



Elizabeth Rose Triscari

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August 2, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

In re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of (1) the transfer, by sale, of 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) the right of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in Dunkard, and portions of Monongahela, Greene, Cumberland, Perry, and Whiteley Townships, all in Greene County, Pennsylvania
Docket No. A-2024-3049759

In re: Filing by Pennsylvania-American Water Company under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of the Asset Purchase Agreement By and Among East Dunkard Water Authority, and Pennsylvania-American Water Company, as Amended – Docket No. U-2024

Dear Secretary Chiavetta:

Enclosed please find the attached Prehearing Memorandum of Pennsylvania-American Water Company in the above-referenced proceeding.

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

Sincerely,

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

Elizabeth Rose Triscari

cc: The Honorable Administrative Law Judge Eranda Vero (*via electronic mail*)
All Parties on the Attached Certificate of Service (*via the electronic mail*)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American :
Water Company under Section 1102(a) of the :
Pennsylvania Public Utility Code, 66 Pa. C.S. :
§ 1102(a), for approval of (1) the transfer, by :
sale, of substantially all of the East Dunkard :
Water Authority’s assets, properties and rights :
related to its water system to Pennsylvania- : Docket No. A-2024-3049759
American Water Company, and (2) the right of :
Pennsylvania-American Water Company to :
begin to offer or furnish water service to the :
public in Dunkard, and portions of :
Monongahela, Greene, Cumberland, Perry, and :
Whiteley Townships, all in Greene County, :
Pennsylvania. :

In re: Filing by Pennsylvania-American Water :
Company under Section 507 of the :
Pennsylvania Public Utility Code, 66 Pa. C.S. : Docket Nos. U-2024-_____, *et al.*
§ 507, of the Asset Purchase Agreement By :
and Among East Dunkard Water Authority, :
and Pennsylvania-American Water Company, :
as Amended :

CERTIFICATE OF SERVICE

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

Service in the manner listed below addressed as follows on August 2, 2024

Melanie J. El Atieh, Deputy Consumer Advocate
Christine Maloni Hoover, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(via electronic mail)

Rebecca Lyttle, Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
(via electronic mail)

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

Lane M. Turturice, Esquire
East Dunkard Solicitor
Turturice & Associates, LLC
70 East Wheeling Street
Washington, PA 15301
(via electronic mail)

Respectfully submitted,



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**Attorney for Pennsylvania-American Water
Company**

I. INTRODUCTION AND PROCEDURAL HISTORY

In 2020, the Pennsylvania Department of Environmental Protection (“PADEP”) escalated its regulatory oversight of East Dunkard Water Authority (“EDWA” or the “Authority”) regarding multiple customer complaints, water quality issues and non-compliance of DEP rules and regulations.

In early 2022, the Authority had to issue boil water advisories to customers on two occasions due to treatment breakdowns at the plant. After repeated failures of the Authority to correct the problems at the plant, PADEP issued an Administrative Order dated August 25, 2022. This Order required the Authority to correct numerous “significant deficiencies” in the Authority’s operations, as the term is defined in 25 Pa. Code § 109.1. In September 2022, the Authority began discussions with PAWC on a potential sale of the Authority’s assets to PAWC. Meanwhile, PADEP continued its oversight of the Authority’s operations to assess the Authority’s compliance with requirements in the Administrative Order.

In late October 2023, the Authority experienced a major upset at its water treatment plant whereby the plant was not able to produce potable water for several days. Storage reserves in the distribution system eventually were depleted and customers were without water for multiple days. When the issue was resolved and the system restored to capacity, customers were on a boil water advisory for over a month.

On July 23, 2023, PAWC and EDWA entered into an Asset Purchase Agreement (“APA”) to sell all of the assets, properties and rights of EDWA’s water system (other than the Excluded Assets as defined in Section 1.4 of the APA) (“System”) to PAWC (the “Transaction”). The APA was subsequently amended on November 3, 2023, January 24, 2024 and June 13, 2024.

On November 1, 2023, the Commission issued an Ex Parte Emergency Order at

Docket No. P-2023-3043950 authorizing PAWC to serve as a Receiver for the Authority. On February 8, 2024, the Commonwealth Court issued an Order appointing PAWC as Receiver for the Authority¹.

PAWC assumed operations of the System as Receiver on February 9, 2024, and has been operating the System on a continuous basis ever since.

