



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

September 5, 2024

Via Electronic Filing

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

Re: Application of Aqua Pennsylvania Wastewater, Inc. for approval of the acquisition of Greenville Sanitary Authority situated within the Borough of Greenville, Hempfield Township, and West Salem Township, Mercer County, Pennsylvania
Docket No. A-2023-3041695
I&E Reply Brief

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Reply Brief of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Carrie B. Wright' with a stylized flourish at the end.

Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 308185
(717) 783-6156
carwright@pa.gov

CBW/ac
Enclosures

cc: Deputy Chief Administrative Law Judge Mark A. Hoyer (*via email*)
Administrative Law Judge Alphonso Arnold III (*via email*)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania :
Wastewater, Inc. for approval of the :
acquisition of Greenville Sanitary :
Authority situated within the Borough : Docket No. A-2023-3041695
of Greenville, Hempfield Township, :
and West Salem Township, Mercer :
County, Pennsylvania :

**REPLY BRIEF
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

Carrie B. Wright
Prosecutor
PA Attorney ID No. 208182

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
(717) 783-6156

Dated: September 5, 2024

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I. STATEMENT OF THE CASE

A. Procedural History

The Bureau of Investigation and Enforcement (I&E) incorporates the procedural history as set forth in its Main Brief submitted on August 27, 2024.¹ Main Briefs were also submitted by Aqua Pennsylvania Wastewater, Inc. (Aqua), the Greenville Sanitary Authority (GSA), the Office of Small Business Advocate (OSBA), and the Office of Consumer Advocate (OCA). Pursuant to the procedural schedule and in accordance with Commission regulations at Section § 5.501, I&E now submits this Reply Brief.

B. Overview of the Proposed Transaction

I&E incorporates the Overview of the Proposed Transaction as set forth in the I&E Main Brief.²

II. BURDEN OF PROOF

As noted in the I&E Main Brief, the Public Utility Code (Code) mandates that the party seeking affirmative relief from the Commission bears the burden of proof.³ To satisfy that burden, there is a duty to demonstrate by a preponderance of the evidence that the proposed transaction complies with Pennsylvania law.⁴ Therefore, as the party requesting relief, Aqua has the burden of proving that the proposed transaction satisfies Sections 1102, 1103, and 1329 of the Code. A review of the evidence and arguments presented by the parties demonstrates that Aqua has failed in its burden.

¹ I&E MB, pp. 1-2.

² I&E MB, pp. 2-3.

³ 66 Pa. C.S. § 332(a).

⁴ *Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990).

III. STATEMENT OF QUESTIONS INVOLVED

1. Should Aqua's Application be granted?

Suggested Answer: No. Aqua's Application does not provide the requisite affirmative public benefits necessary to find the Application in the public interest.

2. If Aqua's Application is granted should conditions be imposed on the acquisition?

Suggested Answer: Yes. While ultimately, I&E does not believe Aqua's Application should be approved, should the Commission disagree, I&E recommends the following conditions: (1) Aqua should be required in its next base rate case to file a COSS for the GSA system. This COSS should also group bulk customers into a single separate class. (2) Additionally, if the Application is approved, closing of the transaction should not occur until GSA provides proof that it has identified all missing easements and other property rights; taken all necessary actions to obtain any missing easements or other property rights; and borne all costs and expenses for obtaining and conveying any missing easements and other property rights.

IV. SUMMARY OF ARGUMENT

I&E incorporates the summary of argument as set forth in the I&E Main Brief.⁵

Because the information contained within this filing is insufficient to establish that the acquisition is in the public interest and will result in affirmative benefits to Aqua's existing customers, I&E recommends that the Application be rejected. Aqua is seeking to acquire the Greenville Sanitary Sewer Authority system, which is a wastewater system that provides sewage collection and treatment services to approximately 2,281 customers. The Application, as filed, is not in the public interest. The Company has not alleged any substantial, affirmative public benefits that will be produced by the acquisition as

⁵ I&E MB, pp. 5-7.

required by *City of York*.⁶ In fact, the tangible harms that will be produced by approval of this Application far outweigh any alleged benefits that might tentatively arise from the transaction.

