

**Pennsylvania Public Utility Commission
66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater
2024 Final Supplemental Implementation Order**

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.

1.	Transmittal letter with caption and statement that the filing is pursuant to 66 Pa.C.S. § 1329.	No	Yes	Page No.
2.	Verification form that is signed by an officer or authorized employee of the company, is dated, and accurately references the case.	No	Yes	Page No.
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	Yes	Page No.
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	Yes	Page No.
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	Yes	Page No.
6.	State the purchase price of the seller as agreed to by the buyer and seller. ²	No	Yes	Page No.
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	Yes	Page No.
8.	Buyer and Seller Verification Statements:			
	a. Provide a verification statement of the Buyer that its utility valuation expert was selected by the Buyer.	No	Yes	Page No.

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

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

Pennsylvania Public Utility Commission 66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater 2024 Final Supplemental Implementation Order
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	b. Provide a verification statement of the Seller that its utility valuation expert was selected by the Seller.	No	Yes	Page No.
9.	Utility Valuation Expert Verification Statements:			
	a. Buyer Utility Valuation Expert has no affiliation with the buyer or seller.	No	Yes	Page No.
	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	Yes	Page No.
	c. Buyer Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.	No	Yes	Page No.
	d. Seller Utility Valuation Expert has no affiliation with the buyer or seller.	No	Yes	Page No.
	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	Yes	Page No.
	f. Seller Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.	No	Yes	Page No.
10.	Estimated or, if available, actual transaction and closing costs incurred by the buyer that will be included in its rate base.	No	Yes	Page No.
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	Yes	Page No.
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	Yes	Page No.
13.	Seller Testimony:			
	a. Provide seller direct testimony supporting the application, if any.	No	Yes	Page No.
	b. Provide seller UVE direct testimony.	No	Yes	Page No.
14.	Buyer Testimony:			
	a. Provide buyer direct testimony supporting the application.	No	Yes	Page No.
	b. Provide buyer UVE direct testimony.	No	Yes	Page No.

<p>Pennsylvania Public Utility Commission 66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater 2024 Final Supplemental Implementation Order</p>

	c. Identify in Buyer direct testimony the ways in which the buyer has responded to input received at the public hearings referenced in Checklist Item 26, if any.	No	Yes	Page No.
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	Yes	Page No.
	b. Provide a list of all non-depreciable property such as land and rights-of-way.	No	Yes	Page No.
	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	Yes	Page No.
	d. State the elevations of major facilities and service areas.	No	Yes	Page No.
	e. State the approximate time schedule for installation of the various component facilities.	No	Yes	Page No.
	f. State the tentative journal entries for booking the acquisition.	No	Yes	Page No.
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.	No	Yes	Page No.
	b. A north arrow depicting map orientation.	No	Yes	Page No.
	c. A written description of the boundaries for the service territory utilizing bearing angles and distances.	No	Yes	Page No.
	d. Size of the service territory area in terms of acres or square miles.	No	Yes	Page No.
	e. Identification and depiction of all municipal boundaries relative to the service area.	No	Yes	Page No.
	f. Depiction of the location or route of the waterworks or wastewater collection, treatment, or disposal facilities.	No	Yes	Page No.
17.	Customers:			

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.

<p>Pennsylvania Public Utility Commission 66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater 2024 Final Supplemental Implementation Order</p>

	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	Yes	Page No.
	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	Yes	Page No.
	c. For water system acquisitions, quantify the number of public and private fire hydrants.	No	Yes	Page No.
18.	Rates:			
	a. State the current rates of the seller.	No	Yes	Page No.
	b. Provide a copy of the seller’s current rules and regulations for service.	No	Yes	Page No.
	c. Provide a proposed tariff or tariff supplement showing the rates, proposed rules, and conditions of service.	No	Yes	Page No.
	d. Provide a copy of the notification which will be sent by the Buyer to affected customers describing the filing and the anticipated effect on rates, including:	No	Yes	Page No.
	i. For the Seller’s customers, the overall dollar and percentage rate impacts implicated from stand-alone rates that recover the Buyer’s estimated annual gross revenue requirement for the acquired system from the Seller's customers.	No	Yes	Page No.
	ii. For the Buyer’s customers, the overall dollar and percentage rate impacts implicated from the following rates: (1) for water applications, rates that recover the Buyer’s estimated annual net revenue requirement for the acquired system from the Buyer’s existing water customers, or (2) for wastewater applications, both water and wastewater rates that recover the Buyer’s estimated annual net revenue requirement for the acquired system from the Buyer’s existing water and wastewater customer, respectively.	No	Yes	Page No.
	iii. Clear, plain language information about rate impacts.	No	Yes	Page No.
	iv. A statement that any promise to freeze rates may be unenforceable.	No	Yes	Page No.

