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VIA eFiling

April 12, 2024

Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

In re: Joint Application of Pennsylvania-American Water Company and Towamencin Township under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) and 1329, for approval of (1) PAWC's acquisition of substantially all of the assets, properties and rights related to the wastewater collection and treatment system owned and operated by Towamencin Township and Towamencin Municipal Authority; (2) Towamencin Township's sale of the assets, properties and rights related to its wastewater collection and treatment system located in a portion of Worcester Township, Lower Salford Township and bulk customers that interconnect to the Township sewer system outside of the Township's geographic boundaries; (3) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Township of Towamencin and portions of the Townships of Franconia, Lower Salford and Worcester and the Borough of Lansdale, all in Montgomery County, Pennsylvania; and (4) the abandonment of wastewater service by Towamencin Township in a portion of Worcester Township, Lower Salford Township and bulk customers that interconnect to the Township sewer system outside of the Township's geographic boundaries

Docket No: A-2023-3039900, *et. al.*

Dear Secretary Chiavetta:

On January 18, 2024, the Pennsylvania Public Utility Commission (Commission) approved the Towamencin Township Wastewater Application, filed *nunc pro tunc* on May 12, 2023, at Docket No. A-2023-3040661 (Towamencin Township Application Order). Based on the Commission's review of the Towamencin Township Application Order, Pennsylvania-American Water Company ("PAWC") was asked to update certain components of its Application related to its proposed purchase of the Towamencin Township wastewater system filed on May 15, 2023, at Docket A-2023-3039900 (PAWC-WD Section 1329 Application).

Enclosed for filing with the Commission is PAWC's updated Application, which identifies Towamencin Township and PAWC as Joint Applicants and includes updated appendices consistent with the Towamencin Township Application Order. Please note that PAWC's Fourth Amended Appendix A-12 filed on October 13, 2023 remains accurate and is not being resubmitted at this time. Second Amended A-16-f has been labeled **CONFIDENTIAL** and should be treated as such. The **CONFIDENTIAL** version of the appendix will be uploaded to the Commission's SharePoint site.

Rosemary Chiavetta, Secretary

April 12, 2024

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Re: Joint Application of Pennsylvania-American Water Company and Towamencin Township
Docket No. A-2023-3039900, et al.

Copies are being served upon the Advocates in accordance with the attached Certificate of Service and in accordance with the Commission's Final Supplemental Implementation Order entered February 28, 2019 at Docket No. M-2016-2543193.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa K. Harrold". The signature is fluid and cursive, with a large initial "T" and "H".

Teresa K. Harrold

Enclosure

cc: Certificate of Service
Sean P. Donnelly, P.E., Bureau of Technical Utility Services

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Joint Application of Pennsylvania-
American Water Company and Towamencin
Township under Sections 1102(a) and 1329
of the Pennsylvania Public Utility Code, 66
Pa C.S. §§ 1102(a) and 1329, for approval of
(1) PAWC’s acquisition of substantially all of
the assets, properties and rights related to
the wastewater collection and treatment
system owned and operated by Towamencin
Township and Towamencin Municipal
Authority; (2) Towamencin Township’s sale of
the assets, properties and rights related to its
wastewater collection and treatment system
located in a portion of Worcester Township,
Lower Salford Township and bulk customers
that interconnect to the Township sewer
system outside of the Township’s geographic
boundaries; (3) the rights of Pennsylvania-
American Water Company to begin to offer or
furnish wastewater service to the public in the
Township of Towamencin and portions of the
Townships of Franconia, Lower Salford and
Worcester and the Borough of Lansdale, all
in Montgomery County, Pennsylvania; and
(4) the abandonment of wastewater service
by Towamencin Township in a portion of
Worcester Township, Lower Salford
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interconnect to the Township sewer system
outside of the Township’s geographic
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Docket Nos. A-2023-3039900 and
A-2024-_____

In re: Application of Pennsylvania-American
Water Company under Section 1329 of the
Pennsylvania Public Utility Code, 66 Pa C.S.
§ 1329, for approval of the use for
ratemaking purposes of the lesser of the fair
market value or the negotiated purchase
price of the assets related to the wastewater
collection and treatment system owned and
operated by Towamencin Municipal Authority
and the Township of Towamencin

Docket No. A-2023-_____

In re: Petition of Pennsylvania-American Water Company, related to its acquisition of the wastewater collection and treatment system owned and operated by Towamencin Municipal Authority and the Township of Towamencin, for approval under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) collect a distribution system improvement charge, (ii) for book and ratemaking purposes, accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the distribution system improvement charge, (iii) for book and ratemaking purposes, defer depreciation related to post-acquisition improvements not recovered through the distribution system improvement charge, and (iv) include, in its next base rate case, a claim for transaction and closing costs

Docket No. P-2023-_____

In re: Filing by Pennsylvania-American Water Company under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of (i) the Asset Purchase Agreement By and Among the Towamencin Municipal Authority, the Township of Towamencin and NextEra Water Pennsylvania, LLC, and the First Amendment to the Asset (ii) the Assignment and Assumption Agreement of Asset Purchase Agreement By and Among the Towamencin Municipal Authority, the Township of Towamencin, NextEra Water Pennsylvania, LLC and Pennsylvania-American Water Company, and (ii) seven agreements with municipal corporations to be assumed by Pennsylvania-American Water Company upon closing of its acquisition of substantially all of the assets related to the wastewater collection and treatment system owned and operated by Towamencin Township and Towamencin Municipal Authority

Docket Nos. U-2023-_____, *et al.*

CERTIFICATE OF SERVICE

I hereby certify that I have served a true copy of the foregoing updated Joint Application, of Pennsylvania-American Water Company and Towamencin Township, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).


PARTIES SERVED ON APRIL 12, 2024, IN THE MANNER SPECIFIED

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Attorneys for Towamencin Township

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Joint Application of Pennsylvania-
American Water Company and Towamencin
Township under Sections 1102(a) and 1329 of
the Pennsylvania Public Utility Code, 66 Pa
C.S. §§ 1102(a) and 1329, for approval of
(1) PAWC’s acquisition of substantially all of
the assets, properties and rights related to the
wastewater collection and treatment system
owned and operated by Towamencin
Township and Towamencin Municipal
Authority; (2) Towamencin Township’s sale
of the assets, properties and rights related to
its wastewater collection and treatment
system located in a portion of Worcester
Township, Lower Salford Township and bulk
customers that interconnect to the Township
sewer system outside of the Township’s
geographic boundaries; (3) the rights of
Pennsylvania-American Water Company to
begin to offer or furnish wastewater service to
the public in the Township of Towamencin
and portions of the Townships of Franconia,
Lower Salford and Worcester and the
Borough of Lansdale, all in Montgomery
County, Pennsylvania; and (4) the
abandonment of wastewater service by
Towamencin Township in a portion of
Worcester Township, Lower Salford
Township and bulk customers that
interconnect to the Township sewer system
outside of the Township’s geographic
boundaries

Docket Nos. A-2023-3039900 and
A-2024-_____

In re: Application of Pennsylvania-American
Water Company under Section 1329 of the
Pennsylvania Public Utility Code, 66 Pa C.S.
§ 1329, for approval of the use for ratemaking
purposes of the lesser of the fair market value
or the negotiated purchase price of the assets
related to the wastewater collection and
treatment system owned and operated by
Towamencin Municipal Authority and the
Township of Towamencin

Docket No. A-2023-_____

In re: Petition of Pennsylvania-American Water Company, related to its acquisition of the wastewater collection and treatment system owned and operated by Towamencin Municipal Authority and the Township of Towamencin, for approval under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) collect a distribution system improvement charge, (ii) for book and ratemaking purposes, accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the distribution system improvement charge, (iii) for book and ratemaking purposes, defer depreciation related to post-acquisition improvements not recovered through the distribution system improvement charge, and (iv) include, in its next base rate case, a claim for transaction and closing costs

Docket No. P-2023-_____

In re: Filing by Pennsylvania-American Water Company under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of (i) the Asset Purchase Agreement By and Among the Towamencin Municipal Authority, the Township of Towamencin and NextEra Water Pennsylvania, LLC, and the First Amendment to the Asset (ii) the Assignment and Assumption Agreement of Asset Purchase Agreement By and Among the Towamencin Municipal Authority, the Township of Towamencin, NextEra Water Pennsylvania, LLC and Pennsylvania-American Water Company, and (ii) seven agreements with municipal corporations to be assumed by Pennsylvania-American Water Company upon closing of its acquisition of substantially all of the assets related to the wastewater collection and treatment system owned and operated by Towamencin Township and Towamencin Municipal Authority

Docket Nos. U-2023-_____, *et al.*

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Pennsylvania-American Water Company (“PAWC”) and Towamencin Township (the “Township”) (collectively, the “Joint Applicants”) hereby respectfully request that the Pennsylvania Public Utility Commission (“Commission”) issue such Certificates of Public Convenience as may be necessary to evidence its approval under Section 1102(a) of the Pennsylvania Public Utility Code (“Code”), 66 Pa. C.S. § 1102(a), of: (a) PAWC’s acquisition of substantially all of the assets, properties and rights related to the wastewater collection and treatment system (the “System”) owned and operated by the Towamencin Municipal Authority (the “Authority”) and the Township; (b) the Township’s sale of the assets, properties and rights related to its wastewater collection and treatment system located in a portion of Worcester Township, Lower Salford Township and bulk customers that interconnect to the Township sewer system outside of the Township’s geographic boundaries; (c) PAWC’s right to begin to offer, render, furnish and supply wastewater service in the areas served by the System in the Township, portions of Lower Salford, Worcester, and Franconia Townships, and the Borough of Lansdale, Montgomery County, Pennsylvania (hereinafter the “Service Area”); (d) PAWC’s right to make effective upon closing the *pro forma* tariff supplement attached hereto as the **Fourth Amended Appendix A-12**; and (d) the abandonment by the Township of all wastewater service to the public, effective upon Closing (as hereinafter defined).

2. The Joint Applicants also respectfully request that the Commission approve, pursuant to Code Section 1329, 66 Pa. C.S. § 1329: (a) PAWC’s use for ratemaking purposes of the lesser of the fair market value or the negotiated purchase price of the Authority’s and the Township’s assets related to the System;¹ (b) PAWC’s collection of a distribution system

¹ PAWC reserves its right in future proceedings to make rate base claims related to the acquisition as may otherwise be permitted under the Code.

improvement charge (“DSIC”) related to the System prior to the first base rate case in which the System plant-in-service is incorporated into rate base; (c) PAWC’s recording of the acquisition at the net value of the assets, (d) PAWC’s accrual of Allowance for Funds Used During Construction (“AFUDC”) for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; (e) PAWC’s deferral of depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; and (f) PAWC’s inclusion, in its next base rate case, of a claim for transaction and closing costs related to the acquisition. Attached hereto as **Fifth Amended Appendix A** is the Commission’s current “66 Pa. C.S. § 1329 Application Filing Checklist - Water/Wastewater (Revised February 28, 2019)” (“Section 1329 Checklist”), Appendix A to the Commission’s Final Supplemental Implementation Order in *Implementation of Section 1329 of the Public Utility Code*, Docket No. M-2016-2543193 (Order entered February 28, 2019) (“*Final Supplemental Implementation Order*”). For the ease of reference and review, the sub-appendices to **Fifth Amended Appendix A** (such as **Appendix A-1**, **Appendix A-2**, etc.) correspond directly with the filing requirements listed in the Commission’s Section 1329 Checklist. Certain appendices contain proprietary information and are, accordingly, labeled as **CONFIDENTIAL** and filed with the Commission’s Secretary under seal.