The Code requires that the Commission issue a certificate of public convenience as a prerequisite to offering service, abandoning service and certain property transfers by public utilities or their affiliated interests.⁷ A certificate of public convenience shall be granted “only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of the public.”⁸ To establish that a proposed transaction benefits the public, it must be shown to affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.⁹ Further, Section 1329 of the Code prescribes the process used to determine the fair market value of a municipal utility that is the subject of an acquisition. Section 1329 provides a framework for valuing, for ratemaking purposes, water and wastewater systems that are owned by a municipal corporation or authority that are to be acquired by an investor-owned water or wastewater utility under the Commission’s jurisdiction.

Aqua has failed to demonstrate that its Application meets the criteria that it serves the public interest within the meaning of Sections 1102 and 1103 of the Code. Aqua has failed to demonstrate that this transaction will affirmatively promote the service,

⁶ *City of York v. Pa. PUC*, 449 Pa. 136, 295 A.2d 825, 828 (1972).

⁷ 66 Pa. C.S. § 1102(a).

⁸ 66 Pa. C.S. § 1103(a).

⁹ *City of York v. Pa. PUC*, 449 Pa. 136, 295 A.2d 825, 828 (1972).

accommodation, convenience, or safety of the public in some substantial way.¹⁰ Because the information contained within this filing is insufficient to establish that the acquisition is in the public interest and will result in affirmative benefits to Aqua's existing customers, I&E recommends that the Application be rejected. Nothing in the Main Briefs of Aqua or GSA demonstrates that this acquisition is in the public interest. Therefore, the Application must be denied.

In the alternative, should the Commission approve Aqua's Application, I&E respectfully requests that that the Commission require Aqua to provide a separate cost of service study (COSS) for the GSA system in its next base rate filing so that the parties and the Commission can accurately determine the rates that would need to be set for GSA customers. Further, if the Commission approves the Application, I&E recommends that the approval be conditioned on GSA providing proof, to Aqua's satisfaction, that GSA has: (1) identified all missing easements including public rights-of-way and other property rights; (2) taken any and all necessary actions to obtain the missing easements and other property rights; and (3) borne all costs and expenses for obtaining and conveying the missing easements and other property rights so that Aqua's ratepayers are not burdened with those costs. I&E also recommends that the Commission conditional any approval of this Application that for circumstances beyond GSA's control where it is unable to transfer all missing easements and property rights before or at closing, Aqua and GSA may close the transaction without the transfer of those missing easements and other

¹⁰ *City of York*, at 828.

property rights, provided and escrow account has been established of an appropriate dollar amount from the purchase price to be used to obtain post-losing transfer of those easements and other property rights.

V. ARGUMENT

A. Sections 1102/1103

1. Introduction

The standards for the issuance of a certification of public convenience are set forth in Sections 1102 and 1103 of the Code.¹¹ A certificate of public convenience shall be granted “only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of the public.”¹²

Additionally, pursuant to Section 1103, Aqua must show that it is technically, legally, and financially fit to own and operate the assets it will acquire from Greenville.¹³ In addition to assessing fitness, the Commission should consider the benefits and detriments of the transaction “with respect to the impact on all affected parties”¹⁴ including existing customers. To ensure that a transaction is in the public interest, the Commission may impose conditions on granting a certificate of public convenience as it may deem to be just and reasonable.¹⁵ I&E submits that Aqua’s Application is not in the public interest and must be denied for the reasons set forth below.

¹¹ 66 Pa. C.S. §§ 1102, 1103.

¹² 66 Pa. C.S. § 1103(a).

¹³ *Seaboard Tank Lines v. Pa. PUC*, 502 A. 2d 762, 764 (Pa. Cmwlth. 1985); *Warminster Twp. Mun. Auth. v. Pa. PUC*, 138 A.2d 240, 243 (Pa. Super. 1958).

