

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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 treatment plant and collection system owned and operated by the Elizabeth Borough Municipal Authority, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Borough of Elizabeth, and portions of the Borough of Lincoln and the Townships of Elizabeth and Forward, in Allegheny County, Pennsylvania

: Docket No. A-2023-3038717, *et al.*

**DIRECT TESTIMONY OF
JEROME C. WEINERT, PE, ASA, CDP
UTILITY VALUATION EXPERT
SELECTED BY
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: September 27, 2024

PAWC Statement No. 4

DIRECT TESTIMONY OF JEROME C. WEINERT

1 **Q. Please state your name, business address, and occupation.**

2 **A.** My name is Jerome C. Weinert. My business address is 8555 West Forest Home Avenue,
3 Suite 201, Greenfield, WI 53228. I am a Principal and Owner of Weinert Appraisal and
4 Depreciation Services, LLC (“WADS Consultants”). This testimony was prepared by me.

5
6 **Q. Please describe your qualifications and indicate if you are registered as a Utility
7 Valuation Expert with the Pennsylvania Public Utility Commission.**

8 **A.** My curriculum vitae (“CV”) is attached to my report and this testimony. **PAWC Exhibit
9 JCW-1.** WADS Consultants is a registered Utility Valuation Expert with the Pennsylvania
10 Public Utility Commission (“PUC”) entity code 9925547. We obtained that registration in
11 2016 and were informed of our renewal by the PUC’s Secretary on February 26, 2024.

12
13 **Q. What is the purpose of your testimony?**

14 **A.** This direct testimony provides clarification and explanation of the appraisal I provided to
15 Pennsylvania-American Water Company (“PAWC”), the Acquiring Utility pursuant to 66
16 Pa. C.S. § 1329(a)(5) and in accordance with the Uniform Standards of Professional
17 Appraisal Practice (“USPAP”) (2024-2025 Edition).

18
19 **Q. Are you advocating for any party or outcome?**

20 **A.** No. The Ethics Rule of the USPAP, applicable here pursuant to 66 Pa. C.S. § 1329(a)(3),
21 requires that I perform the appraisal with impartiality, objectivity, and independence, and
22 without accommodation of personal interests. In addition, the USPAP Ethics Rule requires
23 that I not perform the assignment with bias, that I must not advocate the cause or interest

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1 of any party or issue and that I must not accept an assignment that includes the reporting
2 of predetermined opinions and conclusions.

3

4 **Q. Do you have any affiliation with either the Selling Utility or the Acquiring Public**
5 **Utility or Entity?**

6 **A.** No. Other than the current assignment to provide the subject appraisal, I have no business
7 or personal relationships with any party to the proposed acquisition.

8

9 **Q. What is your fee arrangement to deliver the appraisal?**

10 **A.** A copy of the fee arrangement is included with the Application as **Appendix A-7.1**. In
11 summary, WADS Consultants are to receive \$17,200 plus expenses in compensation for
12 our appraisal.

13

14 **Q. Will you receive that fee regardless of whether the Commission approves the**
15 **proposed transaction or whether it closes?**

16 **A.** Yes. 66 Pa. C.S. § 1329(a)(3) mandates that I comply with the USPAP when developing
17 my appraisal. Under the USPAP, I cannot perform the appraisal with bias and acceptance
18 of a fee contingent on a particular outcome like closing or Commission approval would
19 violate that Ethics Rule.

20

21 **Q. Have you prepared any exhibits, schedules, or appendices to accompany your direct**
22 **testimony?**

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1 **A.** Yes. The appraisal I submitted to the Acquiring Utility pursuant to Section 1329(a)(5) is
2 included in the Application as **Appendix A-5.1**. The appraisal includes a narrative and
3 supporting exhibits in sections. All were prepared under my supervision and control. Also,
4 as stated above, attached to this testimony as **PAWC Exhibit JCW-1** is my CV.

6 **Q.** **Please summarize your results of the application of the cost, market, and income
7 approaches to valuation.**

8 **A.** The summary results of the cost, income, and market approaches is presented below.

Cost	30,657,221	33.33%	10,219,074
Income	28,344,391	33.33%	9,448,130
Market	27,221,430	33.33%	9,073,810
Appraisal Conclusion			28,741,014

12 **Q.** **Please describe any assumptions, extraordinary assumptions, hypothetical
13 conditions, and/or limiting conditions that you applied to the valuation.**

14 **A.** The major assumptions and limiting conditions used in preparing our appraisal of the
15 Elizabeth Borough Municipal Authority’s Wastewater Collection and Treatment System
16 are described in our appraisal report “Fair Market Appraisal Report of Elizabeth Borough
17 Municipal Authority Wastewater Collection and Treatment System, as of January 24,

DIRECT TESTIMONY OF JEROME C. WEINERT

1 2023.” Beyond the above-described assumptions, there are no extraordinary¹ or
2 hypothetical² assumptions (as defined in the 2024-2025 edition of USPAP).

3

4 **Q. How was each assumption used and what was its result?**

5 **A.**The assumptions are detailed in my appraisal report and are discussed further in this
6 testimony.