3. The Joint Applicants further request, pursuant to Code Section 507, 66 Pa. C.S. § 507, the issuance of Certificates of Filing or approvals for the following agreements:

- a. The Asset Purchase Agreement by and between the Township (as Seller), the Authority, and NextEra Water Pennsylvania, LLC (“NextEra”), as Buyer, dated as of June 14, 2022 (attached hereto as **Appendix A-24-a.1**) (the “Original APA”);

- b. The First Amendment to Asset Purchase Agreement, dated as of March 23, 2023, by and between the Township, the Authority and NextEra (the “First Amendment”) (attached hereto as **Appendix A-24-a.2**);
- c. The Assignment and Assumption Agreement of Asset Purchase Agreement, dated as of March 23, 2023, by and between the Township, the Authority, NextEra and PAWC (the “Assignment”) (attached hereto as **Appendix A-24-a.3**);
- d. Agreement among Hatfield Township, Hatfield Township Municipal Authority, the Township and Upper Gwynedd-Towamencin Municipal Authority re: Derstine Watershed Area and other areas dated October 13, 2010 which incorporates by reference the 2001 Agreement among the same parties (attached hereto as **Appendix A-25.1**);
- e. Agreement between Borough of Lansdale, Township of Upper Gwynedd, the Township, Lansdale Sewer Authority and the Upper Gwynedd-Towamencin Municipal Authority (“UGTMA”) dated December 29, 1969 (attached hereto as **Appendix A-25.2**);
- f. Transportation and Capacity Agreement between the Township, Upper Gwynedd-Towamencin Municipal Authority, Lower Salford Township Authority (“LSTA”) and Lower Salford Township dated September 18, 1989 and Modification Agreement dated August 24, 1994 (modifies but does not terminate the 1989 Agreement) and as modified by the Letter dated July 28, 2016 to the Township from LSTA and Emails between the

Township and Lower Salford Authority dated October 7, 2016 (attached hereto as **Appendix A-25.3**);

- g. Agreement among the Township, Franconia Township Authority, UGTMA and JDJ Associates (aka Asher's Chocolates) dated December 17, 1997 (attached hereto as **Appendix A-25.4**);
- h. Customer Service Agreement by and between the Township and Upper Gwynedd Township dated March 2, 2015 (attached hereto as **Appendix A-25.5**);
- i. Worcester Township (no formal contracts but as a result of the settlement of a lawsuit Towamencin Township passed Ordinance No. 89-7 dated July 26, 1989 creating the Hollis Hills Sanitary Sewer District and Ordinance No. 89- 12 dated February 22, 1989 creating the Milestone Sanitary Sewer District) (attached hereto as Amended **Appendix A-25.6**); and
- j. Agreement with the North Penn Water Authority ("NPWA") regarding water meter data for System customers (a *pro forma* draft of this agreement is attached hereto as **Appendix A-25.7**).

The aforementioned agreements are referred to collectively herein as the "Section 507 Agreements."

- 4. The names and addresses of the Joint Applicants are:
 - a. Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
 - b. Towamencin Township
1090 Troxel Road
Lansdale, PA 19446

5. The names and addresses of PAWC's attorneys are:

- a. Teresa K. Harrold, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone: 717-550-1562
Email: teresa.harrold@amwater.com
- b. David P. Zambito Esquire
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6. The names and addresses of the Township's attorneys are:

- a. James Rodgers, Esquire
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7. PAWC is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating,

transporting and disposing of wastewater for the public. Water and wastewater service are furnished by PAWC to the public in a service territory encompassing more than 418 communities in 37 counties across the Commonwealth, including Montgomery County. PAWC serves a combined population of over 2,300,000. A description of PAWC's existing certificated water and wastewater service territory is found in **Amended Appendix B**, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations, which have created PAWC as it exists on the date of this Application.

8. The Authority is a municipal authority organized and existing under the Pennsylvania Municipality Authorities Act in the Commonwealth of Pennsylvania, with its offices located at 1090 Troxel Road, Lansdale, PA 19446. The Authority was created by the Township in 1964 under the Pennsylvania Municipality Authorities Act of 1945. The Authority owns the System and leases it to the Township, which operates it.

9. The Township is a second class township located in Montgomery County, Pennsylvania. It is governed by a five-member board of supervisors. Its offices are located at 1090 Troxel Road, Lansdale, PA 19446.

10. In *Application of Towamencin Township*, Docket No. A-2023-3040661 (Order entered Jan. 18, 2024), the Commission approved the issuance of a Certificate of Public Convenience to Towamencin to begin to offer, render, furnish, and supply wastewater service to the public in portions of Worcester Township, Lower Salford Township, as well as bulk customers that interconnect to the Township's sewer system outside of the Township's geographic boundaries.

11. As of April 30, 2023, the System furnished wastewater service directly to 5,886 customers. The System also had five intermunicipal agreements by which it provided service

indirectly to additional residential and commercial customers. The System’s Service Area spans approximately 8.8 square miles.

12. As of January 31, 2024, PAWC furnished wastewater service to approximately 97,954 residential, commercial, industrial, municipal and bulk customers in Pennsylvania. As of January 31, 2024, PAWC furnished water service to approximately 683,626 residential, commercial, industrial, municipal and bulk customers in Pennsylvania.

13. The completion of the below-defined Transaction will confer benefits upon the long-term financial health of the Township, while ensuring that the System’s existing customers receive safe, adequate, and reliable wastewater service at just and reasonable rates.

A. TRANSFER, BY SALE, OF ALL OF THE SYSTEM’S ASSETS, PROPERTIES AND RIGHTS TO PAWC (OTHER THAN THE EXCLUDED ASSETS)

Summary of the Transaction

14. The Township and the Authority entered into the Original APA, along with detailed schedules, to sell all of the System’s assets, properties and rights (other than the Excluded Assets, as defined by the APA) to NextEra.

15. The Township, the Authority, and NextEra executed the First Amendment, which modified the purchase price for the System (among other things).

16. The Township, the Authority, NextEra and PAWC executed the Assignment, by which all of NextEra’s rights and obligations pursuant to the APA were assigned to and assumed by PAWC.

17. PAWC’s acquisition of the System (the “Transaction”) will be completed in accordance with the APA, as amended and assigned.

18. Among other things, the APA: (i) requires PAWC, the Authority and the Township to complete the Transaction after receipt of all governmental approvals (including from this

Commission) and the satisfaction of all conditions precedent; (ii) requires PAWC to assume certain contracts; (iii) requires PAWC initially to adopt the rates in effect at the time of closing of the Transaction (“Closing”)² (see *pro forma* tariff supplement attached hereto as **Fourth Amended Appendix A-12**); and, (iv) sets forth rates for the Service Area that will be fair to both the System’s current customers and PAWC’s current customers.³

Applicable Legal Standards

19. Under Code Section 1103, the Joint Applicants must demonstrate that PAWC is legally, technically, and financially fit. *Seaboard Tank Lines v. Pa. Pub. Util. Comm’n*, 502 A.2d 762, 764 (Pa. Cmwlth. 1985); *Warminster Township Mun. Auth. v. Pa. Pub. Util. Comm’n*, 138 A.2d 240, 243 (Pa. Super. 1958). As a currently certificated public utility, PAWC’s fitness is presumed by law to be continuing. See, e.g., *South Hills Movers, Inc. v. Pa. Pub. Util. Comm’n*, 601 A.2d 1308, 1310 (Pa. Cmwlth. 1992).

20. The Commission may issue a certificate of public convenience upon a finding that “the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.” 66 Pa. C.S. § 1103(a). Ownership and operation of the System by PAWC must “affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.” *City of York v. Pa. Pub. Util. Comm’n*, 449 Pa. 136, 151, 295 A.2d 825, 828 (1972). The “affirmative public benefits test” is satisfied by a simple preponderance of the evidence of benefits. *Popowsky v. Pa. Pub. Util. Comm’n*, 594 Pa. 583, 611, 937 A.2d 1040, 1057 (2007).

² The Township increased System rates for Township residents, effective January 1, 2024. The Township, however, did not increase rates for customers located outside of the Township boundaries because such rates are subject to Commission jurisdiction.

³ The rate commitments set forth in the APA do not fall within the definition of a “rate stabilization plan” as defined by 66 Pa. C.S. § 1329(g).

21. An application to abandon service may be granted if the proposed abandonment is necessary or proper for the service, accommodation, convenience or safety of the public. *Monessen Southwestern Railroad Co. v. Pa. Pub. Util. Comm'n*, 474 A.2d 1203 (1984) *aff'd and remanded* 493 A.3d 666 (Pa. 1985). “In determining whether to grant an abandonment application, the Commission may examine a variety of factors, including the public’s use of the utility service, the prospects of the public’s future use of the service, the hardship to the public resulting from the abandonment of the service, and the availability of alternative service for the public’s use.” *Application of the LeMont Water Co. for Approval Nunc Pro Tunc to Abandon Water Service*, Docket Nos. A-211690F200 et al. (Initial Decision issued March 23, 1998).

22. Code Section 1329 establishes a voluntary process whereby the acquiring public utility and the selling municipality may choose to have the fair market value of the assets established through independent appraisals conducted by Utility Valuation Experts (“UVEs”). For ratemaking purposes, the valuation will be the lesser of the average of the two appraisals or the negotiated purchase price. 66 Pa. C.S. § 1329.

23. Code Section 1329 also allows, as a matter of law, the acquiring public utility, *inter alia*, (i) to collect a DSIC for the Service Area prior to the first base rate case in which the Service Area plant-in-service is incorporated into rate base,⁴ (ii) to accrue AFUDC for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes, (iii) to defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes, and (iv) to include, in its next base rate case, a claim for transaction and closing costs associated with the acquisition. In order to obtain this ratemaking treatment, the

⁴ Before doing so, however, PAWC would need to file and receive Commission approval of, an amended Long Term Infrastructure Improvement Plan and a compliance tariff supplement that incorporates the Service Area into PAWC’s DSIC tariff.

acquiring public utility must produce certain documents and information as required by the Commission in the context of a future base rate proceeding. 66 Pa. C.S. § 1329; *see Final Supplemental Implementation Order*.

24. Code Section 507, 66 Pa. C.S. § 507, requires that contracts between a public utility and a municipal corporation, except for contracts to furnish service at a regular tariffed rate, be filed with the Commission at least 30 days before the effective date of the contract. The Commission acknowledges the contract by issuing a certificate of filing unless it decides to institute proceedings to determine whether there are any issues with the reasonableness, legality, or any other matter affecting the validity of the contract. Should the Commission initiate proceedings, the contract or agreement is not effective until the Commission grants its approval. 66 Pa. C.S. § 507.