¹⁴ *Middletown Twp. v. Pa. PUC*, 482 A.2d 674, 682 (Pa. Cmwlth. 1984).

¹⁵ 66 Pa. C.S. § 1103(a).

Again, nothing in the Main Brief filed by Aqua or GSA demonstrates that Aqua has met its burden to prove that this acquisition is in the public interest.

2. Fitness

I&E did not challenge Aqua’s legal, technical, or financial fitness to own and operate the Greenville Sanitary Authority.

3. Substantial Affirmative Public Benefits

As noted above, in an acquisition proceeding, a certificate of public convenience will be granted “only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of the public.”¹⁶ Further, in the *City of York v. Pennsylvania Public Utility Commission*, it was established that in order to show that a proposed transaction benefits the public, it must be shown to affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.¹⁷ The Applicant in this proceeding has made unquantified and generalized assertions that current customers will benefit from the economies of scale, but I&E submits that this is simply insufficient to show any affirmative public benefits.

In order to determine if there is a substantial public benefit, the Commission must weigh the factors in favor of and against the acquisition, which includes the impact on rates, before making its decision.¹⁸ Importantly, the Commonwealth Court noted recently

¹⁶ 66 Pa. C.S. § 1103(a).

¹⁷ *City of York v. Pa. PUC*, 449 Pa. 136, 295 A.2d 825, 828 (1972).

¹⁸ *Application of Aqua Pennsylvania Wastewater, Inc.*, Docket No. A-2021-3024267, p. 8 (Order entered January 13, 2022) (quoting *McCloskey v. Pennsylvania Public Utility Commission*, 195 A.3d 1055, 1066-1067 (Pa. Cmwlth. 2018), *appeal denied*, 207 A.3d 290 (Pa. 2019)).

in the *Cicero* decision, “...services and upgrades that are the result of the acquiring utility’s size and fitness are substantial affirmative public benefits is not consistent with *City of York* and its progeny. This is particularly true when the existing system is already operating safely and reliably.”¹⁹ In addition, where “...there are **no benefits that differ substantially** from the benefits already being provided by the existing system operator, those alleged benefits arise as a result of the acquiring utility’s fitness, rather than from the actual transaction, and where there are acknowledged or known harms that will result from the transaction, there are insufficient net benefits to support approving the transaction and granting the CPC under Section 1103(a).”²⁰

In its Main Brief, Aqua alleges its record of acquiring and improving wastewater systems is a substantial benefit.²¹ I&E does not dispute that Aqua has the expertise to provide wastewater service; however, this alone does not demonstrate that approval of the application will result in substantial public benefits. Aqua’s record of acquiring and improving wastewater systems is nothing more than that, a record. It in and of itself is not a benefit, let alone a substantial benefit.

Additionally, Aqua alleges the public policy of endorsing and encouraging regionalization and consolidation creates a public benefit for this transaction.²² While certainly alone, this goal does not create a public benefit, in this particular circumstance, any benefit thereof is further mitigated. As noted by I&E witness Kubas, this system will

¹⁹ *Cicero v. Pa. Pub. Util. Comm’n*, 910 CD 2022 (July 23, 2023).

²⁰ *Id.* at 20.

²¹ Aqua MB, pp. 13-14.

²² Aqua MB, p. 14.

not be physically interconnected to any other Aqua system.²³ As a result the typical economies of scale that are achieved through regionalization and consolidation such as combining or closing treatment plants, will not be able to be achieved as a result of this acquisition.

Aqua also alleges that access to enhanced customer service and billing and payment protections is one of the substantial affirmative public benefits. One of the alleged benefits is access to 24/7 customer service. This is at best a minor benefit. Issues that arise during normal business hours can be directed to GSA itself, while problems that arise outside of normal business hours can be directed to emergency services such as the police or 911 if warranted. From the public input testimony, it does not appear that GSA customers had concerns about after-hours customer service. In fact, not all Commission regulated utilities have 24/7 access to customer service. Therefore, 24/7 customer service is not a prerequisite for having adequate utility service and is not a substantial benefit that would overcome the larger detriments of the acquisition.

