

April 12, 2024

**Via E-File**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105

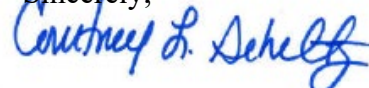
**RE: Application of Aqua Pennsylvania Wastewater, Inc. pursuant to Sections 1102, 1329, and 507 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of Greenville Sanitary Authority  
Docket No. A-2023-3041695**

Dear Secretary Chiavetta:

On behalf of Aqua Pennsylvania Wastewater, Inc. (“Aqua”), please accept this filing made in connection with the above-referenced Application, filed with the Commission on November 17, 2023 pursuant to Sections 1102, 1329, and 507 of the Public Utility Code, 66 Pa. C.S. §§ 1102, 1329, and 507, for approvals related to the acquisition by Aqua of the wastewater system assets of the Greenville Sanitary Authority (“GSA”). In connection with its review of the Application and supplemental information filed by Aqua in January and February, 2024, the Bureau of Technical Utility Services (“TUS”), on March 6, 2024, identified four additional requests for information: Nos. 28 through 31. With this letter, Aqua provides the information for Nos. 28, 29 and 31 requested by TUS in its March 6, 2024 email request. Also included with this letter is the Verification of William C. Packer verifying the information presented in this letter.

Confidential information submitted with the responses to the below requests will be submitted via SharePoint. We ask that the Commission not allow any public disclosure of the Confidential and Proprietary Information and that the Commission take appropriate steps to exclude the Confidential and Proprietary Information from any and all public folders. Please do not hesitate to contact me if you have any questions.

Sincerely,



Courtney L. Schultz

Encls.

Cc: All Parties Per Certificate of Service

**Information Request No. 28:**

Checklist Item No. 5 – Missing Application Information Items Nos. 3-7 requested clarifications to the Sale of Greenville Sanitary Authority (GSA) Sanitary Sewer System Facilities Engineering Assessment (Engineering Assessment), provided as the Application’s Exhibit D. In response, APW provided an updated Exhibit D that removed certain assets from the Engineering Assessment and revised the identified original cost of wastewater system assets to \$12,895,187.45 from the \$13,638,920.77 identified in the original Engineering Assessment. Section 1329(a)(4) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1329(a)(4), requires that the Engineering Assessment be incorporated into the appraisals under the cost approach. Please identify any changes to the Utility Valuation Expert appraisals, provided as the Application’s Exhibits Q and R, required to incorporate the revised Engineering Assessment into the appraisals, and submit any revisions to Application Exhibits and any associated working papers as necessary.

**RESPONSE:**

Included with this letter is an updated copy of Application Exhibits Q and R, along with updated workpapers and related testimony<sup>1</sup> supporting/relating to the updated FMV Appraisals; specifically, Exhibit V – Greenville Statement No. 2, Direct Testimony of Dylan D’Ascendis (*see* Tables 1, 2 and 4; page 7, 17, 18, and 19); Exhibit Y – Aqua Statement No. 3, Direct Testimony of William C. Packer (*see* page 21); and Exhibit BB – Aqua Statement No. 6, Direct Testimony of Harold Walker, III (*see* pages 3, 5, 10, 12, 13, 16, 23, 27, 28, and 29). Also included is an updated copy of the Application reflecting the changes to the FMV Appraisals. *See* Paragraph 57.

**Information Request No. 29:**

Checklist Item Nos. 12 and 18.a. – Missing Application Information Item No. 12 requested amended Application Exhibits to include a proposed tariff containing a rate equal to the seller’s existing rates at the time of acquisition, including any sewer debt service fee rate of the seller. In response, APW indicated that it is not implementing the Sewer Debt Service Fee as it is not assuming any of GSA’s debt, and as such, no change is required to Application Exhibit G. However, Section 1329(d)(v) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1329(d)(v) requires a tariff containing a rate equal to the existing rates of the selling utility at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition. Since the debt service fee of \$6.96 per equivalent dwelling unit specified in the Application's First Amended Exhibit H, Resolution 202326, Page 5 is an existing rate of the selling utility, it must be included in the proposed tariff. Please amend the Application Exhibit’s G to include a proposed tariff containing a rate equal to the seller’s existing rates at the time of acquisition, including any sewer debt service fee rate of the seller, and submit any revisions to Application Exhibits and any associated working papers as necessary.

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<sup>1</sup> Citations/references provided for testimony and the Application are to the updated Exhibits.

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**RESPONSE:**

Included with this letter is a copy of Greenville's resolution terminating the Debt Service Fee prior to closing.