Background Financial Information

25. Attached hereto are the Township's and the Authority's balance sheet as of December 31, 2021 (**Appendix C**) and PAWC's audited balance sheet as of December 31, 2022 (**Appendix D**).

26. Attached hereto are the Township's and the Authority's audited income statement for the 12 months ended December 31, 2021 (**Appendix E**), and PAWC's audited income statement for the 12 months ended December 31, 2022 (**Appendix F**).

27. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with this Commission by PAWC, and its predecessors are made a part hereof by reference.

Terms and Impact of the Transaction

28. As noted above, this Application seeks, among other things, approval of the transfer to PAWC of substantially all of the assets, properties and rights related to the System (other than the Excluded Assets, as defined in the APA).

29. PAWC and the Township are not affiliated with each other, nor are PAWC and the Authority affiliated with each other.

30. The Transaction is, and was negotiated, at arm's length.

31. Attached hereto as **Appendix G** is a *pro forma* balance sheet of PAWC as of December 31, 2022, giving effect to the transfer.

32. Attached hereto as **Appendix H** is a *pro forma* consolidated income statement of PAWC and the Township for the 12 months as of December 31, 2022.

33. Attached hereto as **Appendix I** is a verification by the Secretary of PAWC verifying that the Board of Directors of PAWC authorized the execution of the Assignment.

34. Attached hereto as **Appendix J** are a copy of the Township's Resolution No. 22-04 (authorizing the sale of the System to NextEra) and a copy of the Township's Resolution No. 23-03 (authorizing the assignment to PAWC).

35. Attached hereto as **Appendix K** is an estimate of PAWC's revenues and expenses in the new service area during the first year after closing.

Transaction's Effect on Service and Rates and Other Affirmative Benefits

36. The Transaction is in the public interest, will provide affirmative public benefits of a substantial nature, and satisfies the applicable standard of Code Section 1103, 66 Pa. C.S. § 1103, because the benefits of the Transaction outweigh the detriments for all major stakeholder groups: (a) the public-at-large, (b) the Authority and the Township, (c) the existing customers of the

System, (d) the existing wastewater customers of PAWC, and (e) the existing water customers of PAWC.

37. The Transaction will benefit the public-at-large, for the following reasons (among others):

- a. The Transaction promotes the Commission's policy favoring regionalization and consolidation of water and wastewater systems. 52 Pa. Code § 69.721(a).
- b. The Transaction promotes the Legislature's policy goals when it enacted Section 1329.
- c. Due to its greater financial resources and greater depth of experience in managing wastewater systems, PAWC is in a better position than the Township and the Authority to address the System's existing environmental challenges and to maintain environmental compliance in the future. PAWC has a good record of complying with applicable environmental statutes and regulations. Improved environmental compliance will promote the rights of all Pennsylvanians, which are protected by the Environmental Rights Amendment. PA. CONST. Art. I, § 27.

38. The Transaction will benefit the Authority and the Township for the following reasons (among others):

- a. The Township will dissolve the Authority and obtain control of the System upon Closing. As a result, the Transaction will result in the elimination of all Authority and Township debt relating to the System (approximately \$17 million), which will save thousands of dollars in interest payments. The

Township will use the remaining proceeds for public purposes, affording it: greater financial stability, the opportunity to eliminate debt unrelated to the System, flexibility in spending on other public benefits without increasing residents' taxes, and reduced exposure to future revenue shortfalls.

- b. PAWC will offer employment to active employees of the System. This was important to the Township and the Authority.
- c. The Township will receive additional tax revenues because the System will be subject to tax after Closing. In addition, PAWC will improve the System, which will promote economic development in the area, further enhancing tax revenues to the City and the Township.
- d. By selling the System, Township officials and staff can focus their attention on other governmental programs and projects.
- e. The Township will no longer be a public utility, and therefore will not need to incur the costs of complying with the Code to provide service to a small number of customers.

39. The Transaction will benefit the existing customers of the Township for the following reasons (among others):

- a. The existing System customers are members of the public-at-large, and so will enjoy the same benefits from the Transaction as all other members of the public-at-large.
- b. PAWC has extensive local knowledge of Montgomery County, due to its ownership and operation of other water and wastewater systems in the area.

- c. System customers will become part of a large PAWC customer base. As a stand-alone system, System customers have to bear the burden of the System's capital improvement needs on their own. As part of a larger customer base, System customers will benefit at times but also be required to contribute to other customers at times. The sharing of costs over an extended period of time is a benefit of regionalization and consolidation of wastewater systems in the Commonwealth.
- d. Customers will receive service from a large, financially, legally and technically fit public utility. The System will be able to draw on the statewide resources of PAWC. This includes approximately 1,150 professionals with expertise in all areas of water and wastewater utility operations. In addition, since PAWC is a subsidiary of American Water Works Company, Inc., it has access to additional resources of highly trained professionals who have expertise in various specialized areas. Finally, PAWC has access to equity and other funding sources to which the System does not currently have access (such as a \$400 million line of credit through American Water Capital Corp. ("AWCC")).
- e. Customers within the Township will receive service from a public utility, subject to the regulatory oversight of the Commission. Those customers will now be able to receive assistance from the Office of Consumer Advocate, the Office of Small Business Advocate, and the Bureau of Investigation and Enforcement with service and rate issues.

- f. Customers of the Township outside the Township's geographic boundaries will now receive service from a larger, more sophisticated public utility.
- g. PAWC has more robust cybersecurity, physical security, business continuity and emergency plans than does the Township and the Authority.
- h. Customers can make service calls to PAWC's customer call centers at hours when the Township and Authority offices are closed.
- i. PAWC has more robust customer assistance programs and customer education programs.
- j. PAWC must comply with the Responsible Utility Customer Protection Act, and the Commission's regulations at 52 Pa. Code Chapter 56, whereas the System is not subject to this statute and regulations.
- k. The System's existing customers will enjoy the economies of scale that come from PAWC's greater size and purchasing power, including its ability to obtain goods and services at lower costs because it buys in large quantities.

40. The Transaction will benefit the existing wastewater customers of PAWC for the following reasons (among others):

- a. PAWC's existing wastewater customers are members of the public-at-large, and so will enjoy the same benefits from the Transaction as all other members of the public-at-large.
- b. The Transaction will have no immediate rate impact on PAWC's existing wastewater customers; any impacts on the rates of PAWC's existing

customers would occur only upon Commission approval as part of a base rate proceeding.

- c. The Transaction will add approximately 5,886 wastewater customers to PAWC's existing wastewater customer base of approximately 97,954 customers (or an increase of more than 6%). In the long term, this will benefit existing wastewater customers by spreading the costs of the System among a larger number of customers, allowing all customers to share future infrastructure and other expenses, which permits rates for all customers to remain just and reasonable over time. It also promotes rate stability because customers in any particular wastewater system are unlikely to experience sharp rate spikes when their individual system requires extensive capital investments.

41. The Transaction will benefit the existing water customers of PAWC for the following reasons (among others):

- a. The existing water customers of PAWC are members of the public-at-large, and so will enjoy the same benefits from the Transaction as all other members of the public-at-large.
- b. The Transaction will have no immediate rate impact on PAWC's existing water customers.
- c. In the long term, the Transaction will have no impact at all on the rates of PAWC's existing water customers unless, in a future rate case, the Commission determines that an allocation of PAWC's wastewater requirement to water customers is in the public interest.

B. THE RIGHTS OF PAWC TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN THE TOWNSHIP AND PORTIONS OF THE TOWNSHIPS OF LOWER SALFORD, WORCESTER, AND FRANCONIA, AND THE BOROUGH OF LANSDALE, IN MONTGOMERY COUNTY, PENNSYLVANIA

42. The System provides wastewater service to approximately 5,886 direct customers in the Service Area.

43. PAWC's applied-for service territory is shown on the maps in **Amended Appendix A-16-a through A-16-e and Second Amended A-16-f (Appendix A-16-f is CONFIDENTIAL)** and is further described in that appendix. The applied-for service area will be consistent with the Act 537 Service Area for the System in the Township, Lower Salford Worcester, and Franconia Townships, and the Borough of Lansdale. As stated above, the Commission recently approved the issuance of a Certificate of Public Convenience to the Township to begin to offer, render, furnish, and supply wastewater service to the public in a portion of Worcester Township, Lower Salford Township, as well as bulk customers that interconnect to the Township's sewer system outside of the Township's geographic boundaries. The service area requested by PAWC in this Application includes the System's current service area (both inside the Township and outside, as described in the Township's Certificate of Public Convenience).

44. No corporation, partnership or individual other than the System is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by PAWC in the territory covered by this Application, and no competitive condition will be created. As part of this Application, the Joint Applicants have requested approval for PAWC to acquire, by purchase, substantially all of the assets, properties and rights related to wastewater collection and treatment (other than the Excluded Assets, as set forth in the APA). The Joint Applicants have also requested approval for the Township to abandon wastewater collection and treatment service, effective upon closing. The Authority will be dissolved upon Closing.

C. FAIR MARKET VALUATION UNDER CODE SECTION 1329

45. **Appendix A** and related Section 1329 Checklist appendices satisfy the filing requirements of Code Section 1329, the *Final Supplemental Implementation Order*, and the Section 1329 Checklist. The Section 1329 appendices correspond directly with the numbered requirements of the Section 1329 Checklist (e.g., **Appendix A-1** (Requirement No. 1), **Appendix A-2** (Requirement No. 2), etc.).

46. The fair market valuation reports of the seller's and buyer's UVEs are contained in **Appendix A-5** (with electronic working documents included at **Appendix A-4.1** as **Appendix A-4.2 (Gannett Fleming Valuation and Rate Consultants, LLC)** and **Appendix A-4.3 (ScottMadden, Inc.)**).

47. Joint Applicants' written direct testimony in support of this Application can be found in **Appendices A-13-a.i, A-13-a.ii, A-13-b, A-14-a, and A-14-b**.

48. As PAWC has strictly followed the requirements of Code Section 1329, the *Final Supplemental Implementation Order*, and the Section 1329 Checklist, PAWC should be permitted to: (a) use for ratemaking purposes the lesser of the fair market value or the negotiated purchase price of the assets related to the System; (b) collect a DSIC related to the Service Area prior to the first base rate case in which the Service Area plant-in-service is incorporated into rate base, (c) accrue AFUDC for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; (d) defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; and (e) include, in its next base rate case, a claim for transaction and closing costs related to the acquisition.

49. PAWC seeks approval to record the \$104,000,000 net value of the assets on its books. Specifically, PAWC requests to record the acquisition on a net basis consistent with generally accepted accounting principles, which advise that property, plant and equipment

acquired in a business combination intended to be held and used should be recognized and measured at fair value, and that the accumulated depreciation of the acquiree is not carried forward in a business combination (*i.e.*, net presentation). Recording the acquisition at the net value of the assets is consistent with Section 1329.