7

8 **Q. Did you use the default valuation weights of one-third each for cost, market, and**
9 **income?**

10 **A.**Yes.

11

12 **Q. If you did not use the default weights of one-third each for cost, market, and income,**
13 **explain how did you developed the weighting applied to each approach in your**
14 **appraisal and why are the individual weights you chose are appropriate for this**
15 **proposed transaction?**

16 **A.**Not Applicable.

17

18 **Q. Did you conduct an on-site inspection of the Selling Utility assets, and if so, what was**
19 **its result on the appraisal?**

20 **A.**No.

¹ Extraordinary assumption: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. 2024-2025 USPAP page 4.

² Hypothetical condition: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but used for the purpose of analysis. 2024-2025 USPAP page 4.

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1 **Q. What Utility Earnings Report was used to create the capital structure used in your**
 2 **appraisal?**

3 **A.** I used a market required capital structure based on an analysis of the market capital
 4 structure analysis (detailed in the Cost of Capital / Required Return portion of our appraisal
 5 report). Information used in developing the market capital structure was obtained from
 6 financial statistics reported in Value Line Investment Survey for the water / wastewater
 7 industry published in their January 6, 2023, issue.

8
 9 **Q. What capital structure was used in your appraisal?**

10 **A.** The capital structure used in my appraisal is included below.

Water and Wastewater Cost of Capital							
First Quarter 2023 (01-01-2023)							
As an Investor-Owned Utility							
Weighted Cost of Capital (Discount Rate)							
(1)	(2)	(2a)	(3)	(3a)	(4)	(4a)	(5)
	Portion of Capital AUS Input	Type of Data	Capital Cost AUS Input	Type of Data	Tax Rate	Tax affect on cost of capital	After-tax Market Capital Cost (2)*(3)*(4a)
Debt	30%	Market	5.34%	Market	28.89%	71.11%	1.14%
Equity	70%	Market	9.75%	Market	0.0%	100.0%	6.83%
Total Capital r	100.0%						7.97%
Growth (g)							2.68%
Rate without Growth: $[(1+r)/(1+g)]-1$							5.15%

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 12 **Cost Approach**

13 **Q. Regarding your application of the cost approach, what method did you use to**
 14 **determine the cost approach result (e.g., original cost, replacement cost, reproduction**
 15 **cost)?**

16 **A.** I used the replacement cost method.

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1 **Q. Please explain why you chose the replacement cost method.**

2 **A.** I chose the replacement cost method because it is considered the proper starting point for
3 a cost approach. Replacement cost reflects the appraisal date cost of providing the
4 property's functionality and capacity at the appraisal date cost using recognized materials
5 and labor costs.

6

7 **Q. What index did you use for that method?**

8 **A.** I used the Handy Whitman Index of Public Utility Construction Costs for the Water
9 Industry (Northeastern US Region), AUS Telephone Index (General Plant), and various
10 United States Bureau of Labor Statistics cost index series.

11

12 **Q. Under your application of the cost approach what assets did you value or trend**
13 **differently from other assets and why was that necessary?**

14 **A.** I costed each property account with cost trends appropriate for the property contained in
15 the account. As such, the costing of each property account may differ from account to
16 account. It is my opinion that an accurate appraisal requires each property account be
17 costed with cost trends reflective of the property contained in the account. Elizabeth
18 Borough's property as detailed in the LSSE Civil Engineers and Surveyor's "Engineer's
19 Assessment" of \$19,537,512.08 was determined to have a replacement cost new of
20 \$41,432,631 summarized as follows:

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Pennsylvania American Water Company (PAWC) Elizabeth Borough Municipal Authority Wastewater System Investor-Owned Utility As of January 24, 2023								
Replacement Cost New (RCN)								
(1)	(2)	(3)	(9)	(10)	(13)	(14)	(15)	(16)
Account	Account	Asset Description	Original Cost	Costing Parameter	Cost Translator	Reproduction Cost New (RCN)	Reproduction Cost New (RCN) to Replacement Cost New (COR)	Replacement Cost New (COR)
			OC \$s			RCN \$s	COR \$s / RCN \$s	COR \$s
Input	Input	Input	Input	Input	Calculation	Calculation	Input	Calculation
Eng Assmnt NARUC Code	AUS Input NARUC Code	Elizabeth Borough Municipal Authority Asset Description	Eng Assmnt Original Cost	AUS Input Cost Index Table	Translator	RCN	AUS Input (COR / RCN Factor)	Col (14) * (15) COR
353.00	353.00	Land and Land Rights	299,069.00	Varies	2.040	610,131	1.000	610,131
380.00	380.00	Wastewater Treatment Plants	2,032,382.55	Varies	3.578	7,272,877	1.000	7,272,877
371.00	371.00	Pumping Stations	9,157,492.41	Varies	1.023	9,367,166	1.000	9,367,166
361.00	361.00	Collection System	7,395,088.47	Varies	3.168	23,429,736	1.000	23,429,736
390.00	390.00	Other Plant	335,979.66	Varies	1.295	435,221	1.000	435,221
		Total - Inservice	19,220,012.08		2.139	41,115,131	1.000	41,115,131
361 CWIP	361 CWIP	Collection System - CWIP	310,000.00	-	1.000	310,000	1.000	310,000
371 CWIP	371 CWIP	Pumping Stations - CWIP	7,500.00	-	1.000	7,500	1.000	7,500
		Total CWIP	317,500.00			317,500		317,500
		Grand Total	19,537,512.08			41,432,631		41,432,631

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These results are detailed in the Application **Appendix A-5.1** (WADS Appraisal) under the Cost Approach section.