Access to customer assistance programs and funds as identified by Aqua in its Main Brief can be a benefit, but I&E submits the benefits don't rise to the level of a substantial benefit. Not all customers are eligible to participate in customer assistance programs. Further, the reason customer assistance programs exist is to help customers who can't afford their utility bills. As the evidence demonstrates ownership by Aqua will make rates for GSA customers rise substantially, and thereby, make things like assistance

²³ I&E St. No. 1, p. 13.

programs necessary, it seems disingenuous to now tout the availability of such programs as a benefit.

When discussing the potential for technological and operational benefits to create efficiencies and enhance safety, Aqua discusses the Consent Order Agreement (COA) with the Pennsylvania Department of Environmental Protection (DEP) that GSA has entered into and points to other operational deficiencies that GSA has not fully addressed.²⁴ However, as explained in the I&E Main Brief, GSA's non-compliance with the COA was a direct result of the currently pending acquisition.²⁵ GSA has been in discussions with DEP regarding how to proceed under the COA given the fact that there is a pending acquisition and DEP has indicated that they would amend the COA.²⁶ To the best of I&E's knowledge, there are not currently significant service or quality concerns about the service being rendered by GSA. The alleged deficiencies all seem to arise from the idea that Aqua would have done things differently had it been running the system. However, even smaller Commission regulated water utilities do things differently than their large counterparts. Simply doing things differently does not, in and of itself, indicate that GSA's operations are deficient.

Aqua notes in its Main Brief that the benefits of this acquisition for GSA customers "offset the initial revenue requirement deficiency of \$2.223 million by \$168,131."²⁷ However, given the scale of this acquisition along with the many others

²⁴ Aqua MB, p. 17.

²⁵ Aqua St. No. 2, p. 10.

²⁶ OCA Exh. CMH-2SR.

²⁷ Aqua MB, p. 19.

Aqua customers are currently funding, this \$168,131 is a paltry sum compared for a company as large as Aqua. Further, OCA witness Hoover explains that for year 1, the proposed acquisition will create a \$2,223,000 revenue deficiency and if Aqua continues to hold the GSA customers at current rates, the gap between the cost to serve the GSA customers and what is recovered from them will continue to grow due to the \$20.4 million capital expenditure commitments and any rate increases imposed on Aqua's existing customers.²⁸ This revenue deficiency will have to be covered somehow to make Aqua whole and the burden is likely to fall on existing Aqua customers who are already paying for other revenue deficiencies created by other acquisitions.

Something more than a willing seller and a willing buyer is necessary for an acquisition to be in the public interest. A willing buyer and seller are not a public benefit. Aqua explains that it believes having a larger customer base will benefit existing Aqua customers.²⁹ While there is a potential to achieve some economies of scale, what has been provided by the Company are unquantified, generalized assertions that are simply insufficient to show any economies of scale.³⁰ Aqua has provided no timeline for when these economies of scale might be achieved or shown how these would benefit GSA ratepayers whose rates will inevitably increase substantially.

Aqua states that it believes any potential rate impact is hypothetical and outweighed by the benefits it alleges of this acquisition.³¹ As Aqua explains, GSA

²⁸ OCA St. No. 1, p. 6.

²⁹ Aqua MB, p. 20.

³⁰ I&E St. No. 1, p. 13.

³¹ Aqua MB, pp. 22-24.

customers currently pay approximately \$23.09 per month and if they cover 100% of the revenue deficiency associated with this acquisition, their rates will need to be increased to approximately \$64.68 per month, or by 180.85%.³² Therefore, while the exact dollar amount likely cannot be calculated with 100% accuracy, it is clear that the rate increase faced by these customer is large. Alone, a rate increase does not itself mean that an acquisition isn't appropriate. However, no one can deny that a very substantial increase is a hardship for customers. When you combine the potential for a very large rate increase, with the fact that Aqua has not proven that there are any substantial affirmative public benefits, it is clear that the acquisition is not in the public interest.