D. FILING OF CONTRACTS PURSUANT TO CODE SECTION 507

50. The Assignment, because it is between PAWC and a municipal corporation, is required to be filed with the Commission under 66 Pa. C.S. § 507. The Original APA, the First Amendment, and the Assignment are attached hereto as **Appendix A-24-a.1 through Appendix A-24-a.3**. In addition, the Township's and the Authority's contracts with municipal corporations related to the System will be assumed by PAWC upon Closing. PAWC also intends to execute an agreement with NPWA by which NPWA will provide water meter data to PAWC in order for PAWC to bill System customers. This agreement is currently being negotiated. The Section 507 Agreements are listed on **Amended Appendix A-25** and attached hereto as **Appendices A-25.1 through A-25.7** (including **Amended Appendix A-25.6**). The municipal agreements are reasonable and otherwise lawful. Assumption of the agreements by PAWC is necessary for PAWC to abide by the existing contractual arrangements of the Township and/or the Authority, and in order for PAWC to provide safe, adequate, and reasonable service to the Service Area customers at just and reasonable rates. Assumption of the agreements will also allow PAWC to provide the same treatment services to surrounding municipalities that the System historically provided. The surrounding municipalities are dependent upon such wastewater treatment service for the convenience of their consumers. Accordingly, the Commission should issue Certificates of Filing or otherwise approve the Section 507 Agreements under 66 Pa. C.S. § 507.

E. NOTICE

51. As evidenced by the Certificate of Service accompanying this Application, PAWC is serving copies of this filing electronically by emailing a One Drive link to the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission's Bureau of Investigation and Enforcement. Once the Application is reviewed and conditionally accepted by Commission Staff, PAWC will serve copies of the Application upon the municipal entities required to be provided with copies by the Commission's regulations at 52 Pa. Code § 3.501(f) and by the Section 1329 Checklist and upon the Pennsylvania Department of Environmental Protection ("DEP") Central Office and Southeastern Regional Office. Similarly, notice will be published in local newspapers of general circulation.

52. Upon receiving conditional acceptance of this filing by the Commission, PAWC will provide individual notice to its customers by bill insert or onsert and to Towamencin's customers by direct mail, in substantial compliance with the settlement in *Application of Pennsylvania-American Water Company Pursuant to Sections 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Water System Assets of the Steelton Borough Authority*, Docket No. A-2019-3006889 (Order entered October 3, 2019).⁵ PAWC will verify to the Commission when individual notice to affected customers has been completed and ask that the filing be finally accepted.

53. Upon final acceptance of this filing, PAWC respectfully requests that the Commission publish notice of this filing in the Pennsylvania Bulletin as soon as possible, with a reasonable deadline for the filing of protests, interventions, etc. in this proceeding.

⁵ See Direct Testimony of Ashley E. Everette, **Appendix A-14-a**, Amended PAWC Statement No. 3 (dated October 13, 2023).

F. ABANDONMENT BY THE TOWNSHIP AT CLOSING

54. In connection with the Transaction, the Joint Applicants acknowledges the need for Commission approval for the Township to abandon its wastewater service responsibility in its existing service territory, effective upon Closing. This request is made on the condition that the Commission approves the Transaction and approves PAWC's request to begin to furnish wastewater service in lieu of the Township.

55. Abandonment is necessary or proper for the service, accommodation, convenience, or safety of the public. Customers outside the geographic boundaries of the Township will be served by a larger, more sophisticated public utility. The Township's rates will be adopted by PAWC at Closing. Granting abandonment will result in the elimination of a small public utility (the Township).

G. CONCLUSION AND REQUEST FOR RELIEF

WHEREFORE, Pennsylvania-American Water Company and Towamencin Township respectfully request that the Pennsylvania Public Utility Commission approve the Joint Application and order that:

(a) such Certificates of Public Convenience be issued as necessary to evidence its approval under 66 Pa. C.S. § 1102(a) of (i) Pennsylvania-American Water Company's acquisition of substantially all of the assets, properties and rights related to the System; (ii) Towamencin Township's sale of the assets, properties and rights related to its wastewater collection and treatment system located in a portion of Worcester Township, Lower Salford Township and bulk customers that interconnect to the System outside of the Township's geographic boundaries; (iii) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply wastewater service in the areas served by the System in the Township, portions of Franconia, Lower Salford, and Worcester Townships, and the Borough of Lansdale; and (iv) the abandonment

by Towamencin Township of wastewater service in a portion of Worcester Township, Lower Salford Township and bulk customers that interconnect to the System outside of the Township's geographic boundaries;

(b) the *pro forma* tariff supplement attached hereto as the **Fourth Amended Appendix A-12**, including all rates, rules and regulations regarding conditions of Pennsylvania-American Water Company's wastewater service as revised herein, be permitted to become effective immediately upon Closing of the Transaction;

(c) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to use for ratemaking purposes the lesser of the fair market value or the negotiated purchase price of the assets purchased pursuant to the Transaction;

(d) pursuant to 66 Pa. C.S. § 1702, Pennsylvania-American Water Company be permitted to record the acquisition at the net value of the assets;

(e) pursuant to 66 Pa. C.S. 1329, Pennsylvania-American Water Company be permitted to collect a distribution system improvement charge prior to the first base rate case in which the Service Area plant-in-service is incorporated into rate base:

(f) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes;

(g) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes;

(h) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to include, in its next base rate case, a claim for transaction and closing costs associated with the acquisition of the System;

(i) pursuant to 66 Pa. C.S. § 507, a Certificate of Filing or approvals be issued for the following agreements between Pennsylvania-American Water Company and a municipal corporation:

- i. Asset Purchase Agreement Between the Township (as Seller), the Authority, and NextEra, as Buyer, Dated as of June 14, 2022 (attached hereto as **Appendix A-24-a.1**);
- ii. The First Amendment to Asset Purchase Agreement, dated as of March 23, 2023, by and Between the Township, the Authority and NextEra (the “First Amendment”) (attached hereto as **Appendix A-24-a.2**);
- iii. The Assignment and Assumption Agreement of Asset Purchase Agreement, Dated as of March 23, 2023, By and Between the Township, the Authority, NextEra and PAWC (the “Assignment”) (attached hereto as **Appendix A-24- a.3**);
- iv. Agreement among Hatfield Township, Hatfield Township Municipal Authority, the Township and Upper Gwynedd-Towamencin Municipal Authority re: Derstine Watershed Area and other areas dated October 13, 2010 which incorporates by reference the 2001 Agreement among the same parties (attached hereto as **Appendix A-25.1**);
- v. Agreement between Borough of Lansdale, Township of Upper Gwynedd, the Township, Lansdale Sewer Authority and the Upper Gwynedd-Towamencin

- Municipal Authority dated December 29, 1969 (attached hereto as **Appendix A-25.2**);
- vi. Transportation and Capacity Agreement between the Township, Upper Gwynedd-Towamencin Municipal Authority, Lower Salford Township Authority and Lower Salford Township dated September 18, 1989 and Modification Agreement dated August 24, 1994 (modifies but does not terminate the 1989 Agreement) and as modified by the Letter dated July 28, 2016 to the Township from LSTA and Emails between the Township and Lower Salford Authority dated October 7, 2016 (attached hereto as **Appendix A-25.3**);
- vii. Agreement among the Township, Franconia Township Authority, Upper Gwynedd-Towamencin Municipal Authority, and JDJ Associates (aka Asher's Chocolates) dated December 17, 1997 (attached hereto as **Appendix A-25.4**);
- viii. Customer Service Agreement by and between the Township and Upper Gwynedd Township dated March 2, 2015 (attached hereto as **Appendix A- 25.5**);
- ix. Worcester Township (no formal contracts but as a result of the settlement of a lawsuit Towamencin Township passed Ordinance No. 89-7 dated July 26, 1989 creating the Hollis Hills Sanitary Sewer District and Ordinance No. 89- 12 dated February 22, 1989 creating the Milestone Sanitary Sewer District) (attached hereto as **Appendix A-25.6**);
- x. Agreement with the North Penn Water Authority regarding water meter data for System customers (a *pro forma* draft of this agreement is attached hereto as **Appendix A-25.7**).

(j) the issuance of any other approvals or certificates appropriate, customary, or necessary under the Code to carry out the Transaction contemplated in this Application in a lawful manner.

[Signatures appear on next page.]

Respectfully submitted,



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FIFTH AMENDED APPENDIX A

<p>Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater</p>

In re: Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater collection and treatment system owned and operated by Towamencin Township and Towamencin Municipal Authority, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Township of Towamencin and portions of the Townships of Franconia, Lower Salford and Worcester and the Borough of Lansdale, all in Montgomery County, Pennsylvania

Docket No. A-2023-3039900 et al.

Circle No or Yes for each item. If yes, identify the document, section, and page number containing the item as found within the filing including appropriate cross-reference of duplicate documents. If no, provide a detailed explanation of why the information is not included in the filing.

Red Font indicates all, or some parts of the Response are **CONFIDENTIAL**

1.	Transmittal letter with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.	No	<input checked="" type="radio"/>	Appendix A-1
2.	Verification form that is signed by an officer or authorized employee of the company, is dated, and accurately references the case.	No	<input checked="" type="radio"/>	Amended Appendix A-2 Appendix A-2.1
3.	Certificate of Service indicating that a complete copy of the application with exhibits was served by registered or certified mail, return receipt requested, or by hand delivery, upon the statutory advocates (OCA, OSBA) and the Bureau of Investigation and Enforcement. ¹	No	<input checked="" type="radio"/>	Appendix A-3
4.	Provide responses to Section 1329 Application Standard Data Requests, including electronic working documents (i.e., Excel spreadsheets) for all the filing’s schedules, studies, and working papers to the extent practicable.	No	<input checked="" type="radio"/>	Appendix A-4 Appendix A-4.1 (SDR) - Q. 8 Amended 10/13 Appendix A-4.2 (Gannett Fleming) Appendix A-4.3 (Scott Madden)

¹ See Notes on last page of this Checklist; filers will be instructed to also serve other parties when the application is accepted.

FIFTH AMENDED APPENDIX A

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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5.	Provide copies of two independent appraisals by separate utility valuation experts for use in establishing the fair market value of the Selling Utility.	No	<input checked="" type="radio"/> Yes	Appendix A-5 Appendix A-5.1; Appendix A-5.1.a (Gannet Fleming) Appendix A-5.2 Appendix A-5.2.a (Scott Madden)
6.	State the purchase price of the seller as agreed to by the buyer and seller. ²	No	<input checked="" type="radio"/> Yes	Appendix A-6
7.	State the total fees paid to the utility valuation experts for providing the completed appraisals for the acquisition and provide documentation, i.e., the valuation service agreement and all associated invoices, supporting the subject fee amounts.	No	<input checked="" type="radio"/> Yes	Appendix A-7
8.	Buyer and Seller Verification Statements:			Appendix A-8
	a. Provide a verification statement of the Buyer that its utility valuation expert was selected by the Buyer.	No	<input checked="" type="radio"/> Yes	Appendix A-8-a
	b. Provide a verification statement of the Seller that its utility valuation expert was selected by the Seller.	No	<input checked="" type="radio"/> Yes	Appendix A-8-b
9.	Utility Valuation Expert Verification Statements:			Appendix A-9
	a. Buyer Utility Valuation Expert has no affiliation with the buyer or seller	No	<input checked="" type="radio"/> Yes	Appendices A-9.1 and A-9.2
	b. Buyer Utility Valuation Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.	No	<input checked="" type="radio"/> Yes	Appendices A-9.1 and A-9.2
	c. Buyer Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.	No	<input checked="" type="radio"/> Yes	Appendices A-9.1 and A-9.2
	d. Seller Utility Valuation Expert has no affiliation with the buyer or seller	No	<input checked="" type="radio"/> Yes	Appendices A-9.1 and A-9.2
	e. Seller Utility Valuation Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.	No	<input checked="" type="radio"/> Yes	Appendices A-9.1 and A-9.2
	f. Seller Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.	No	<input checked="" type="radio"/> Yes	Appendices A-9.1 and A-9.2

² “Seller” refers to the selling municipality; “buyer” refers to the acquiring entity.