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6 **Q. Under your application of the cost approach, what year-end date did you use for calculating the depreciation or condition of the property?**

7

8 **A.** I used the date of January 24, 2023, which is the date the Asset Purchase Agreement was executed.

9

10

11 **Q. How did you determine the depreciation parameters of survival/retirement characteristics and service lives for the utility property under the cost approach?**

12

13 **A.** I determined those parameters based on our review of the depreciation studies filed by PAWC in support of its depreciation parameters (Iowa-type Survival Characteristics and Service Lives) and the resultant depreciation expense and rate base (net book) in its recent

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1 General Rate Cases (R-2017-2595853 and R-2020-3019371) and WADS Consultants’
 2 experience in preparing depreciation studies for the water and wastewater industry and our
 3 experience appraising water and wastewater properties. The following table summarizes
 4 those studies and AUS Consultants’ review of the depreciation parameters:
 5

Summary of PAWC Depreciation Studies Prepared for Rate Case							
Account	Account Description	Iowa Curves		Service Life		Remaining Life	
		12/31/2016	12/31/2019	12/31/2016	12/31/2019	12/31/2016	12/31/2019
				years	years	years	years
354.20	STRUCTURES AND IMPROVEMENTS - COLLECTION	R3	R3	45	45	39.1	33.3
354.30	STRUCTURES AND IMPROVEMENTS - SPP	R2.5	S0	50	55	45.2	32.6
354.40	STRUCTURES AND IMPROVEMENTS - TDP	R2	S0	65	55	56.6	31.7
354.70	STRUCTURES AND IMPROVEMENTS - GENERAL	S1	S1	35	35	33.3	23.2
355.00	POWER GENERATION EQUIPMENT	R2.5	S0.5	35	35	29.7	19.3
360.10	COLLECTION SEWERS - FORCE MAINS	S2	R3	70	75	53.1	52.5
361.10	COLLECTION SEWERS - GRAVITY MAINS	R2.5	R2.5	70	80	56.9	54.8
361.20	MANHOLES	S1.5	S2.5	50	50	41.3	32.2
363.00	SERVICES	R3	R3	38	47	22.9	30.2
364.00	FLOW MEASURING DEVICES	L3	L2.5	20	15	13.3	5.1
365.00	FLOW MEASURING INSTALLATIONS	S1.5	S2	30	25	23.1	10.8
370.00	RECEIVING WELLS	R3	R3	50	50	42.7	33.7
371.00	PUMPING EQUIPMENT	S0	S0.5	40	30	35.5	18.2
380.00	TREATMENT EQUIPMENT	S-R2	S1.5	45	35	37.1	20.1
381.00	PLANT SEWERS	R3	R3	50	50	43.1	32.7
382.00	OUTFALL SEWER LINES	R3	R3	50	50	37.8	28.3
389.10	OTHER PLANT AND MISCELLANEOUS EQUIPMENT - INTANGIBLES	S2.5	S2.5	20	20	13.6	11.3
389.60	OTHER PLANT AND MISCELLANEOUS EQUIPMENT - CPS	SQ	SQ	20	5	12.3	3.5
390.00	OFFICE FURNITURE AND EQUIPMENT	L4	SQ	15	20	9.5	10.1
391.00	TRANSPORTATION EQUIPMENT	SQ	L4	25	14	19.9	9.8
392.00	STORES EQUIPMENT	SQ	SQ	20	25	16.4	17.2
393.00	TOOLS, SHOP AND GARAGE EQUIPMENT	SQ	SQ	15	20	11.3	15.4
394.00	LABORATORY EQUIPMENT	L2.5	SQ	16	15	8.7	10.4
395.00	POWER OPERATED EQUIPMENT	SQ	R2	15	22	10.3	13.2
396.00	COMMUNICATION EQUIPMENT	SQ	SQ	15	15	9.6	6.9
397.00	MISCELLANEOUS EQUIPMENT		SQ		15		12.8
398.00	OTHER TANGIBLE PLANT		SQ		25		21.5

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8 **Q. Why are those parameters appropriate?**

9 **A.** Those parameters are appropriate because the parameters reflect the actual service life
 10 experienced by PAWC in serving wastewater customers in the Commonwealth of
 11 Pennsylvania and which were adjudicated by the PUC in the 2017 General Rate Cases and
 12 the 2020 General Rate Cases (Docket Nos. R-2020-3019369 and R-2020-30193371). The

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1 parameters in the following table also reflect AUS Consultants’ experience of the survival
 2 / retirement characteristics of normal and functional service lives of wastewater properties:

**Pennsylvania American Water Company (PAWC)
 Elizabeth Borough Municipal Authority
 Wastewater System
 Investor-Owned Utility
 January 24, 2023**

Summary of Account Costing and Depreciation Parameters Used in the Depreciation Original Cost and the Depreciated Replacement Cost New Studies

(1) Account Number	(2) Description	(4)		(5)	(6)	(6b) Life
		(4a) Iowa Survivor / Retirement Curve	(4b) Normal Service Life years	(5) Economic Obsolescence % of CORLD	(6a) Tax Depreciation Table	
353.30	Land & Land Rights - Pumping	ZNonDep	0.00	0.00%	Non-Depr	0.00
354.30	Structures & Improvements - Treatment	R4.0	55.00	0.00%	MACRS	25.00
354.70	Structures & Improvements - General	R4.0	55.00	0.00%	MACRS	25.00
361.00	Mains Gravity	R2.5	70.00	0.00%	MACRS	25.00
361.70	Collection Sewers - Gravity - Manholes	S2.0	70.00	0.00%	MACRS	25.00
364.00	Flow Measuring Devices	S2.0	30.00	0.00%	MACRS	25.00
371.00	Pumping Equipment	R3.0	35.00	0.00%	MACRS	25.00
380.00	Treatment and Disposal Equipment	R2.0	45.00	0.00%	MACRS	25.00
390.00	Office Furniture and Equipment	R3.0	12.00	0.00%	MACRS	12.00
391.00	Transportation Equipment	R3.0	15.00	0.00%	MACRS	10.00
393.00	Tools, Shop, & Garage Equipment	R3.0	35.00	0.00%	MACRS	25.00
394.00	Laboratory Equipment	R3.0	20.00	0.00%	MACRS	20.00
400.00	Not Used	R3.0	20.00	0.00%	MACRS	20.00
400.00	Not Used	R3.0	20.00	0.00%	MACRS	20.00

6 Also, due the age of Elizabeth Borough Municipal Authority’s early property installations
 7 the maximum depreciation was limited to 85% of the cost new.

9 **Q. What was the result of the application of the depreciation parameters to the**
 10 **previously described replacement cost new of \$41,432,631?**

11 **A.** With the application of the above-described depreciation parameters, the replacement cost
 12 new of \$41,432,631 results in a replacement cost new less depreciation of \$26,138,297
 13 determined as follows:

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Pennsylvania American Water Company (PAWC)									
Elizabeth Borough Municipal Authority									
Wastewater System									
Investor-Owned Utility									
As of January 24, 2023									
Replacement Cost New less Depreciation (RCNLD)									
(18)	(19)	(21)	(22)	(23)	(24)	(28)	(29)	(30)	(31)
Account	Description	Age at January 24, 2023 Appraisal Date	Replacement Cost New (COR)	Retirement Dispersion lowa-type	Normal Service Life (NSL)	Normal Remaining Life	Total Life Expectancy	Condition	Preliminary Cost Approach (COR less Normal Depreciation)
		years	COR \$s		years	years	years	% of COR	CORLD \$s
Input	Input	Calculation	Calculation	Input	Input	Calculation	Calculation	Calculation	Calculation
Eng Assmnt	Elizabeth Borough Municipal Authority		Col (16)	AUS Input	AUS Input		Col (21) + (28)	Col (28) / (29)	Col (22) * (30)
Account	Description	Age	RCN	Iowa	NL	Rem Life	Total Life	Condition	CORLD
353.00	Land and Land Rights	32.84	610,131	ZNonDep	-	-	-		610,131
380.00	Wastewater Treatment Plants	35.7	7,272,877	R2.5	50.24	20.91	56.61		2,964,113
371.00	Pumping Stations	0.5	9,367,166	R2.5	45.92	45.47	45.97		9,264,099
361.00	Collection System	37.3	23,429,736	R2.5	68.23	38.52	75.81		12,763,428
390.00	Other Plant	13.19	435,221	R2.5	21.93	13.18	26.37		219,026
	Total - Inservice	28.31	41,115,131	-	58.47	36.15	63.97		25,820,797
361 CWIP	Collection System - CWIP	0	310,000	R2.5	70.00	70.00	70.00		310,000
371 CWIP	Pumping Stations - CWIP	0	7,500	R2.5	45.92	45.47	45.97		7,500
	Total CWIP		317,500						317,500
			41,432,631						26,138,297

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The above replacement cost new less depreciation represents the preliminary cost approach conclusion which was tested for economic obsolescence based on the results of the income and market approaches which will be described in the remainder of this testimony. Based on our review of the preliminary cost approach and the results of the income and market approaches, no economic obsolescence exists at the preliminary cost approach conclusion of \$26,138,297; therefore, the final cost approach conclusion was determined to be \$26,138,297. These results are detailed in the Application **Appendix A-5.1** (WADS Appraisal) under the Cost Approach section.

