



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

July 12, 2024

Docket No. A-2024-3049759
Utility Code 212285

ELIZABETH ROSE TRISCARI ESQUIRE
PENNSYLVANIA AMERICAN WATER COMPANY
852 WESLEY DRIVE
MECHANICSBURG PA 17055
ELIZABETH.TRISCARI@AMWATER.COM

RE: Application of Pennsylvania-American Water Company for approval of the right to: (1) acquire substantially all of the East Dunkard Water Authority's assets, properties and rights related to its water system to Pennsylvania-American Water Company, and (2) begin to offer, render, furnish or supply water service to the public in Dunkard, and portions of Monongahela, Greene, Cumberland, Perry, and Whiteley Townships, Greene County, Pennsylvania at Docket No. A-2024-3049759

Dear Attorney Triscari:

On June 21, 2024, Pennsylvania-American Water Company (PAWC) filed the above-captioned document (Application) with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, please respond with the information requested in the attached document.

Please forward the information to the Secretary of the Commission at the address listed below **within ten (10) business days** from the date of this letter. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response. The overnight address for hard-copy or confidential responses is:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Please note your answers must be verified per 52 Pa. Code § 1.36. Accordingly, you must provide the following statement with your responses:

I, [print name of appropriate company representative], hereby state that the facts above 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 herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature _____
Title _____
Date _____

Please contact the below staff person if any problems should arise that prevent a full response within ten business days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the review, please send a copy of the response to James Kennedy, in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at jameskenne@pa.gov. Please also direct any questions to James Kennedy at telephone number (717) 783-3971. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta
Secretary

Enclosure: TUS Data Request Set 1

cc: Patrick Cicero, Office of Consumer Advocate (w/enclosure), ra-oca@paoca.org
Christine Hoover, Office of Consumer Advocate (w/enclosure), choover@paoca.org
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
Rebecca Lyttle, Office of Small Business Advocate (w/enclosure), relyttle@pa.gov
Allison Kaster, Bureau of Investigation & Enforcement (w/enclosure), akaster@pa.gov

TUS Data Request Set 1

Application of Pennsylvania-American Water Company for approval of the right to: (1) acquire substantially all of the East Dunkard Water Authority's assets, properties and rights related to its water system to Pennsylvania-American Water Company, and (2) begin to offer, render, furnish or supply water service to the public in Dunkard, and portions of Monongahela, Greene, Cumberland, Perry, and Whiteley Townships, Greene County, Pennsylvania at Docket No. A-2024-3049759

Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

- A-1. Please explain how customers in the requested service territory receive wastewater service and identify the service provider.
- A-2. Please quantify the number of customers, by class, currently served by East Dunkard Water Authority's (EDWA's) water system (EDWA System) to include the number of public and private fire hydrants and private fire service connections. Also, if there are any private fire service connections, please specify EDWA's existing rates and PAWC's proposed rates for those connections.
- A-3. Please provide the estimated average monthly water usage for customers connected to the EDWA System, by customer class.
- A-4. PAWC filed an Amended Application (Amended Application) on July 2, 2024. The Amended Application's Amended Appendix R included letters sent by PAWC to the planning commissions of the municipalities and county included in the requested territory to confirm that the application is consistent with their respective comprehensive plans and zoning. PAWC did not provide responses from Cumberland, Dunkard, and Monongahela Townships or Greene County. Please confirm that the Application is consistent with the Cumberland, Dunkard, and Monongahela Townships and Greene County comprehensive plans and zoning.
- A-5. Please identify the individual(s) PAWC intends to operate the EDWA System and provide a copy of the certified operator's certificate for the individual(s).
- A-6. Please provide details of EDWA's source of supply capabilities including design maximum production capacity, permitted/contracted maximum production capacity, and peak and average daily production for the 2023 calendar year, including for sources that supply EDWA's water treatment plant and EDWA's Sugar Grove Interconnect.
- A-7. Please provide a list of all EDWA's water system assets broken down by major plant categories detailing each item description along with the associated pipe diameter, material type, pipe length, and/or quantity (e.g. valves, hydrants, etc), as appropriate. In addition, please detail the major components of the EDWA water treatment plant (EDWA WTP), pump stations, etc.
- A-8. Please provide a one, five, and 10-year estimate of operating revenue, operation and maintenance expenses, and annual depreciation and taxes for the EDWA System.
- A-9. Please provide copies of EDWA's current water rates, rules, and regulations.

TUS Data Request Set 1

Application of Pennsylvania-American Water Company for approval of the right to: (1) acquire substantially all of the East Dunkard Water Authority's assets, properties and rights related to its water system to Pennsylvania-American Water Company, and (2) begin to offer, render, furnish or supply water service to the public in Dunkard, and portions of Monongahela, Greene, Cumberland, Perry, and Whiteley Townships, Greene County, Pennsylvania at Docket No. A-2024-3049759