In its Main Brief, GSA says “[t]o suggest that GSA will be able to provide equal service as Aqua in the future is ignoring the realities of the circumstances.”³³ In fact, not parties has suggested that it would be simply because that is not what it required under the Public Utility Code. It is expected that GSA would do things differently than Aqua and, even among Commission regulated utilities certain things are done differently. To the best of I&E’s knowledge, there are not currently **significant** service or quality concerns. But for the COA discussed above it appears that GSA has largely responded in a timely fashion and addressed the concerns raised by the DEP.³⁴ Additionally, the issues arising from the COA seem to stem from the acquisition itself.

³² *Id.*

³³ GSA MB, p. 13.

³⁴ Aqua St. No. 2, pp. 13-16.

GSA largely addresses the same “benefits” Aqua alleges in its own Main Brief³⁵ which I&E has addressed above. However, GSA also identifies the only actual substantial benefit which actually flows to GSA itself. In its Main Brief GSA reiterates “[i]t is obvious that the proposed sale of the wastewater system will provide the GSA a substantial financial windfall.”³⁶ I&E submits that this windfall is being gained on the backs of Aqua and GSA customers. It is simply not in the public interest for these customers to fund this “windfall.”

4. Conclusion

The Commonwealth Court has concluded that where “...there are **no benefits that differ substantially** from the benefits already being provided by the existing system operator, those alleged benefits arise as a result of the acquiring utility’s fitness, rather than from the actual transaction, and where there are acknowledged or known harms that will result from the transaction, there are insufficient net benefits to support approving the transaction and granting the CPC under Section 1103(a).”³⁷

Further, in the *City of York v. Pennsylvania Public Utility Commission*, it was established that in order to show that a proposed transaction benefits the public, it must be shown to affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.³⁸ As previously explained, but for seemingly minute amount of \$168,131 Aqua made unquantified and generalized assertions that current

³⁵ GSA MB, pp. 11-12.

³⁶ GSA MB, p. 12.

³⁷ *Cicero v. Pa. Pub. Util. Comm’n*, 910 CD 2022 (July 23, 2023) at 20.

³⁸ *City of York v. Pa. PUC*, 449 Pa. 136, 295 A.2d 825, 828 (1972).

customers will benefit from the economies of scale, and the potential (but not guarantee) that Aqua may be able to do some things cheaper than GSA would. While the goal of doing things cheaper than GSA is laudable, it does not make up for the large increase these customers will see in their rates and is insufficient to show any affirmative public benefits. Vague assertions such as these of what is likely to occur fail to result in an affirmative public benefit. In order for this acquisition to be in the public interests, there must be benefits for Aqua's existing customers, as well as benefits for GSA customers.

Simply put, having more customers to spread costs across at some unknown future date does not create the affirmative public benefits necessary to approve this transaction. Aqua has failed to provide any information to show that the benefits of this acquisition outweigh the detriments. Therefore, I&E recommends that the Application be denied as Aqua has failed to show substantial public benefits associated with this acquisition.

The result of this acquisition for both GSA and the other currently existing Aqua customers is that their rates will go up significantly base both on the information provided in this Application and review of the impact of past acquisitions on Aqua rates. Aqua's application poses identifiable detriments to existing customers. The detriment imposed upon existing customers is relevant because, in its public interest analysis, the Commission should consider the benefits and **detriments** of the transaction "with respect to the impact on all affected parties"³⁹ including existing customers. Accordingly, considering that the identified detriments of the transaction far outweigh any speculative

³⁹ *Middletown Twp. v. Pa. P.U.C.*, 482 A.2d 674, 682 (Pa. Cmwlth. 1984) (emphasis added).

benefits that existing ratepayers may hope to receive, I&E submits that Aqua's Application fails the public interest test, and it should be rejected. The GSA system does not appear to be troubled, and the instant acquisition presents merely speculative public benefits to GSA and Aqua's existing customers. The detriments that would result from this acquisition are real and identifiable and I&E believes the acquisition is not in the public interest and should not be approved. Therefore, I&E recommends the Commission reject Aqua's Application.