<p>Pennsylvania Public Utility Commission 66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater 2024 Final Supplemental Implementation Order</p>

	e. Provide a verification statement addressing <i>whether</i> the Buyer provided the Seller with estimates and supporting working papers, including the potential rate impacts that the transaction may have on the Seller’s customers, assuming the Buyer’s highest proposed purchase price and stand-alone rates that recovery the Buyer’s estimated gross revenue requirements for the acquired system from the Seller’s customers, prior to execution of the APA.	No	Yes	Page No.
19.	Cost of Service:			
	a. Provide a copy of the seller’s two most recent audited financial statements.	No	Yes	Page No.
	b. Provide a copy of the seller’s two most recent adopted budgets.	No	Yes	Page No.
	c. Provide a copy of the seller’s most recent annual report filed with the Commonwealth’s Department of Community and Economic Development.	No	Yes	Page No.
	d. Provide calculations quantifying the projected revenues and expenses for the acquisition.	No	Yes	Page No.
	e. State whether the seller has any outstanding loans on the utility plant and identify the nature, terms, and payment history.	No	Yes	Page No.
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	Yes	Page No.
	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	Yes	Page No.
	c. For wastewater system acquisitions, provide a copy of the Chapter 94 Municipal Wasteload Management Report that was most recently submitted to DEP.	No	Yes	Page No.
	d. Valid buyer’s certified operators’ certificates appropriate to the facilities being acquired.	No	Yes	Page No.
	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	Yes	Page No.

Pennsylvania Public Utility Commission
66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater
2024 Final Supplemental Implementation Order

	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	Yes	Page No.
	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	Yes	Page No.
	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	Yes	Page No.
	i. Provide a statement that explains how the acquisition will fit into the current operations of the buyer.	No	Yes	Page No.
	j. Provide a statement that identifies the staff, district or division of the buyer that will operate and manage the acquisition.	No	Yes	Page No.
	k. Provide a statement quantifying the distance in miles the acquisition is from the buyer’s existing system or facilities.	No	Yes	Page No.
	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	Yes	Page No.
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	Yes	Page No.
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	Yes	Page No.

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.

<p>Pennsylvania Public Utility Commission 66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater 2024 Final Supplemental Implementation Order</p>

	b. For wastewater system acquisitions, provide a copy of the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities.	No	Yes	Page No.
	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	Yes	Page No.
	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	Yes	Page No.
	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	Yes	Page No.
23.	Additional Verification Statements:			
	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	Yes	Page No.
	b. Include a statement that there is no affiliation between the buyer and seller.	No	Yes	Page No.
	c. Include a statement that the agreement was conducted at arm’s length.	No	Yes	Page No.
	d. Include a statement explaining how the customers will benefit from the Buyer’s ownership.	No	Yes	Page No.
	e. Provide a verification statement that the Seller is aware of the potential rate impacts the transaction may have on the Seller’s customers, including the overall dollar and percentage rate impacts implicated from stand-alone rates that recover the Buyer’s estimated annual gross revenue requirement for the acquired system from the Seller’s customers.	No	Yes	Page No.
	f. Provide a verification statement that the Buyer and Seller understand the Commission may shift rate allocations in a manner different from any commitments made in the underlying application.	No	Yes	Page No.
24.	Asset Purchase Agreement (APA):			
	a. Provide a copy of the APA that is signed by all parties.	No	Yes	Page No.

**Pennsylvania Public Utility Commission
66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater
2024 Final Supplemental Implementation Order**

	b. APA clearly states the purchase price and terms.	No	Yes	Page No.
	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	Yes	Page No.
	d. APA adequately describes the assets to be acquired.	No	Yes	Page No.
	e. APA adequately describes the assets to be excluded.	No	Yes	Page No.
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	Yes	Page No.
26.	Public Hearings. Provide a verification statement that at least two in-person public hearings were scheduled and conducted prior to executing the APA, and that:	No	Yes	Page No.
	a. The public hearings addressed the proposed acquisition, described the potential rate impacts, provided the opportunity for public comment, and were held at venues within the municipal boundaries of the Seller, or at the nearest reasonable venues, with Commission notification.	No	Yes	Page No.
	b. The Buyer or Seller notified the Seller’s customers of the public hearings.	No	Yes	Page No.
27.	If seeking a deviation from the default weights established in the <i>2024 Final Supplemental Implementation Order</i> , provide the request supported by good cause.	No	Yes	Page No.

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.

**Pennsylvania Public Utility Commission
66 Pa.C.S. § 1329 Application Filing Checklist – Water/Wastewater
2024 Final Supplemental Implementation Order**

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.*