- A-10. Please verify that PAWC will be able to provide adequate water supply, treatment, storage, and distribution capacity to meet present and future customer demands within the requested territory.
- A-11. The Application's Appendix O included a copy of a Pennsylvania Department of Environmental Protection (DEP) Administrative Order dated August 25, 2022 (2022 Administrative Order), issued to EDWA and the East Dunkard Water Association that references numerous inspections, field orders and Notices of Violations. Please provide copies of all inspections, field orders and Notices of Violations referenced in the 2022 Administrative Order.
- A-12. Please provide a copy of EDWA's federal tax returns for 2022 and 2023.
- A-13. Please provide a copy of East Dunkard Water Association's federal tax returns for 2022 and 2023.
- A-14. In Section 16 of the Amended Application, PAWC indicated that a preliminary analysis indicated the depreciated original cost (DOC) of the system is greater than the purchase price. Please provide a copy of the preliminary analysis of the EDWA System's DOC.
- A-15. In Section 18 of the Amended Application, PAWC listed tentative journal entries without the associated account numbers in conformance with the National Association of Regulatory Utility Commissioners Uniform System of Accounts for Class A Water Utilities (NARUC). Please provide the NARUC account numbers associated with each tentative journal entry.
- A-16. In Section 42 of the Amended Application, PAWC indicated that the EDWA System will be operated as a satellite system from PAWC's nearby Uniontown Operations District. Please provide the distance from the EDWA System to PAWC's Uniontown Operations district.
- A-17. The Amended Application's Appendix A included a copy of the amended asset purchase agreement (Amended APA). Section 4.1.(h) of the Amended APA, provides a reference to "Section Error! Reference source not found". Please specify the Schedule on which the Free Service; Customer List; Prepayments can be found.

TUS Data Request Set 1

Application of Pennsylvania-American Water Company for approval of the right to: (1) acquire substantially all of the East Dunkard Water Authority's assets, properties and rights related to its water system to Pennsylvania-American Water Company, and (2) begin to offer, render, furnish or supply water service to the public in Dunkard, and portions of Monongahela, Greene, Cumberland, Perry, and Whiteley Townships, Greene County, Pennsylvania at Docket No. A-2024-3049759

- A-18. The Amended APA's Exhibit A, Assignment of Contracts Agreement (Assigned Contracts Agreement) referenced a list of the Seller's contracts, agreements and arrangements, as being attached hereto and made part hereof of the Assigned Contracts Agreement as Exhibit A. However, no copy of Exhibit A was attached to the Assigned Contracts Agreement. Please provide a copy of the Assigned Contracts Agreement's Exhibit A.
- A-19. The Amended APA included minutes from EDWA's June 2, 2022, (June 2022 Minutes) board meeting as evidence of EDWA's current rates. PAWC's *pro forma* tariff supplement provided as the Application's Appendix B included service charges for 5/8-inch meters. However, EDWA's June 2, 2022, minutes do not show rates for 5/8-inch meters. Please provide responses to the following:
- a. Indicate if the EDWA system contains any 5/8-inch meters; and
 - b. Indicate if PAWC's proposed rates for 5/8-inch meters match EDWA's current rates.
- A-20. The June 2022 Minutes indicated that EDWA has several customers with multiple dwellings on one meter. Please provide responses to the following:
- a. Explain how PAWC intends to bill EDWA customers individually that are currently furnished water service through a meter that provides service to multiple customers; and
 - b. Provide a plan to separately meter all EDWA customers along with a breakdown of the estimated costs and indicate the timeframe for the meter separation to be completed.
- A-21. The Application's Appendix M indicated that PAWC estimated an annual operating loss of \$167,000 for the requested territory. Please provide a detailed description of how PAWC will subsidize the estimated operating losses to provide adequate water service.
- A-22. The Application's Appendix N included a copy of an email from DEP to EDWA dated October 6, 2020 (DEP 2020 Email). In DEP 2020 Email, DEP requested that EDWA submit a Corrective Action Plan within the next 30 days. Please provide a copy of the Corrective Action Plan that EDWA submitted to DEP along with any associated DEP correspondence.

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- A-23. The Application's Appendix S contained a Public Water Supply Permit No. 3022506 dated 1/19/2024, that was located under the heading with an Issue Date: 6/1/2019. Please verify the correct date for Permit No. 3022506.
- A-24. Please identify the permits, easements, and right-of-way that are required to construct, operate, and maintain the EDWA System, quantify their estimated costs, and identify the entity responsible for obtaining each permit, easement, or right-of-way.
- A-25. The Amended APA's Section 4.1(g) referenced a Section 0 that does not appear to be included in the Amended APA. Please clarify this apparent discrepancy and specify the corrected reference section.
- A-26. The Amended APA's Section 4.1(t) referenced a Schedule 4.1(t) that does not appear to be included in the Amended APA. Instead, it appears that references to Schedule 4.1(t) are intended to reference the APA's Schedule 4.1(u) – Extension Deposit Agreements. Please confirm that the Amended APA's references to Schedule 4.1(t) are intended to reference the Amended APA's Schedule 4.1(u).
- A-27. The Amended APA's Schedule 4.1(q), Note (1), indicated that EDWA has applied to DEP to transfer the permits issued to East Dunkard Water Association into the name of EDWA. Please provide copies of the permit transfer applications submitted by EDWA to DEP for the noted permits in the aforementioned schedule.
- A-28. The Amended APA's Schedule 4.1(q), Note (2), indicated that EDWA is in the process of applying for a DEP Operations Permit. Please provide a copy of the Operations Permit application submitted by EDWA to DEP.
- A-29. Please provide a breakdown of the specific components of the EDWA System, including the EDWA WTP, and costs that were paid for by grant or other sources and may be considered contributions-in-aid of construction.
- A-30. Please provide a breakdown of the anticipated cost of PAWC-funded facilities, by major plant category, including a description, year, estimated costs, and sources of funds (i.e., debt or equity), separately for the EDWA System and EDWA WTP for the next 5 years.
- A-31. EDWA's June 29, 2023 Meeting Minutes included in the Application's Appendix E appears to indicate that several EDWA customers paid water tapping fees. Also, 53 Pa.C.S. § 5607(d)(24)(ii) requires municipal authorities to have available for public inspection a detailed itemization of all calculations showing the maximum fees allowable for each part of the tapping fee and the manner in which the fees were determined (Tapping Fee Study). Please provide a copy of EDWA's most recent Tapping Fee Study.