B. Section 1329

The Section 1329 implications were fully addressed in the I&E Main Brief.⁴⁰ In short, I&E did not challenge the ratemaking rate base or valuations in this proceeding but did recommend certain conditions upon the acquisition if it is approved. Those conditions are discussed in the I&E Main Brief⁴¹ and below.

As explained above, I&E does not believe approval of the Application is warranted as Aqua has not met its burden to demonstrate that there are substantial affirmative public benefits. As a result, I&E recommends that the Application not be approved and that the ratemaking rate base of \$18 million related to the GSA system not be incorporated into Aqua's rate base for ratemaking purposes. However, as explained below, if the Commission ultimately approves the Application, I&E recommends the conditions set forth in Section C of this brief be required for approval of the Application.

⁴⁰ I&E MB, pp. 17-20.

⁴¹ I&E MB, pp. 20-23.

C. Recommended Conditions

1. If this Acquisition is Approved, a Cost of Service Study Should be Ordered

This issue was adequately addressed in the I&E Main Brief.⁴² Further, in its Main Brief, Aqua explains that it will agree to submit a separate COSS for the GSA system similar to those that it submitted in its 2021 and 2024 base rate proceedings.⁴³

I&E also recommended that bulk customers be grouped into a single separate class so that the parties and Commission in Aqua's next rate case that would include this system could determine if the revenues from these customers, including operating the West Salem sewer system, are more or less than the cost to serve these bulk customers.⁴⁴ Again, in its Main Brief, Aqua notes that this recommendation makes sense, but that it will reserve final opinion until it is able to evaluate the resulting rate design and analysis that goes into evaluating such a change.⁴⁵

Therefore, I&E continues to recommend the Commission order Aqua to present a separate COSS for the GSA in its next base rate case including the GSA system as Aqua has agreed. I&E further recommends the Commission order Aqua to group bulk customers into a separate class so that the parties and Commission to that rate case can determine if these customers are paying more or less than their actual cost to serve.

⁴² I&E MB, pp. 20-21.

⁴³ Aqua MB, p. 46.

⁴⁴ *Id.*

⁴⁵ Aqua St. No. 3-R, p. 17.

2. Missing Easements and Other Property Rights

As explained in the I&E Main Brief,⁴⁶ I&E recommends that the closing of the transaction not be permitted to occur unless and until GSA provides proof that it has (1) identified all missing easements including public rights-of-way and other property rights; (2) taken any and all necessary actions to obtain the missing easements and other property rights so that they may be conveyed to Aqua at closing; and (3) assumed all costs and expenses for obtaining and conveying the missing easements and other property rights so that Aqua's ratepayers are not burdened with those costs and associated expenses.

Further, I&E recommends that the Commission condition the approval of Aqua's Application that for circumstances beyond GSA's control where it is unable to transfer all missing easements including public rights-of-way and other property rights before or at the closing of the transaction, Aqua and GSA may at their discretion close the transaction without the transfer of missing easements and other property rights, provided that an escrow account be established of an appropriate dollar amount from the purchase price to be used to obtain any post-closing transfers of the easements and other real property rights. I&E acknowledges that Aqua has agreed to establish an Easement Escrow Fund in which \$2,000 per missing easement will be placed at the time of closing, however I&E does not take a position on the sufficiency of that fund.⁴⁷

⁴⁶ I&E MB, pp. 21-23.

⁴⁷ I&E St. No. 1, p. 19.