**Information Request No. 31:**

Checklist Item No. 24. – Missing Application Information Item No. 25 requested a copy of the fully executed lease agreement (Lease Agreement) for operating the GSA sewer system between the Borough of Greenville and GSA and evidence that the Borough of Greenville approved, by resolution or ordinance, terminating the Lease Agreement. In response, APW submitted a copy of the Lease Agreement, dated January 1, 1984, and indicated that an ordinance or resolution will be passed at closing to effectuate termination. The Lease Agreement's Article II, Term of Lease, Date of Termination appears to require the Borough of Greenville to provide GSA six months written notice of its intention to terminate the Lease Agreement and is silent on GSA's ability to terminate the lease. Please provide a copy of any fully executed written notice the Borough of Greenville provided to GSA indicating its intent to terminate the lease and, additionally, a copy of the pro forma resolution or ordinance that will terminate the Lease Agreement.

**RESPONSE:**

Included with this letter is a copy of the resolution by Greenville Borough giving notice of its intent to terminate the Lease Agreement at closing.

## VERIFICATION

I, William C. Packer, Vice President, Regulatory Accounting & Regional Controller of Aqua Pennsylvania Wastewater, Inc., hereby state that the facts set forth in the letter of Counsel of Aqua Pennsylvania Wastewater, Inc., dated April 12, 2024 addressing information requests of the Bureau of Technical Utility Services in the matter at Docket No. A-2023-3041695, 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 herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

A handwritten signature in blue ink, appearing to read "William C. Packer", is written over a horizontal line.

William C. Packer  
Vice President, Regulatory Accounting &  
Regional Controller  
Aqua Pennsylvania Wastewater, Inc.

Dated: April 12, 2024

**Information Request No. 28**

**Updated Application**

**Updated Exhibit Q – ScottMadden Greenville Appraisal**

**Updated Exhibit R – Gannett Greenville Appraisal**

**Updated Exhibit V – Greenville Statement No. 2 –**

**D’Ascendis Direct**

**Updated Exhibit Y – Aqua Statement No. 3 – Packer**

**Direct Updated Exhibit BB – Aqua Statement No. 6 –**

**Walker Direct**

**Due to size, these will be posted as separate pdfs**

**Confidential Updated Appraisal Workpapers of Gannett  
and ScottMadden (Sharefile Only)**

**Information Request No. 29**

**Greenville Resolution – Debt Service Fee**

RESOLUTION 2024-09

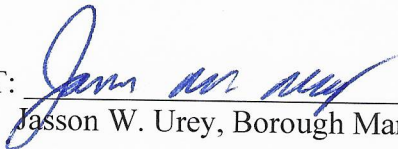
**A RESOLUTION OF THE COUNCIL OF THE BOROUGH OF GREENVILLE, MERCER COUNTY, PENNSYLVANIA, ELIMINATING THE SEWER DEBT SERVICE FEE THE DAY BEFORE THE DATE OF THE ASSET OWNERSHIP TRANSFER TO AQUA PENNSYLVANIA WASTEWATER, INC.**

**WHEREAS**, The Borough of Greenville adopts Resolutions to establish fees for certain services provided by the Town, including the Sewer Debt Service Fee; and

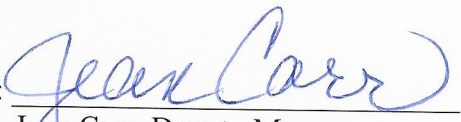
**WHEREAS**, it is the desire of the Council to eliminate the sewer debt service fee the day before the closing date and ownership transfer of the Sanitary Authority assets to Aqua Pennsylvania Wastewater, Inc.

**RESOLVED AND ENACTED** by the Town of Greenville of Mercer County, Pennsylvania, this 8<sup>th</sup> day of April 2024.

ATTEST:

  
Jason W. Urey, Borough Manager

BY:

  
Jean Carr, Deputy Mayor

**Information Request No. 31**

**Greenville Resolution – Lease Termination**

RESOLUTION 2024-10

**A RESOLUTION OF THE COUNCIL OF THE BOROUGH OF GREENVILLE, A/K/A THE TOWN OF GREENVILLE, OF OFFICIAL INTENT TO TERMINATE THE LEASE AGREEMENT BETWEEN THE BOROUGH OF GREENVILLE AND THE GREENVILLE SANITARY AUTHORITY FOR THE SANITARY SEWER SYSTEM.**

**WHEREAS**, the Greenville Sanitary Authority is the owner of a Sanitary Sewer System which it has leased to the Borough of Greenville by way of a lease dated January 1, 1984.