FIFTH AMENDED APPENDIX A

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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10.	Estimated or, if available, actual transaction and closing costs incurred by the buyer that will be included in its rate base.	No	<input checked="" type="radio"/> Yes	Appendix A-10
11.	State the ratemaking rate base as required in 66 Pa. C.S. § 1329 and specify whether it is based on either the fair market value determined by the valuation experts or the asset purchase price.	No	<input checked="" type="radio"/> Yes	Appendix A-11
12.	Provide a proposed tariff containing a rate equal to the existing rates of the seller at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition.	No	<input checked="" type="radio"/> Yes	Fourth Amended Appendix A-12
13.	Seller Testimony	No	<input checked="" type="radio"/> Yes	Appendix A-13
	a. Provide seller direct testimony supporting the application, if any.	No	<input checked="" type="radio"/> Yes	Appendix A-13-a.i and a.ii <ul style="list-style-type: none"> • Auth. St. No. 1 • Amended Twp. St. No. 1
	b. Provide seller UVE direct testimony.	No	<input checked="" type="radio"/> Yes	Appendix A-13-b <ul style="list-style-type: none"> • Twp. St. No. 2
14.	Buyer Testimony:	No	<input checked="" type="radio"/> Yes	Amended Appendix A-14
	a. Provide buyer direct testimony supporting the application.	No	<input checked="" type="radio"/> Yes	Appendix A-14-a <ul style="list-style-type: none"> • PAWC St. No. 1 • Amended PAWC St. No. 2 • Amended PAWC St. No. 3
	b. Provide buyer UVE direct testimony.	No	<input checked="" type="radio"/> Yes	Appendix A-14-b <ul style="list-style-type: none"> • PAWC St. No. 4
15.	Plant in Service:			
	a. Provide an inventory of the used and useful plant assets to be transferred. Identify separately any utility plant that is held for future use. ³	No	<input checked="" type="radio"/> Yes	Appendix A-15-a Appendix A-15-a.1
	b. Provide a list of all non-depreciable property such as land and rights-of-way.	No	<input checked="" type="radio"/> Yes	Appendix A-15-b

³ The inventory is to be developed from available records, maps, work orders, debt issue closing documents funding construction projects, and other sources to ensure an accurate listing of utility plant by utility account.

FIFTH AMENDED APPENDIX A

<p>Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater</p>

	c. State the DEP-permitted productive or treatment capacity of sources or treatment facility and the pipe sizes and material used for construction for all transmission and distribution or collection facilities.	No	<input checked="" type="radio"/> Yes	Appendix A-15-c
	d. State the elevations of major facilities and service areas.	No	<input checked="" type="radio"/> Yes	Appendix A-15-d
	e. State the approximate time schedule for installation of the various component facilities.	No	<input checked="" type="radio"/> Yes	Appendix A-15-e
	f. State the tentative journal entries for booking the acquisition.	No	<input checked="" type="radio"/> Yes	Appendix A-15-f
16.	Map of Service Area - provide a scalable map or plan of suitable scale highlighting the boundaries of the proposed service area that includes:	No	<input checked="" type="radio"/> Yes	Appendix A-16
	a. The extent of the proposed service area with any existing adjoining service areas identified.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-16-a through e
	b. A north arrow depicting map orientation.	No	<input checked="" type="radio"/> Yes	Amend Appendix A-16-a through e
	c. A written description of the boundaries for the service territory utilizing bearing angles and distances.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-16-a through e
	d. Size of the service territory area in terms of acres or square miles.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-16-a through e
	e. Identification and depiction of all municipal boundaries relative to the service area.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-16-a through e
	f. Depiction of the location or route of the waterworks or wastewater collection, treatment or disposal facilities.	No	<input checked="" type="radio"/> Yes	Second Amended Appendix A-16-f
17.	Customers:			
	a. State the seller’s actual number of customers by class and quantify the related consumption or gallons treated in the current calendar year and future number of connections anticipated for the next 5 years and, if available, the next 10 years.	No	<input checked="" type="radio"/> Yes	Appendix A-17-a
	b. Buyer shall demonstrate its ability to provide adequate water supply, treatment, storage and distribution or adequate wastewater collection, treatment or disposal capacity to meet present and future customer demands.	No	<input checked="" type="radio"/> Yes	Appendix A-17-b
	c. For water system acquisitions, quantify the number of public and private fire hydrants.	No	<input checked="" type="radio"/> Yes	Appendix A-17-c
18.	Rates:			
	a. State the current rates of the seller.	No	<input checked="" type="radio"/> Yes	Third Amended Appendix A-18-a

FIFTH AMENDED APPENDIX A

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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	b. Provide a copy of the seller’s current rules and regulations for service.	No	<input checked="" type="radio"/> Yes	Appendix A-18-b
	c. Provide a proposed tariff or tariff supplement showing the rates, proposed rules, and conditions of service.	No	<input checked="" type="radio"/> Yes	Appendix A-18-c
	d. Provide a copy of the notification sent, or which will be sent, to affected customers describing the filing and the anticipated effect on rates.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-18-d
19.	Cost of Service:			
	a. Provide a copy of the seller’s two most recent audited financial statements.	No	<input checked="" type="radio"/> Yes	Appendix A-19-a
	b. Provide a copy of the seller’s two most recent adopted budgets.	No	<input checked="" type="radio"/> Yes	Appendix A-19-b
	c. Provide a copy of the seller’s most recent annual report filed with the Commonwealth’s Department of Community and Economic Development.	No	<input checked="" type="radio"/> Yes	Appendix A-19-c
	d. Provide calculations quantifying the projected revenues and expenses for the acquisition.	No	<input checked="" type="radio"/> Yes	Appendix A-19-d
	e. State whether the seller has any outstanding loans on the utility plant and identify the nature, terms, and payment history.	No	<input checked="" type="radio"/> Yes	Appendix A-19-e
20.	Proof of Compliance - provide proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:			
	a. For water system acquisitions, provide copies of the public water supply/water quality management permits for the utility plant.	No	<input checked="" type="radio"/> Yes	Appendix A-20-a
	b. For wastewater system acquisitions, provide copies of the water quality management and National Pollution Discharge Elimination System (NPDES) permits for the utility plant.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-20-b
	c. For wastewater system acquisitions, provide a copy of the Chapter 94 Municipal Wasteload Management Report that was most recently submitted to DEP.	No	<input checked="" type="radio"/> Yes	Appendix A-20-c
	d. Valid buyer’s certified operators’ certificates appropriate to the facilities being acquired.	No	<input checked="" type="radio"/> Yes	Appendix A-20-d
	e. Provide documentation evidencing a 5-year compliance history with DEP with an explanation of each violation for the seller’s utilities that have been providing service as well as provide a copy of any DEP-approved corrective action plans.	No	<input checked="" type="radio"/> Yes	Appendix A-20-e

FIFTH AMENDED APPENDIX A

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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	f. Provide documentation of all Notices of Violation issued to seller by DEP for the last 5 years, an explanation of each, including a description of any corrective or compliance measures taken.	No	<input checked="" type="radio"/> Yes	Appendix A-20-f
	g. Provide documentation evidencing a 5-year compliance history with DEP of other utilities owned or operated, or both, by the buyer, including affiliates, and their officers and parent corporations with regard to the provision of utility service. ⁴	No	<input checked="" type="radio"/> Yes	Appendix A-20-g
	h. Provide a statement clarifying whether the acquired plant will be physically interconnected to the buyer’s system or be operated as a standalone system.	No	<input checked="" type="radio"/> Yes	Appendix A-20-h
	i. Provide a statement that explains how the acquisition will fit into the current operations of the buyer.	No	<input checked="" type="radio"/> Yes	Appendix A-20-i
	j. Provide a statement that identifies the staff, district or division of the buyer that will operate and manage the acquisition.	No	<input checked="" type="radio"/> Yes	Appendix A-20-j
	k. Provide a statement quantifying the distance in miles the acquisition is from the buyer’s existing system or facilities.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-20-k
	l. Provide a statement that identifies all planned physical, operational and managerial changes of the buyer that will occur after closing and state the timeframe and cost for each.	No	<input checked="" type="radio"/> Yes	Appendix A-20-l
21.	Affected Persons. State the identity of all public utilities, municipalities, municipal authorities, cooperatives and associations which provide public water service or wastewater collection, treatment or disposal service within each municipality, or a municipality directly adjacent to the municipality(ies), in which the applicant seeks to provide service that abuts or is situated within one mile of the applicant’s proposed facilities.	No	<input checked="" type="radio"/> Yes	Appendix A-21
22.	Other requirements - demonstrate compliance with the following:			
	a. For wastewater system acquisitions, demonstrate compliance with the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities (including the extent of the requested service territory).	No	<input checked="" type="radio"/> Yes	Appendix A-22-a

⁴ Regarding Checklist Item 20(g), Class A public utilities need only submit compliance history for operations in the neighboring areas or a statement attesting to their compliance with this item.