In addition to the value of physical assets there exist intangible assets associated with treatment contracts with the surrounding municipalities of Elizabeth Township, Forward Township, and Lincoln Borough detailed as follows:

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Pennsylvania American Water Company (PAWC)							
Elizabeth Borough Municipal Authority							
Wastewater System							
Investor-Owned Utility							
As of January 24, 2023							
Municipality							
	2022 YTD Revenues	Expenses	Operating Income	Income Tax	Cash Flow	Value Capitalized @ 5.15%	Present Worth
Elizabeth Borough		-	-	-	-	-	-
Elizabeth Township	762,207	457,324	304,883	88,081	216,802	5,920,058	3,010,182
Forward Township	376,835	226,101	150,734	43,547	107,187	2,926,874	1,488,235
Lincoln Borough	5,193	3,116	2,077	600	1,477	40,330	20,507
Total	1,144,235	686,541	457,694	132,228	325,466	8,887,262	4,518,924
Operating Expense as % of Revenues		60.00%					

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3 **Q. Did WADS Consultants also prepare a Depreciated Original Cost (DOC) estimate in**
 4 **your appraisal workpapers?**

5 **A.** Yes, I utilized the original cost based on the previously described Engineers Assessment
 6 in developing an estimate of the DOC, using the same depreciation lives and methods as
 7 were used in the development of the replacement cost less depreciation. The Depreciated
 8 Original Cost was determined to be as follows:

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Elizabeth Borough Municipal Authority										
Wastewater System										
Investor-Owned Utility										
As of January 24, 2023										
Determination of the Depreciated Original Cost										
(43)	(44)	(46)	(47)	(48)	(49)	(53)	(54)	(55)	(56)	(57)
Account	Description	Original Costs	Retirement Dispersion Iowa-type	Normal Service Life (NSL)	Age at January 24, 2023 Appraisal Date	Normal Remaining Life	Total Life Expectancy	Theoretical Reserve Percent	Theoretical Reserve	Depreciated Original Cost
Input	Input	Input	Input	Input	Calculation	Calculation	Calculation	Calculation	Calculation	Calculation
AUS Input	Eng Assmnt	Eng Assmnt	AUS Input	AUS Input			Col (46) + (53)	Col (53) / (54)	Col (46) * (55)	Col (46) - (56)
Acct	Descrip	Original Cost	Iowa	Normal Life	age	Rem Life	Total Life	Theo%	Theo Reserve	Net Book
353.00	Land and Land Rights	299,069.00	ZNonDep	-	10.28	-	-	0.00%	-	299,069
380.00	Wastewater Treatment Plants	2,032,382.55	R2.5	49.29	21.61	30.07	51.68	40.00%	805,900	1,226,483
371.00	Pumping Stations	9,157,492.41	R2.5	45.85	0.50	45.40	45.90	1.00%	100,849	9,056,643
361.00	Collection System	7,395,088.47	R2.5	67.03	17.80	51.45	69.26	24.00%	1,799,474	5,595,614
390.00	Other Plant	335,979.66	R2.5	21.70	11.18	14.08	25.26	46.00%	153,245	182,735
-	Total - Inservice	19,220,012.08	-	53.23	9.73	44.85	54.42	15.00%	2,859,468	16,360,544
361 CWIP	Collection System - CWIP	310,000.00	R2.5	70.00	-	70.00	70.00	0.00%	-	310,000
371 CWIP	Pumping Stations - CWIP	7,500.00	R2.5	45.85	-	45.85	45.85	0.00%	-	7,500
	Total CWIP	317,500.00								317,500
1	Grand Total	19,537,512.08							2,859,468	16,678,044

Market Approach

Q. Regarding your application of the market approach, what methods did you use to determine the market approach result?

A. I used the comparable sales of water and wastewater properties in the Commonwealth of Pennsylvania subsequent to the passage of Section 1329 and financial market value ratios of publicly traded water and wastewater companies as reported in the January 6, 2023, issue of Value Line Investment Survey.

Q. What assumptions, analyses, and/or adjustments did you make under each method?

A. Under the comparable sales method, it is my opinion that sales amount to depreciated replacement cost is the best indicator in arriving at the appraised value of physical assets operating as a wastewater collection system. Under the financial ratios method, I believe

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1 that an accurate result depends on using the weighted mean of the ratio of the market debt
2 and equity to book debt and equity.

3 **Q. What were the results of each analysis you performed?**

4 **A.** The comparable sales analysis produced a result of \$27,221,430 detailed as follows:

5

Pennsylvania American Water Company (PAWC)		
Elizabeth Borough Municipal Authority		
Wastewater System		
Investor-Owned Utility		
As of January 24, 2023		
Comparable Sales Approach		
Summary of Market Analyses		
Indicators		
OCLD		38,095,898
CORLD		26,169,515
Customers		20,194,383
Cash Flows		
EBITDA Periods 1-5		24,526,770
EBITDA Periods 1-13		22,602,560
Value Line		31,739,456
Mean		27,221,430
Median		25,348,143
Conclusion		27,221,430