Aqua explains in its Main Brief, that the Asset Purchase Agreement (APA) contemplates the rights and responsibilities of Aqua and the GSA regarding missing easements so while it mostly agrees with Mr. Kubas' recommendation, it is not necessary.⁴⁸ From I&E's viewpoint, however, if the APA covers this scenario, and Aqua agrees with it, it does not harm to include it specifically spelled out in the Commission's final Order in this proceeding.

D. Section 507 Approvals

I&E did not present testimony on the Section 507 approvals requested as part of this Application.

E. Other Approvals, Certificates, Registrations, and Relief, if Any, Under the Code

I&E did not present any testimony on these topics.

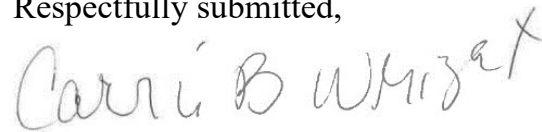
VI. CONCLUSION

The proposed transaction as filed will not affirmatively promote the public interest in a substantial way. Therefore, I&E recommends that the Application be denied. In the alternative, if the Commission approves Aqua's Application, I&E respectfully requests that the Commission require Aqua to provide a separate cost of service study for the Greenville system as part of its next base rate filing. Further, if the Commission approves the Application, I&E recommends that the approval be conditioned on GSA providing proof, to Aqua's satisfaction, that GSA has: (1) identified all missing easements including public rights-of-way and other property rights; (2) taken any and all

⁴⁸ Aqua MB, p. 45.

necessary actions to obtain the missing easements and other property rights; and (3) borne all costs and expenses for obtaining and conveying the missing easements and other property rights so that Aqua's ratepayers are not burdened with those costs. I&E also recommends that the Commission conditional any approval of this Application that for circumstances beyond GSA's control where it is unable to transfer all missing easements and property rights before or at closing, Aqua and GSA may close the transaction without the transfer of those missing easements and other property rights, provided and escrow account has been established of an appropriate dollar amount from the purchase price to be used to obtain post-losing transfer of those easements and other property rights.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carrie B. Wright".

Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania :
Wastewater, Inc. for approval of the :
acquisition of Greenville Sanitary :
Authority situated within the Borough : Docket No. A-2023-3041695
of Greenville, Hempfield Township, :
and West Salem Township, Mercer :
County, Pennsylvania :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Reply Brief** dated September 5, 2024, in the manner and upon the persons listed below.

Served via Electronic Mail Only

Hon. Mark A. Hoyer
Hon. Alphonso Arnold III
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
mhoyer@pa.gov
alphonarno@pa.gov

Gina L. Miller, Esq.
Jacob D. Guthrie, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
ocaaquagsa@paoca.org

Courtney L. Schultz, Esq.
Saul Ewing LLP
1500 Market Street
Centre Square West, 38th Floor
Philadelphia, PA 19102
courtney.schultz@saulewing.com
*Counsel for
Aqua Pennsylvania Wastewater, Inc.*

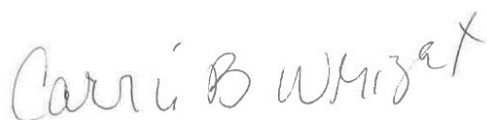
Jason Hails
Quantiv Advisory, LLC
925 Wappoo Road, Suite A
Charleston, SC 29407
j.hails@quantivadvisory.com
Witness for OSBA

Steven C. Gray, Esq.
Rebecca Lyttle, Esq.
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
sgray@pa.gov
relyttle@pa.gov

Roger Cathcart, CPA, CA, CBV
Quantiv Advisory, LLC
300-330 St. Mary Avenue
Winnipeg, MB R3C 3Z5
Canada
r.cathcart@quantivadvisory.com
Witness for OSBA

Via First-Class Mail & Electronic Mail

Keith Gabage
607 Plum Run Drive
West Chester, PA 19382
gabagek@gmail.com



Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 308185
(717) 783-6156
carwright@pa.gov