FIFTH AMENDED APPENDIX A

<p>Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater</p>

	b. For wastewater system acquisitions, provide a copy of the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities.	No	<input checked="" type="radio"/> Yes	Amended Appendix A-22-b
	c. For wastewater system acquisitions, state the method of water service being provided in the requested wastewater service territory (i.e., public water or private wells) and identify the name of water utility, if applicable.	No	<input checked="" type="radio"/> Yes	Appendix A-22-c
	d. For water system acquisitions, state the method of wastewater service being provided in the requested water service territory (i.e., public wastewater or private on-lot) and identify the name of wastewater utility, if applicable.	No	<input checked="" type="radio"/> Yes	Appendix A-22-d
	e. Provide evidence the filing is consistent with the affected municipality and county comprehensive plans if the filing proposes to expand service beyond the existing plant footprint.	No	<input checked="" type="radio"/> Yes	Appendix A-22-e
23.	Verification:			
	a. For water system acquisitions, provide a verification that the water sources and customers are metered in accordance with 52 Pa. Code § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission.	No	<input checked="" type="radio"/> Yes	Appendix A-23-a
	b. Include a statement that there is no affiliation between the buyer and seller.	No	<input checked="" type="radio"/> Yes	Appendix A-23-b
	c. Include a statement that the agreement was conducted at arm’s length.	No	<input checked="" type="radio"/> Yes	Appendix A-23-c
	d. Include a statement explaining how the customers will benefit from the Buyer’s ownership.	No	<input checked="" type="radio"/> Yes	Appendix A-23-d
24.	Asset Purchase Agreement (APA):			
	a. Provide a copy of the APA that is signed by all parties.	No	<input checked="" type="radio"/> Yes	Appendix A-24-a
	b. APA clearly states the purchase price and terms.	No	<input checked="" type="radio"/> Yes	Appendix A-24-b
	c. APA clearly states whether all assets or only a portion of the assets are to be purchased (e.g., water treatment and distribution or wastewater collection and treatment).	No	<input checked="" type="radio"/> Yes	Appendix A-24-c
	d. APA adequately describes the assets to be acquired.	No	<input checked="" type="radio"/> Yes	Appendix A-24-d
	e. APA adequately describes the assets to be excluded.	No	<input checked="" type="radio"/> Yes	Appendix A-24-e

FIFTH AMENDED APPENDIX A

Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater
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25.	Provide a copy of all municipal and affiliate contracts to be assumed by buyer as part of the acquisition and a list and annual dollar value of other contracts.	No	<input checked="" type="radio"/>	Appendix A-25
		No	<input checked="" type="radio"/>	Appendix A-25.1
		No	<input checked="" type="radio"/>	Appendix A-25.2
		No	<input checked="" type="radio"/>	Appendix A-25.3
		No	<input checked="" type="radio"/>	Appendix A-25.4
		No	<input checked="" type="radio"/>	Appendix A-25.5
		No	<input checked="" type="radio"/>	Amended Appendix A-25.6
		No	<input checked="" type="radio"/>	Appendix A-25.7

Notes:

*All information disclosed within this application is considered public information unless specifically labeled confidential. Applicants are responsible for disclosing to the Secretary’s Bureau that which is privileged or confidential information and not otherwise available to the public. **Submit one copy of all confidential information, on documents stamped CONFIDENTIAL at the top in clear and conspicuous letters, in a separate envelope (but still attached to the application) to the Secretary’s Office along with the Application.***

If you e-file your application, separately mail any confidential information specifically identifying that you have e-filed the application. Be sure to specify the Applicant’s name, and provide the e-filing confirmation page.

Once the application is reviewed and accepted as filed, the Commission will issue a secretarial letter instructing the Applicant to publish notice in local newspapers of general circulation and to serve (electronically if acceptable to recipient) the following:

- *each city, borough, town, township, county and related planning office which is included whole or in part in the proposed service area;*
- *a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment or disposal service to the public and whose service area abuts or is within 1 mile of the service area proposed in the application; and*
- *the Department of Environmental Protection’s central and regional offices.*

**Application of Pennsylvania-American Water Company for the Acquisition
of the Wastewater Collection, Conveyance and Treatment System
Owned and Operated by Towamencin Township and Towamencin Municipal Authority
(collectively “Towamencin”)**

Docket No. A-2023-3039900

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

2. Verification form that is signed by an officer of the company, or authorized employee of the company, dated, and accurately references the case.

AMENDED RESPONSE:

See enclosed verification form at **Appendix A-2** that is signed by E. Christopher Abruzzo, Senior Director of Business Development, Pennsylvania-American Water Company and at **Appendix A-2.1** signed by David Kraynik, Township Manager, Towamencin Township.

**COMMONWEALTH OF PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Joint Application of Pennsylvania-
American Water Company and Towamencin
Township under Sections 1102(a) and 1329 of
the Pennsylvania Public Utility Code, 66 Pa
C.S. §§ 1102(a) and 1329, for approval of : Docket Nos. A-2023-3039900 and
(1) PAWC’s acquisition of substantially all of : A-2024-_____
the assets, properties and rights related to the
wastewater collection and treatment system
owned and operated by Towamencin
Township and Towamencin Municipal
Authority; (2) Towamencin Township’s sale
of the assets, properties and rights related to
its wastewater collection and treatment
system located in a portion of Worcester
Township, Lower Salford Township and bulk
customers that interconnect to the Township
sewer system outside of the Township’s
geographic boundaries; (3) the rights of
Pennsylvania-American Water Company to
begin to offer or furnish wastewater service to
the public in the Township of Towamencin
and portions of the Townships of Franconia,
Lower Salford and Worcester and the
Borough of Lansdale, all in Montgomery
County, Pennsylvania; and (4) the
abandonment of wastewater service by
Towamencin Township in a portion of
Worcester Township, Lower Salford
Township and bulk customers that
interconnect to the Township sewer system
outside of the Township’s geographic
boundaries

In re: Application of Pennsylvania-American
Water Company under Section 1329 of the
Pennsylvania Public Utility Code, 66 Pa C.S.
§ 1329, for approval of the use for ratemaking
purposes of the lesser of the fair market value
or the negotiated purchase price of the assets
related to the wastewater collection and
treatment system owned and operated by : Docket No. A-2023-_____
Towamencin Municipal Authority and the
Township of Towamencin

In re: Petition of Pennsylvania-American Water Company, related to its acquisition of the wastewater collection and treatment system owned and operated by Towamencin Municipal Authority and the Township of Towamencin, for approval under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) collect a distribution system improvement charge, (ii) for book and ratemaking purposes, accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the distribution system improvement charge, (iii) for book and ratemaking purposes, defer depreciation related to post-acquisition improvements not recovered through the distribution system improvement charge, and (iv) include, in its next base rate case, a claim for transaction and closing costs

Docket No. P-2023-_____

In re: Filing by Pennsylvania-American Water Company under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of (i) the Asset Purchase Agreement By and Among the Towamencin Municipal Authority, the Township of Towamencin and NextEra Water Pennsylvania, LLC, and the First Amendment to the Asset (ii) the Assignment and Assumption Agreement of Asset Purchase Agreement By and Among the Towamencin Municipal Authority, the Township of Towamencin, NextEra Water Pennsylvania, LLC and Pennsylvania-American Water Company, and (ii) seven agreements with municipal corporations to be assumed by Pennsylvania-American Water Company upon closing of its acquisition of substantially all of the assets related to the wastewater collection and treatment system owned and operated by Towamencin Township and Towamencin Municipal Authority

Docket Nos. U-2023-_____, *et al.*

VERIFICATION

I, David Kraynik, Township Manager for Towamencin Township, hereby state that the facts set forth 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. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: April 12, 2024



David Kraynik

**Application of Pennsylvania-American Water Company for the Acquisition
of the Wastewater Collection, Conveyance and Treatment System
Owned and Operated by Towamencin Township and Towamencin Municipal Authority
(collectively “Towamencin”)**

Docket No. A-2023-3039900

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

5. Provide copies of two independent appraisals by separate utility valuation experts for use in establishing the fair market value of the Selling Utility.

RESPONSE: See enclosed appraisals performed by Harold Walker III, Manager, Financial Studies Gannett Fleming Valuation and Rate Consultants, LLC on behalf of PAWC at **Appendix A-5.1** and Dylan W. D’Ascendis, Partner, ScottMadden, Inc. on behalf of Towamencin at **Appendix A-5.2**.

AMENDED RESPONSE:

See enclosed amendments to appraisals performed by Harold Walker III, Manager, Financial Studies Gannett Fleming Valuation and Rate Consultants, LLC on behalf of PAWC at **Appendix A-5.1.a** and Dyland W. D'Ascendis, Partner, ScottMadden, Inc. on behalf of Towamencin at **Appendix A-5-2.a**.



Gannett Fleming
Valuation and Rate Consultants, LLC

Corporate Headquarters
207 Senate Avenue
Camp Hill, PA 17011
P 717.763.7211 | F 717.763.8150

gannettfleming.com

March 20, 2024

Via email to Scott.Fogelsanger@amwater.com

Mr. Scott D. Fogelsanger
Senior Manager- Business Development
Pennsylvania-American Water Company
852 Wesley Drive Mechanicsburg, PA 17055

Dear Mr. Fogelsanger:

Towamencin Township's Wastewater System Assets
Fair Market Value Appraisal

As you are aware, we provided a fair market value appraisal of the Towamencin Township's wastewater system assets ("Wastewater System") as of June 30, 2022.

We recently were informed the original inventory contained in the Engineering Assessment of the Wastewater System included two short segments of sewer mains that have subsequently been determined to be private sewers ("Private Sewers") and should not have been included in the inventory that we used in determining the fair market value of the Wastewater System.

The Private Sewers include the 1,970 linear feet of Forge Gate Apartments private sewers installed in 1972 at an original cost of \$45,300 and the 1,480 linear feet of Towamencin Corporate Center private sewers installed in 2003 at an original cost of \$114,000. Whereas the Wastewater System consists of a 6.5 MGD wastewater treatment plant, three pump stations, about 92 miles of mains, approximately 2,100 manholes, over 5,800 services, associated infrastructure and appurtenances, and related land and land rights, all of which provide service to about 6,359 ultimate customers.

After reviewing our original fair market value appraisal report, I conclude removing the value of Private Sewers would have an insignificant impact on our \$110.6 million fair market value opinion of the Towamencin Township's wastewater system assets.

Respectfully Submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink, appearing to read "Harold Walker, III", enclosed in a thin black rectangular box.

HAROLD WALKER, III
Manager, Financial Studies

March 27, 2024

Towamencin Township
Attn: Township Manager
1090 Troxel Road
Lansdale, PA 19446

To Whom It May Concern,

On November 28, 2022, ScottMadden, Inc. (“ScottMadden”) performed valuation of Towamencin Township’s (“Towamencin,” or the “Subject Interest”) wastewater operations at the request of PFM Financial Advisors LLC, on behalf of Towamencin, for regulatory filing purposes.

In conducting its analysis, ScottMadden relied on the Towamencin Township Sewerage Facilities Engineering Assessment and Original Cost (the “Engineering Assessment”), authored by Gilmore & Associates, Inc. in July 2022, for the list of assets that comprise Towamencin’s wastewater operations. Based on the analysis, as described in ScottMadden’s Valuation Report (“Report”), the conclusion of value of Towamencin as of November 28, 2022 was \$97,573,723.

On March 21, 2024, ScottMadden received a letter from Gilmore & Associates, Inc., stating that the asset list contained in the original Engineering Assessment included two segments of sewer mains that have subsequently been determined to be private sewers, and therefore should not have been included in determining the fair market value of Towamencin’s wastewater system.

The two private sewers are:

- Forge Gate Apartments private sewers, constructed in 1972, with an original cost of \$45,300
- Towamencin Corporate Center private sewers, constructed in 2003, with an original cost of \$114,000

Based on this, ScottMadden updated its analysis by removing the two segments of sewer mains. All other analysis remains the same. As summarized below, the conclusion of value of Towamencin’s wastewater operations of November 28, 2022 is \$97,491,642. This conclusion of

Towamencin Township
March 27, 2024
Page 2

value is subject to the limiting conditions stated in ScottMadden's Valuation Report, dated November 28, 2022.