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Pennsylvania American Water Company (PAWC) Elizabeth Borough Municipal Authority Wastewater System Investor-Owned Utility As of January 24, 2023					
Comparable Sales Approach					
Market Sales Data					
Market Sales Analysis - PP/OCLD			Market Sales Analysis - PP/CORLD		
	Simple			Simple	
All Section 1329 Acquisitions			All Section 1329 Acquisitions		
Mean	1.9760		Mean	0.8216	
Standard Deviation	0.9114		Standard Deviation	0.2210	
Median	1.5514		Median	0.8951	
Water Treatment & Distribution			Water Treatment & Distribution		
Mean	1.4354		Mean	0.7686	
Water Distribution			Water Distribution		
Mean	0.00		Mean	0.00	
Wastewater Collection & Treatment			Wastewater Collection & Treatment		
Mean	1.7972		Mean	0.8536	
Wastewater Collection			Wastewater Collection		
Mean	1.8733		Mean	0.8077	
Wastewater Treatment Only			Wastewater Treatment Only		
Mean	-0.07607		Mean	0.0459	
WADS Conclusion	1.7972	WADS Input	WADS Conclusion	0.8536	WADS Input
Elizabeth Borough Municipal Authority OCLD	21,196,968	Cost Approach - OCLD	Elizabeth Borough Municipal Authority CORLD	30,657,221	Cost Approach - CORLD
Market Value Indication	38,095,898		Market Value Indication	26,169,515	

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Pennsylvania American Water Company (PAWC) Elizabeth Borough Municipal Authority Wastewater System Investor-Owned Utility As of January 24, 2023					
Comparable Sales Approach					
Market Sales Analysis - PP/Customer			Financial Basis ¹		
	Simple		Financial Markets	Market Value per Share to Book Value per Share	
All Section 1329 Acquisitions			Financial Markets		
Mean	8,924		Market to Book (equity)	3.21	
Standard Deviation	4,355		Market to Book (equity and debt)	1.94	
Median	8,551		Use (equity and debt)	1.94	WADS Input
Water Treatment and Distribution					
Mean	7,188				
Water Distribution					
Mean	3,992				
Wastewater Collection & Treatment					
Mean	10,200				
Wastewater Collection					
Mean	6,507				
Wastewater Treatment Only					
Mean	3,693				
Conclusion					
Elizabeth Borough Municipal Authority Customers	1,860	WADS Input	Elizabeth Borough Municipal Authority OCLD	16,360,544	Cost Approach - OCLD
Wastewater Collection & Treatment	10,200	WADS Input			
Collection and Treatment Customers Market Value Indication	18,972,000		Market Value Indication	31,739,456	
Treatment Only Market Value Indication					
Treatment Only PP/customer	3,693	WADS Input			
Treatment Only Customers	330	WADS Input			
Market Value Indication Treatment Only	1,218,690				
Total Market Value Indication	20,194,383				

2

DIRECT TESTIMONY OF JEROME C. WEINERT

Pennsylvania American Water Company (PAWC)					
Elizabeth Borough Municipal Authority					
Wastewater System					
Investor-Owned Utility					
As of January 24, 2023					
Comparable Sales Approach					
Market Sales Analysis - PP/Cash Flows (EBITDA Period 1-5)			Market Sales Analysis - PP/Cash Flows (EBITDA Period 1-13)		
	Simple			Simple	
All Section 1329 Acquisitions			All Section 1329 Acquisitions		
Mean	16.95		Mean	12.04	
Standard Deviation	5.91		Standard Deviation	3.59	
Median	16.94		Median	11.98	
Conclusion	18.00		Conclusion	12.00	
		WADS Input			WADS Input
Water Treatment and Distribution			Water Treatment and Distribution		
Mean	14.13		Mean	7.37	
Water Distribution			Water Distribution		
Mean	0.00		Mean	0.00	
Wastewater Collection & Treatment			Wastewater Collection & Treatment		
Mean	16.51		Mean	11.45	
Wastewater Collection			Wastewater Collection		
Mean	18.71		Mean	12.89	
Wastewater Treatment Only			Wastewater Treatment Only		
Mean	(2.20)		Mean	(1.44)	
Conclusion			Conclusion		
Elizabeth Borough Municipal Authority Cash Flows			Elizabeth Borough Municipal Authority Cash Flows		
	1,485,443			1,973,423	
Wastewater Collection & Treatment			Wastewater Collection & Treatment		
	16.51			11.45	
Market Value Indication			Market Value Indication		
	24,526,770			22,602,560	

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3 **Q. What was your market approach result?**

4 **A.** I used the average results of \$27,221,430 because I believe it represent an accurate
 5 assessment and it was based on the relationship of market comparable sales to all of the
 6 comparable sales indicators. These results are detailed in the Application **Appendix A-5.1**
 7 (AUS Appraisal) under the Market Approach section.