**WHEREAS**, The Greenville Sanitary Authority has contracted to sell its Sanitary Sewer System ("the System") to Aqua Pennsylvania Wastewater, Inc.

**WHEREAS**, pursuant to Article II of said lease agreement, the Borough of Greenville is required to provide the Greenville Sanitary Authority with 6 months' notice of its intention to terminate said lease agreement.

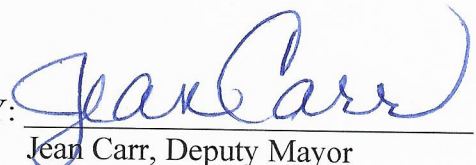
**NOW, THEREFORE, BE IT RESOLVED**, THAT THE Borough of Greenville hereby declares its intention to terminate the lease with the Greenville Sanitary Authority, dated January 1, 1984 on the date of the closing of the sale of its Sanitary Sewer System to Aqua Pennsylvania Wastewater, Inc. said date to be not less than six (6) months from the date of this Resolution.

**RESOLVED AND ENACTED** by the Borough of Greenville of Mercer County, Pennsylvania, this 8<sup>th</sup> day of April 2024.

ATTEST:

  
Jason W. Urey, Secretary

BY:

  
Jean Carr, Deputy Mayor

**Application of Aqua Pennsylvania Wastewater, Inc. pursuant to Sections 1102, 1329, and 507 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of Greenville Sanitary Authority**

**BPU Docket No.: A-2023-3041695**

**CERTIFICATE OF SERVICE**

I, Courtney L. Schultz, Esquire, hereby certify that I am on this day, serving copies of Aqua Pennsylvania’s Responses to Bureau of Technical Utility Services Set 2 Deficiency Nos. 28, 29 and 31, upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

<p><b><u>PA PUC</u></b>                  Pennsylvania Public Utility Commission                  Commonwealth Keystone Building                  400 North Street                  Harrisburg, PA 17105                  Rosemary Chiavetta, Secretary  <a href="mailto:rchiavetta@pa.gov">rchiavetta@pa.gov</a></p> <p>Angel Elwell, Office Administrator  <a href="mailto:anelwell@pa.gov">anelwell@pa.gov</a></p> <p>Office of Special Assistants                  Pennsylvania Public Utility Commission                  400 North Street                  Harrisburg, PA 17105  <a href="mailto:Ra-OSA@pa.gov">Ra-OSA@pa.gov</a></p> <p><b><u>TUS</u></b>                  Paul Diskin, Director  <a href="mailto:pdiskin@pa.gov">pdiskin@pa.gov</a></p> <p>Darren Gill, Deputy Director  <a href="mailto:dgill@pa.gov">dgill@pa.gov</a></p>	<p>Paul Zander  <a href="mailto:pzander@pa.gov">pzander@pa.gov</a></p> <p><b><u>OSBA</u></b>                  Rebecca Lyttle, Esquire                  Steven C. Gray, Esquire                  Office of Small Business Advocate  <a href="mailto:relyttle@pa.gov">relyttle@pa.gov</a>  <a href="mailto:sgray@pa.gov">sgray@pa.gov</a></p> <p><b><u>OCA</u></b>                  Gina L. Miller, Assistant Consumer Advocate                  Jacob D. Guthrie, Assistant Consumer Advocate                  Office of Consumer Advocate  <a href="mailto:GMiller@paoca.org">GMiller@paoca.org</a>  <a href="mailto:JGuthrie@paoca.org">JGuthrie@paoca.org</a></p> <p><b><u>I&amp;E</u></b>                  Allison Kaster, Esquire                  Bureau of Investigation and Enforcement  <a href="mailto:akaster@pa.gov">akaster@pa.gov</a></p>
<p>Daniel Searfoorce, Manager  <a href="mailto:dsearfoorc@pa.gov">dsearfoorc@pa.gov</a></p> <p>Sean Donnelly  <a href="mailto:sdonnelly@pa.gov">sdonnelly@pa.gov</a></p> <p>Clinton McKinley  <a href="mailto:cmckinley@pa.gov">cmckinley@pa.gov</a></p>	<p><b><u>Aqua</u></b>                  Alexander R. Stahl  <a href="mailto:AStahl@aquaamerica.com">AStahl@aquaamerica.com</a></p>

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By: \_\_\_\_\_

Courtney L. Schultz, Esquire  
PA Attorney No. 306479

Date: April 12, 2024