Conclusion of Value for the Subject Interest

Valuation Approach	Indicated Value	Weight	Weighted Value
Cost	\$76,621,438	1/5	\$15,324,288
Market	\$84,582,655	2/5	\$33,833,062
Income	\$120,835,732	2/5	\$48,334,293
Indicated Value			\$97,491,642

ScottMadden has no financial interest or contemplated financial interest in the property that is the subject of this report.

Respectfully Submitted,



Dylan W. D'Ascendis, CVA, CRRA
Partner
ScottMadden, Inc.



Matthew R. Howard, CRRA
Director
ScottMadden, Inc.

**Application of Pennsylvania-American Water Company for the Acquisition
of the Wastewater Collection, Conveyance and Treatment System
Owned and Operated by Towamencin Township and Towamencin Municipal Authority
(collectively “Towamencin”)**

Docket No. A-2023-3039900

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

15. Plant in Service.
- a. Provide an inventory of the used and useful plant assets to be transferred. Identify separately any utility plant that is held for future use.¹

RESPONSE: a. See the Engineer’s Assessment attached as **Appendix A-15-a** that identifies assets to be transferred as required by 66 Pa. C.S. § 1329(a)(4). It should be noted that the Engineer’s Assessment contains no utility plant that is held for future use.

AMENDED RESPONSE:

See Amendment No. 1 to the Engineer's Assessment attached as **Appendix A-15-a.1** that identifies two sewer collection systems that have subsequently been determined, through review of recorded easement information, to be privately owned by the landowners.

¹ The inventory is to be developed from available records, maps, work orders, debt issue closing documents funding construction projects, and other sources to ensure an accurate listing of utility plant by utility account.



March 21, 2024

File No. 21-04016T

David Kraynik, Township Manager
Towamencin Township
1090 Troxel Road
Lansdale, PA 19446

Reference: Towamencin Township Sewage Facilities
Engineering Assessment and Original Cost - Amendment No 1.

Dear David,:

In accordance with the Township's request, we have prepared this Amendment No. 1 for the July 2022 Towamencin Township Sewage Facilities Engineering Assessment and Original Cost Report. The July 2022 report included the following two sewer collection system that have subsequently been determined, through review of recorded easement information, to be privately owned by the land owner.

Forge Gate Apartments private sewers:
1970 Linear feet
Constructed 1972
Original Cost \$45,300
Depreciated Original Cost \$0

Towamencin Corporate Center private sewers:
1480 LF
Constructed 2003
Original Cost \$114,000
Depreciated Original Cost \$83,000

The two wastewater collection systems at Forge Gate Apartments and Towamencin Corporate Centers are private sewer lines (totaling 3,450 lineal feet) and should be removed from the 2022 report. Removing these private lines is insignificant to the final appraisal values.

Very sincerely yours,

William K. Dingman, P.E.

cc: Robert Iannozzi, Esquire

**Application of Pennsylvania-American Water Company for the Acquisition
of the Wastewater Collection, Conveyance and Treatment System
Owned and Operated by Towamencin Township and Towamencin Municipal Authority
(collectively “Towamencin”)**

Docket No. A-2023-3039900

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

16. Map of Service Area. Provide a scalable map or plan of suitable scale highlighting the boundaries of the proposed service area that includes:
- a. The extent of the proposed service area with any existing adjoining service areas identified.
 - b. A north arrow depicting map orientation.
 - c. A written description of the boundaries for the service territory utilizing bearing angles and distances.
 - d. Size of the service territory area in terms of acres or square miles.
 - e. Identification and depiction of all municipal boundaries relative to the service area.
 - f. Depiction of the location or route of the waterworks or wastewater collection, treatment or disposal facilities.

AMENDED RESPONSE:

For subparts a. through e., see enclosed maps and descriptions attached as **Appendix A-16-a through e.**

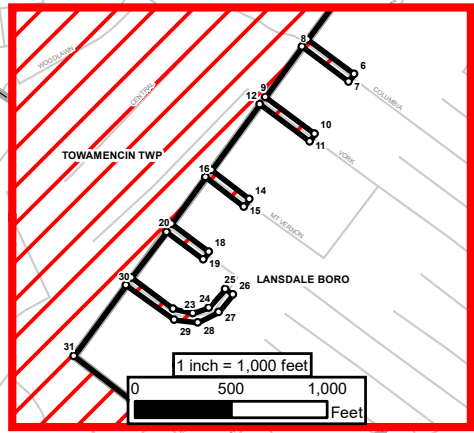
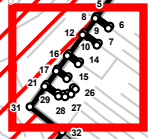
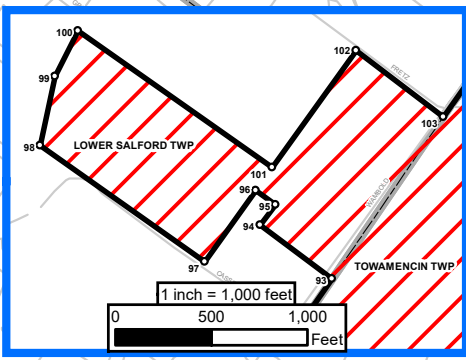
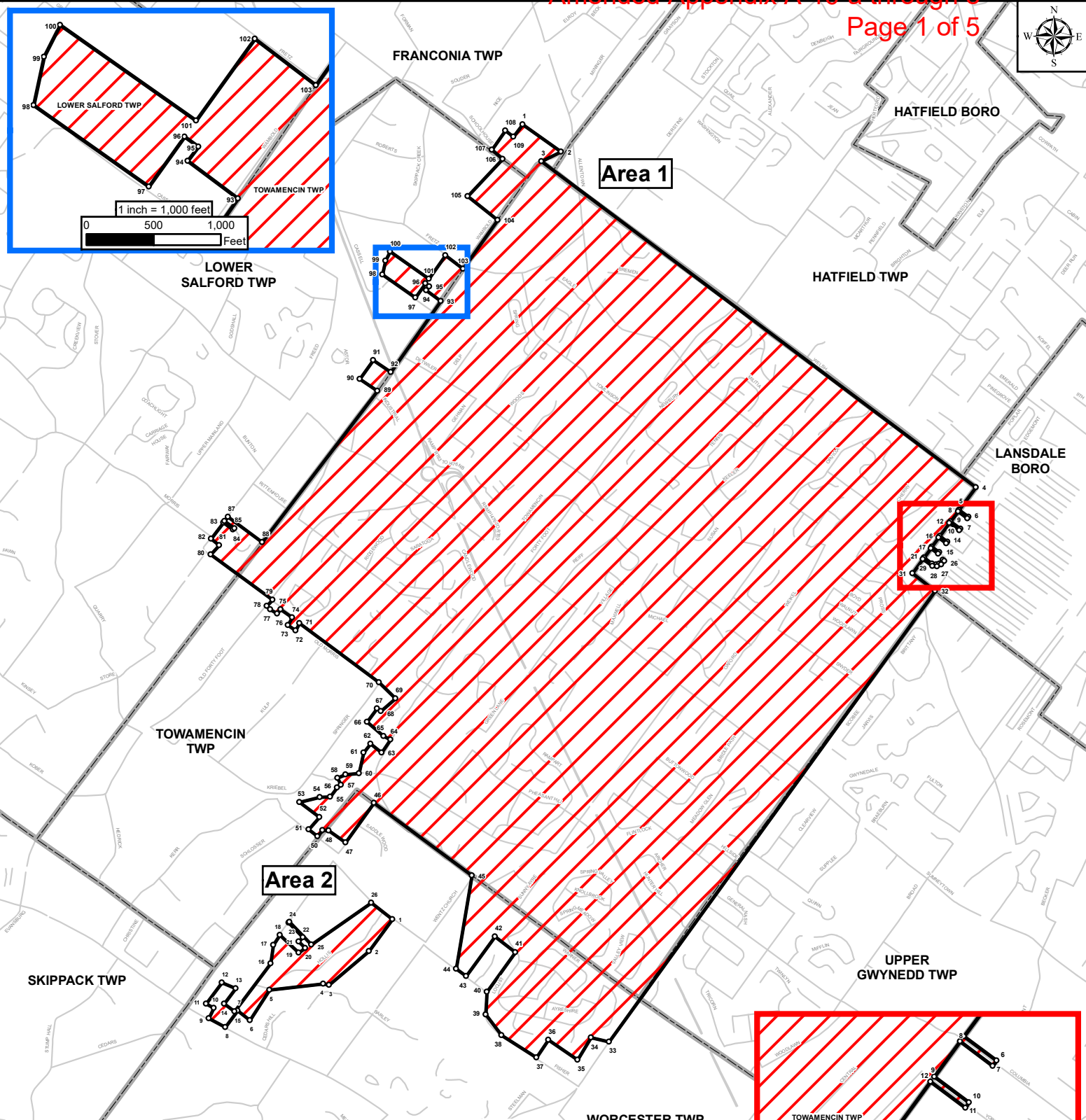
Amended Appendix A-16-f is a map that has been marked **CONFIDENTIAL**.

SECOND AMENDED RESPONSE:

For subparts a. through e., see enclosed map and descriptions attached as **Amended Appendix A-16-a through e.**

Second Amended Appendix A-16-f is a map that has been marked **CONFIDENTIAL**.

Second Amended Appendix A-16-a through f



Pennsylvania-American Water Company
Southeast Operating Area
Proposed Service Territory - Towamencin Wastewater System
Approximately 5606 Acres (8.8 Square Miles)
Towamencin Township, Lower Salford Township, Franconia Township,
Worcester Township, and Lansdale Borough, Montgomery County

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

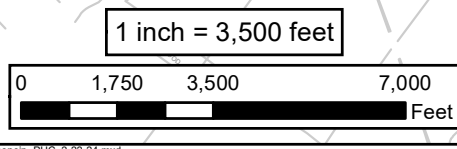
Drawn By: MW
Checked By: LM
Date: 2/22/2024

Legend

- Bearings & Distance Points
- ▨ Applied For Wastewater Territory
- ▭ Municipality

TO BE USED FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certified Service Territory may be reflected in the data supplied.



Disclaimer: Bearings and distances were not developed as result of physical survey completed by a Professional Licensed Surveyor, but instead completed through employment of ESR's ArcGIS COGO tool. The mapping data source used for the roads base mapping is from OpenStreetMap, 2020. The mapping data source used for the municipal boundaries is from Montgomery County PA GIS, 2019.

* Bearings and Distances attached separately

Starting Point: The northern most point of parcel pin 340004453004, located at 80 Wambold Rd, Souderton, PA 18964.