8

9 **Q. What comparable transactions or comparable sales did you evaluate to develop your**
 10 **market approach?**

11 **A.** I examined the following transactions to develop the result of my market approach:

DIRECT TESTIMONY OF JEROME C. WEINERT

Water and Wastewater System Sales												
Comparable Sales Approach												
Market Sales Data post Section 1329												
RowID	Pennsylvania Public Utility Commission Case	Approximate Date	Buyer	Seller	AUS Consultants (AUS) or Weinert Appraisal and Depreciation Services, LLC (WAD)	Type of Purchase Process	County	Type of Facility	Initial Purchase Price	Final Purchase Price ^a	Number of Total Customers	Relationship to the passage of Section 1329
1	A-2017-2606103	9/1/2016	PA American Water	City of McKeesport	AUS for PAWC		Allegheny	Wastewater Collection and Treatment	156,000,000	159,000,000	21,953	Post
2	A-2016-2580061	8/1/2016	Aqua PA	New Garden Twp. SA	AUS for Seller		Chester	Wastewater Collection and Treatment	29,500,000	29,500,000	2,106	Post
3	A-2017-2605434	11/16/2016	Aqua PA	Limerick Township			Montgomery	Wastewater Collection and Treatment	75,100,000	64,373,378	5,434	Post
4	A-2018-3001582	12/10/2017	Aqua PA	East Bradford Township	AUS for Seller		Chester	Wastewater Collection and Treatment	5,000,000	5,000,000	1,248	Post
5	A-2018-3003519	4/20/2018	SUEZ	Mahoning		Competitive 2 bidders	Carbon	Water Distribution	4,734,800	4,734,800	1,186	Post
6	A-2018-3003517	4/20/2018	SUEZ	Mahoning		Competitive 2 bidders	Carbon	Wastewater Collection	4,765,200	4,765,200	1,451	Post
7	A-2019-3008491	6/1/2018	Aqua PA	Cheltenham	AUS for Seller	Competitive 3 bidd	Montgomery	Wastewater Collection	50,250,000	50,250,000	10,500	Post
8	A-2019-3006880	11/14/2018	PA American Water	Steelton	AUS for PAWC	Competitive 4 bidd	Dauphin	Water Treatment and Distribution	22,500,000	21,750,000	2,325	Post
9	A-2018-3002437	1/1/2017	PA American Water	Sadsbury	AUS for PAWC		Chester	Wastewater Collection	9,250,000	8,600,000	998	Post
10	A-2018-3004933	5/28/2018	PA American Water	Exeter	AUS for PAWC		Berks	Wastewater Collection and Treatment	96,000,000	93,500,000	9,000	Post
11	A-2019-3009052	10/29/2018	Aqua PA	East Norriton	AUS for Seller	Competitive 3 bidd	Montgomery	Wastewater Collection	21,000,000	21,000,000	4,950	Post
12	A-2019-3014248	9/30/2018	PA American	Kane	AUS for PAWC		McKean	Wastewater Collection and Treatment	17,560,000	17,560,000	2,006	Post
13	A-2020-3019634	12/10/2019	PA American	Royersford	AUS for PAWC		Montgomery	Wastewater Collection and Treatment	13,000,000	13,000,000	1,596	Post
14	A-2020-3019859	12/17/2019	PA American	Valley	AUS for PAWC		Chester	Water Treatment and Distribution	7,325,000	7,325,000	1,459	Post
15	A-2020-3014248	12/17/2019	PA American	Valley	AUS for PAWC		Chester	Wastewater Collection	13,950,000	13,950,000	1,644	Post
16	A-2019-3015173	12/31/2019	Aqua PA	Delaware County Regional Water Quality Authority (DELCORA)		Competitive 2 bidders PAWC & Aqua	Delaware	Wastewater Collection and Treatment	276,500,000	276,500,000	16,473	Post
17	A-2020-3021460	4/28/2020	PA American Water	Upper Pottsgrove	AUS for PAWC	Competitive 3 bidders 2 IOUs AQUA & PAWC & 1 Muni	Montgomery	Wastewater Collection	13,750,000	13,750,000	1,428	Post
18	A-2021-3024267	9/17/2020	Aqua PA	Lower Makefield	AUS for Seller		Bucks	Wastewater Collection and Treatment	53,000,000	53,000,000	11,151	Post
19	A-2021-3026132	1/8/2021	Aqua PA	East Whiteland Township	AUS for Seller		Chester	Wastewater Collection and Treatment	54,930,000	54,930,000	3,918	Post
20	A-2021-3027268	1/20/2021	Aqua PA	Willistown Township	AUS for Seller		Chester	Wastewater Collection and Treatment	17,500,000	17,500,000	2,294	Post
21	A-2021-3024681	4/6/2021	PA American Water	City of York	AUS for PAWC		York	Wastewater Collection and Treatment	235,000,000	235,000,000	15,851	Post
22	A-2022-3033138		Aqua PA	City of Beaver Falls				Wastewater Collection and Treatment	41,250,000	41,250,000	3,958	Post
23	A-2022-3034143	7/8/2022	Aqua PA	Municipal Authority of the Borough of Shenandoah				Water Treatment and Distribution	12,000,000	12,000,000	2,930	Post
24	A-2021-3024058	1/1/2023	PA American Water	Borough of Brentwood	WAD for PAWC			Wastewater Collection	19,200,000	19,200,000	3,976	Post
25	A-2022-3037047	10/11/2022	PA American Water	Butler Area Sewer Authorit	WAD for PAWC			Wastewater Collection and Treatment	231,500,000	231,500,000	15,000	Post
26	A-2023-3039900		PA American Water	Towamencin Township				Wastewater Collection and Treatment	104,000,000	104,000,000	5,970	Post
End of Section 1329 Data												
					Count 19			Wastewater Collection and Treatment		15		
								Wastewater Collection		7		
								Water Treatment and Distribution		3		
								Water Distribution		1		
								All section 1329 Mean		26		

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Income Approach

Q. Regarding your application of the income approach, what method did you use to determine the income approach result?

DIRECT TESTIMONY OF JEROME C. WEINERT

1 **A.** I used the discounted cash flow method.

