this Agreement as the signatories.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

IN WITNESS WHEREOF, intending to be legally bound, this Agreement of Sale has been duly executed by the parties hereto as of the day and year first above written.

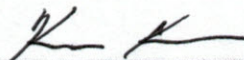
PENNSYLVANIA AMERICAN WATER COMPANY

BY:



Name: *Jeremy Hull*  
Title: *Operations Manager*

BUTLER TOWNSHIP



Name: *Kevin Kowalski*  
Title: *Superintendent*

**EXHIBIT A**  
**DEP NUTRIENT CREDIT VERIFICATION**

## NUTRIENT CREDIT POINT SOURCE VERIFICATION REQUEST

Credits must be certified before requesting verification.

A separate Verification Request is required for each PS credit generator.

1.	<b>A. Verification Request Submitter:</b> PAWC Scranton Wastewater Operation		
	<b>B. Aggregator Information (if applicable)</b>		
	Address:		
	Responsible official or contact:		Phone:
	Title:	Email:	
	<b>C. Credit Generator Information</b>		
	Certification ID: 1130		
	NPDES Permit Number: PA 0026492A-2		
	Facility Name: PAWC Scranton Wastewater Operation		
	Facility Location	County: Lackawanna	Municipality: Scranton
			Basin: Susquehanna
	Facility Address: 2500 Sanitary Drive Scranton PA 18505		
	Responsible official or contact: Christine Wesolowski		Phone: 570-906-5044
	Title: Supervisor, Water Quality and Environmental Compliance	Email: Christine.Wesolowski@amwater.com	
2.	<b>Total Credit Verification Requested</b>	<b>N Credits: 29660</b>	<b>P Credits: 955</b>
	For Compliance Year: October 1, 2022 through September 30, 2023		
3.	<b>Verification Request Supporting Documentation</b>		
	A complete Chesapeake Bay Annual Spreadsheet must accompany this request for verification. The spreadsheet must include sampling information from the entire compliance year (October 1 through September 30 <sup>th</sup> ). Therefore, point source verification requests may not be submitted before the end of the compliance year in which the credits were generated.		
4.	Does the pollutant reduction activity still meet applicable eligibility requirements listed in <u>25 Pa. Code § 96.8 (d)</u> ?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Email or send this completed Verification Request form and all associated documentation to:			
RA-EPPANutrientTrad@pa.gov or PA DEP PA Nutrient Trading Program 400 Market Street – 11 <sup>th</sup> Floor Harrisburg, PA 17101-8774		<b>Submitter/Responsible Official Signature:</b>  <b>Name:</b> Christine Wesolowski <b>Date:</b> 10/23/2023	
I certify under penalty of law and subject to the penalties of 18 Pa. C.S. Section 4904 (relating to unsworn falsification to authorities) that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.			
Information related to the PA Nutrient Trading Program is available on the DEP Nutrient Trading website: <a href="http://www.dep.pa.gov/nutrient_trading">www.dep.pa.gov/nutrient_trading</a>			



November 3, 2022

Ms. Christine Wesolowski  
Production Supervisor  
PAWC Scranton Wastewater Operation  
2500 Sanitary Drive  
Scranton, PA 18505  
570-906-5044  
[christine.wesolowski@amwater.com](mailto:christine.wesolowski@amwater.com)

Re: Verification of Nutrient Reduction Credits – Scranton Wastewater Operation

Dear Ms. Wesolowski:

The Department of Environmental Protection (DEP) is in receipt of a request for verification (“request”), including a [Nutrient Credit Point Source Verification Request](#) form (3830-FM-BCW0506b) and [Annual Chesapeake Bay Spreadsheet v2.2](#) demonstrating credit generation.

DEP approval of a verification request indicates that the generator has verified the pollutant reduction activity using the Annual Chesapeake Bay Spreadsheet and that other verification requirements of the Nutrient Credit Trading Program, such as baseline and threshold, have been met (See 25 Pa. Code §96.8(f)).

The following nutrient pollutant reduction activity has DEP approval for verification:

Verification ID	Cert ID	Generator	Pollutant Reduction Activity	N Credits Verified	P Credits Verified	Verification Date	Verification Expiration
1113	1130	PAWC Scranton	Advanced Wastewater Treatment	23883	0	11/3/22	11/28/22

Assuming no contrary information comes to DEP’s attention, DEP is prepared to register the verified credits generated by the pollutant reduction activity listed above upon receipt of a [Nutrient Credit Registration Request form](#) (36800-FM-BCW0504) and related valid contract. These credits may only be used towards compliance with an NPDES permit for the 2022 compliance year until November 28, 2022.

PAWC Scranton Wastewater Operation shall furnish to DEP, within the timeframe specified by DEP, any information DEP may request related to this verification. All documents, records, data, or other information related to this verification shall be maintained by PAWC Scranton Wastewater Operation for a minimum of three (3) years from the expiration date of the related certification.

Pertinent information related to credit certification, verification, and registration, including data on credit generators and buyers, will be published on DEP's Nutrient Trading website at:

[www.dep.pa.gov/nutrient\\_trading](http://www.dep.pa.gov/nutrient_trading)

If you have any additional questions regarding this verification of credits, please do not hesitate to contact DEP at [RA-EPPANutrientTrad@pa.gov](mailto:RA-EPPANutrientTrad@pa.gov) or 717-787-6744.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Colyer".

Rachel Colyer  
Water Program Specialist  
Operations Division