Sequence	From	To	Bearing	Distance (ft)
1	1	2	S54°30'12"E	1,225.53
2	2	3	S64°05'13"W	571.35
3	3	4	S53°08'13"E	14,140.78
4	4	5	S36°29'22"W	735.98
5	5	6	S53°06'52"E	303.40
6	6	7	S37°06'46"W	48.00
7	7	8	N53°17'35"W	302.87
8	8	9	S36°29'22"W	324.63
9	9	10	S53°22'50"E	321.86
10	10	11	S34°58'47"W	48.02
11	11	12	N53°22'50"W	323.13
12	12	13	S36°29'22"W	423.80
13	13	14	S52°32'54"E	249.86
14	14	15	S35°10'12"W	48.02
15	15	16	N52°50'19"W	250.94
16	16	17	S36°29'22"W	300.67
17	17	18	S53°15'18"E	242.58
18	18	19	S35°06'26"W	48.02
19	19	20	N53°22'51"W	239.54
20	20	21	S37°17'16"W	301.14
21	21	22	S53°41'14"E	271.19
22	22	23	S76°23'36"E	103.84
23	23	24	N70°45'17"E	87.83
24	24	25	N41°47'55"E	130.68
25	25	26	S54°14'51"E	50.06
26	26	27	S39°44'38"W	116.46
27	27	28	S63°39'17"W	123.18
28	28	29	N83°51'42"W	122.40
29	29	30	N54°43'10"W	310.05
30	30	31	S36°29'22"W	455.30
31	31	32	S52°10'47"E	751.61
32	32	33	S35°51'20"W	14,485.69
33	33	34	N77°39'45"W	484.69
34	34	35	S31°09'54"W	674.55
35	35	36	N55°51'43"W	925.61
36	36	37	S33°46'09"W	547.73
37	37	38	N57°32'43"W	1,075.21
38	38	39	N37°40'31"W	676.82
39	39	40	N3°00'22"E	590.68
40	40	41	N35°25'24"E	1,273.73
41	41	42	N52°39'55"W	663.74
42	42	43	S36°03'56"W	1,275.02
43	43	44	N53°19'14"W	326.28

44	44	45	N9°29'24"E	2,462.28
45	45	46	N53°25'00"W	3,174.24
46	46	47	S35°33'17"W	1,270.21
47	47	48	N54°57'35"W	539.10
48	48	49	N86°06'24"W	154.67
49	49	50	S38°17'28"W	205.35
50	50	51	N53°14'53"W	299.32
51	51	52	N40°31'41"E	430.80
52	52	53	N53°28'46"W	643.65
53	53	54	N76°10'41"E	546.55
54	54	55	N86°54'35"E	273.33
55	55	56	N36°13'41"E	301.80
56	56	57	N56°57'41"E	122.51
57	57	58	N26°08'53"W	201.10
58	58	59	N65°45'02"E	222.63
59	59	60	N85°39'37"E	356.22
60	60	61	N12°19'21"E	550.00
61	61	62	N37°22'36"E	289.72
62	62	63	S52°11'22"E	374.99
63	63	64	N33°38'27"E	409.34
64	64	65	N61°49'59"W	203.42
65	65	66	N49°22'23"W	560.21
66	66	67	N36°55'50"E	432.74
67	67	68	S54°44'27"E	117.55
68	68	69	N48°56'48"E	498.99
69	69	70	N45°03'15"W	597.99
70	70	71	N53°20'31"W	2,581.57
71	71	72	S28°25'47"W	211.80
72	72	73	N54°52'01"W	241.74
73	73	74	N27°49'07"E	218.66
74	74	75	N53°20'31"W	362.12
75	75	76	S40°00'17"W	148.03
76	76	77	N59°30'11"W	213.13
77	77	78	N41°26'59"W	125.21
78	78	79	N41°35'52"E	219.46
79	79	80	N53°49'57"W	1,997.25
80	80	81	N43°16'11"E	330.41
81	81	82	N50°38'06"W	269.27
82	82	83	N37°20'18"E	520.27
83	83	84	S54°10'55"E	311.78
84	84	85	N40°55'39"E	50.49
85	85	86	N54°13'50"W	314.82
86	86	87	N37°30'53"E	142.82
87	87	88	S53°23'07"E	1,110.69
88	88	89	N37°19'39"E	4,952.09
89	89	90	N55°38'08"W	554.63
90	90	91	N35°16'40"E	601.94

91	91	92	S55°33'37"E	554.08
92	92	93	N35°06'12"E	2,260.24
93	93	94	N53°16'52"W	469.29
94	94	95	N37°06'45"E	133.04
95	95	96	N54°10'05"W	125.92
96	96	97	S35°38'31"W	456.04
97	97	98	N54°51'41"W	1,048.89
98	98	99	N12°18'45"E	369.17
99	99	100	N26°49'57"E	265.75
100	100	101	S54°49'22"E	1,235.79
101	101	102	N35°38'31"E	749.61
102	102	103	S52°47'37"E	569.59
103	103	104	N35°16'52"E	1,559.43
104	104	105	N51°39'02"W	986.66
105	105	106	N42°47'44"E	1,327.43
106	106	107	N49°03'28"W	363.19
107	107	108	N34°35'14"E	610.59
108	108	109	S53°13'07"E	267.28
109	109	1	N37°25'04"E	400.07

Starting Point: The eastern most point of parcel pin 670001913315, located at 2048 Hollis Rd, Lansdale, PA 19446.

Sequence	From	To	Bearing	Distance (ft)
1	1	2	S36°00'45"W	1,032.68
2	2	3	S49°59'12"W	1,360.40
3	3	4	N78°45'03"W	157.38
4	4	5	S83°32'50"W	1,406.83
5	5	6	S32°28'49"W	945.13
6	6	7	N51°46'09"W	409.32
7	7	8	S36°24'58"W	533.97
8	8	9	N62°20'44"W	492.78
9	9	10	N25°38'09"E	305.00
10	10	11	N61°26'21"W	230.90
11	11	12	N37°05'27"E	684.20
12	12	13	S68°16'51"E	389.73
13	13	14	S36°18'54"W	503.93
14	14	15	S53°05'34"E	332.26
15	15	16	N36°52'45"E	1,566.41
16	16	17	N8°20'51"E	480.35
17	17	18	N32°24'28"E	315.53
18	18	19	S46°36'30"E	678.22
19	19	20	N55°02'17"E	205.77
20	20	21	N43°30'16"W	237.51
21	21	22	N42°07'39"E	155.34
22	22	23	N44°23'17"W	526.24
23	23	24	N35°58'35"E	27.99
24	24	25	S44°15'08"E	825.14
25	25	26	N54°55'15"E	1,897.67
26	26	1	S52°07'51"E	702.64

SECOND AMENDED APPENDIX A-16-f

MAP OF SERVICE AREA

DEPICT LOCATION OF FACILITIES

CONFIDENTIAL DOCUMENT

PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 852 Wesley Drive, Mechanicsburg, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and

Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Lackawanna County Water System at Montage (Lackawanna County, April 11, 1997); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shippenville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallaceton Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011); Wildcat Park Corporation (Schuylkill County, November 17, 2011); Estate of George Spangenberg d/b/a Lake Spangenberg Water Company (Lackawanna County, May 3, 2012); North Fayette County Municipal Authority-Balsinger Public Water System and Springfield Pike Public Water System

(Fayette County, October 4, 2012); All Seasons Water Company (Pike County, December 20, 2012); Ha Ra Corporation-Fernwood Community Water System (Monroe County, December 31, 2012); Olwen Heights Water Service Company, Inc. (Lackawanna County, February 4, 2013); Indian Rocks Water Association (Wayne County, March 13, 2013); Koppel Borough (Beaver County, May 31, 2013); Pocono Mountain Lake Forest Community Association (Pike County, July 22, 2013); Clean Treatment Sewage Company (Pike County, August 21, 2013); Franklin Township Municipal Authority (Adams County, August 29, 2013); Berry Hollow Water Company (Northampton County, April 3, 2014); Scott Township (Lackawanna County, May 22, 2014); Paint-Elk Joint Sewer Authority (Clarion County, July 31, 2014); Hamiltonban Township Municipal Authority (Adams County, November 3, 2014); Abbey Woods Homeowners Association (Butler County, July 14, 2015); Shipperville Borough (Clarion County, August 4, 2015); Paint Township Municipal Water Authority (Clarion County, October 15, 2015); McEwensville Municipal Authority (Northumberland County, October 21, 2015); Fairview Township (York County, December 22, 2015); Borough of New Cumberland (Cumberland County, October 31, 2016); Sewer Authority of the City of Scranton (Lackawanna County, December 29, 2016); The Municipal Authority of the City of McKeesport (Allegheny County, December 18, 2017); Township of Sadsbury (Chester County, March 6, 2019); Municipal Authority of the Borough of Turbotville (Northumberland County, July 23, 2019); Borough of Turbotville (Northumberland County, July 23, 2019); Steelton Borough Authority (Dauphin County, October 9, 2019); Township of Exeter (Berks County, October 24, 2019); Kane Borough Authority (McKean County, October 13, 2020); Winola Water Company (Wyoming County, December 17, 2020); Delaware Sewer Company (Pike County, May 13, 2021); Borough of Royersford (Montgomery County, May 25, 2021); Valley Township-Water (Chester County, November 18, 2021); Valley Township-Wastewater (Chester County, November 18, 2021); SLIBCO Utilities, Inc. (Lackawanna County, November 19, 2021); York City Sewer Authority (York County, May 27, 2022); Upper Pottsgrove Township (Berks and Montgomery Counties, June 30, 2022); Foster Township (Luzerne County, October 27, 2022) and Creekside Homeowners Association (Lancaster County, June 22, 2023). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 681,707 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 28th, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mount Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence and Wyomissing and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallaceton and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Middlesex, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Borough of Steelton and the Townships of Conewago, Derry, Londonderry, South Hanover, Swatara and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville and South Connellsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, German, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Carbondale, Fell, Glenburn, Jefferson, North Abington, Roaring Brook, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden, Providence and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono, the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud and the Village of Tobyhanna in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitmarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Mount Bethel, Lower Nazareth, Palmer, Plainfield, Upper Mount Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of McEwensville, Milton, Northumberland, Turbotville and Watsonstown and the Townships of Delaware, East Chillisquaque, Lewis, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, East Pike Run, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane and Union in Washington County;

Portions of the Townships of Clinton and Salem in Wayne County;

Portion of the Township of Overfield in Wyoming County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 97,585 customers in the following municipalities:

Portions of, the Townships of Franklin, Hamiltonban and Highland in Adams County;

All, or portions of, the Cities of Duquesne and McKeesport and the Boroughs of Dravosburg, Port Vue and West Mifflin in Allegheny County;

All of the Borough of Koppel in Beaver County;

All, or portions of, the Townships of Alsace, Douglass, Exeter and Lower Alsace in Berks County;

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

All, or portions of, the Boroughs of Clarion and Shippenville and the Townships of Clarion, Elk, Monroe and Paint in Clarion County;

All, or portions of, the Borough of New Cumberland and the Township of Lower Allen in Cumberland County;

All of the City of Scranton and the Borough of Dunmore in Lackawanna County;

Portions of the Township of Foster in Luzerne County;

All, or portions of, the Borough of Kane and Township of Wetmore in McKean County;

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

All, or portions of, the Borough of Royersford and the Townships of Upper Pottsgrove and Upper Providence in Montgomery County;

All, or portions of, the Boroughs of McEwensville and Turbotville in Northumberland County;

Portions of the Townships of Delaware and Lehman in Pike County;

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County; and

All, or portions of, the City of York, the Borough of North York and the Townships of Fairview, Manchester, Newberry and York in York County.

[418 municipalities in 37 counties.]

06/30/2023