On June 22, 2024, PAWC filed an Application (“Application”) at Docket No. A-2024-3049759 to issue such Orders, Certificates of Public Convenience and other such relief as necessary to evidence its approval under Section 1102(a) of the Pennsylvania Public Utility Code (“Code”), 66 Pa. C.S. § 1102(a), of (1) the transfer, by sale, of substantially all of the assets, properties and rights of the East Dunkard Water Authority owned and used in connection with operating and maintaining the water system, to PAWC, and (2) PAWC’s right to offer, render, furnish and supply water service in the areas served by EDWA including Dunkard Township, and portions of Cumberland, Greene, Monongahela, Perry and Whiteley Townships, all in Greene County, Pennsylvania. Furthermore, PAWC requested pursuant to Code Section 507, 66 Pa. C.S. § 507, the issuance of Certificates of Filing for approvals for the following agreement, as amended between PAWC and a municipal corporation: Asset Purchase Agreement By and Between the East Dunkard Water Authority as Seller, and PAWC Water Company, as Buyer, Dated as of July 23, 2023, including the First Amendment dated as of November 3, 2023 and Second Amendment dated as of January 25, 2024 and the associated *pro forma tariff* supplement.

On July 2, 2024, PAWC filed an Amended Application at Docket No. A-2024-3049759 amending **Appendix A and R** of the June 21, 2024 Original Application.

¹ See, *Commonwealth of Pennsylvania, Department of Environmental Protection vs. East Dunkard Water Authority*, Docket No. 557 M.D. 2022 and 490 M.D. 2023 (*Cases Consolidated*)

On June 28, 2024, Rebecca Lyttle on behalf of the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance in this proceeding. OSBA then filed a Protest, Notice of Intervention, Public Statement and Verification on July 10, 2024. On July 15, 2024 OSBA filed an Amendment Protest and Verification.

On July 22, 2024, PAWC filed its Proof of Publication showing that the Public Notice regarding this acquisition was published in the Observer-Reporter in Green County, Pennsylvania and that all the surrounding municipalities, water and wastewater utilities within a mile of the proposed service territory were served the Application and Amended Application.

On July 22, 2024, Christine Maloni Hoover on behalf of the Office of Consumer Advocate filed a Notice of Intervention and Public Statement.

On July 23, 2024 an Initial Telephone Prehearing Conference Notice was issued scheduling a prehearing conference for August 6, 2024 at 2:00pm before ALJ Vero. Also on this date a Prehearing Conference Order was issued.

II. COUNSEL

The name and address of PAWC are:

Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

PAWC's attorneys in this matter are:

Elizabeth Rose Triscari, Esquire (PA ID No. 306921)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone: (717) 550-1574
E-mail: Elizabeth.Triscari@amwater.com

III. SERVICE OF DOCUMENTS

PAWC’s attorney is authorized to accept service on behalf of PAWC in this proceeding.

PAWC agrees to receive service of documents electronically in this proceeding and requests that all listed counsel for PAWC receive electronic service.

IV. ISSUES

PAWC submits that that the Transaction provides an affirmative benefit of a substantial nature and that PAWC, an existing public utility, is presumed to possess the legal, financial and technical fitness to own and operate the water system of East Dunkard Water Authority.

V. WITNESSES

PAWC has not submitted direct testimony and exhibits in this case as of this writing but expects to have the following witnesses in this case:

Mr. Michael Salvo

Mr. Salvo is the Director of Business Development for PAWC. His business address is 852 Wesley Drive, Mechanicsburg, PA 17011. Mr. Salvo will describe why the Transaction is in the public interest and will provide evidence why the Transaction will benefit customers of EDWA and PAWC. Furthermore, Mr. Salvo will also provide in Testimony why the Transaction should be approved by the Commission and why PAWC is legally, financially and technically fit to acquire EDWA.

Mr. Dan Hufton

Mr. Dan Hufton is the Engineering Manager of Business Development of PAWC. His business address is P.O. Box 302, Elrama, PA 15038. Mr. Hufton will describe in testimony the EDWA system and how it will integrate with the PAWC existing operations. Mr. Hufton will also describe the environmental issues that have plagued EDWA and how PAWC has remedied them since receivership and will continue to improve the system in the future. Finally, Mr. Hufton will describe PAWC's technical fitness to run the system and the benefits of the

acquisition.

Ms. Stacey Gress

Ms. Stacey Gress is the Director of Rates and Regulatory for Pennsylvania-American Water Company. Her business address is One Water Street, Camden, NJ 08102. Ms. Gress will discuss PAWC's financial fitness to own and operate EDWA , estimated transaction and closing costs and summarize the rate provisions of the APA and Amendments.

VI. LITIGATION SCHEDULE

PAWC will work with all parties regarding a proposed Litigation Schedule.

VII. SETTLEMENT

PAWC is open to settlement discussions in this matter at the appropriate time.

Respectfully submitted,



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Date: August 2, 2024