2

3 **Q.** **What assumptions did you employ to develop your income approach result?**

4 **A.** Under the income approach, it is my opinion that the results of the future operations of the
5 Elizabeth Borough Municipal Authority’s Wastewater Collection and Treatment System
6 must be considered. I believe that an accurate result depends on adjusting recent results of
7 the systems operation to better reflect how those results will migrate over future periods
8 under the operation as a rate regulated wastewater system regulated by the PUC.

9

10 **Q.** **What discount rate did you use to calculate your income approach?**

11 **A.** I used a discount rate of 7.97% and 5.15% capitalization rate.

12

13 **Q.** **Please explain how you developed the discount rate.**

14 **A.** In each case, the discount rate was a market discount rate at the appraisal date and was
15 determined using the weighted average cost of capital (“WACC”) of both debt and equity.
16 The inputs to the WACC determination, capital structure, cost of debt, cost of equity, and
17 income tax rate (state and federal) were determined based on an analysis of Value Line
18 Investment Surveys and the Ibbotson Stock, Bonds, Bills, and Inflation (“Ibbotson SBBI”)
19 2022 Edition (SBBI activity over the period 1926 through 2022). The cost of debt was
20 determined at January 6, 2023, based on the Value Line Selected Yields publication. The
21 cost of equity was based on the capital asset pricing model (“CAPM”) and the Dividend
22 Growth Model (“DGM”), two recognized cost of equity estimating models and the PUC’s
23 Bureau of Technical Utility Services’ Report on Quarterly Earnings of Jurisdictional

DIRECT TESTIMONY OF JEROME C. WEINERT

1 Utilities for Year-ending December 31, 2022. The above-described data for the Borough
2 of Brentwood's appraisal can be found in the exhibits to my appraisal report in the section
3 entitled Cost of Capital / Required Return.
4

5 **Q. What capital structure inputs differ from those identified in capital structure set forth**
6 **earlier in your testimony?**

7 **A.** None. As described in the previous discussion of the capital structure, we utilized a market
8 required capital structure based on analysis of the water / wastewater industry's market
9 capital structure as defined by analysis of market financials as published in Value Line
10 Investment Survey (January 6, 2023). The theory in appraisal is to estimate the value of a
11 property in an arm's length transaction wherein the purchaser finances the purchase with
12 capital (debt and equity) available in the financial markets at the appraisal date. Those are
13 the current (appraisal date) financial markets.
14

15 **Q. What is the source and basis of the alternative input you propose in the income**
16 **approach?**

17 **A.** As discussed above, we used Value Line Investment Survey to develop a market required
18 capital structure. Please see Application **Appendix A-7.1** (WADS Appraisal) Income
19 Approach section for the cost of capital of the Income Approach and Cost of Capital /
20 Required Return section for the basis of the Cost of Capital / Required Return.
21

22 **Q. If you used a terminal value in your discounted cash flow analysis what is the number**
23 **of years over which the cash flows are considered?**

DIRECT TESTIMONY OF JEROME C. WEINERT

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These results are detailed in the Application **Appendix A-5.1** (WADS Appraisal) under the Income Approach section.

Q. What number of Selling Utility customers or equivalent dwelling units did you use to value the Seller’s system and how did you develop that number?

A. I used 2,190 customers, based on a customer listing provided by Elizabeth Borough Municipal Authority in developing the forecasted revenues and expenses. I also used past and budgeted results from operations to establish forecasted operating results.

Q. Does this conclude your direct testimony?

A. It does. However, by filing this direct testimony I understand that I may have the opportunity to submit additional testimony responsive to challenges to my appraisal.

Curriculum Vitae (CV) of Jerome C. Weinert, P.E., CDP, ASA

Mr. Weinert is currently the Principal and Owner of Weinert Appraisal and Depreciation Services, LLC (WADS Consultants) a Wisconsin limited partnership established in August of 2022. He has fifty-two (2024-1972) years' experience in valuation and depreciation consulting and management. A partial list of services provided includes valuations and depreciation studies

Prior to WADS Consultants Mr. Weinert was a Principal and Director of AUS Consultants, Depreciation and Valuation. AUS, with offices across the country, has provided consulting services to the regulated utility industry nationally for over thirty-nine years.

Prior to joining AUS in 1987, Mr. Weinert was employed by American Appraisal Associates, Inc. (American) for sixteen years in their Regulated Industries Group. He held various positions at American, the last being supervising appraiser. Among his other valuation responsibilities, he directed the firm's utility industry capital recovery studies and AUS Consultant's valuation of communication company assets and businesses.

Mr. Weinert graduated from the Milwaukee School of Engineering with a Bachelor of Science degree in Mechanical Engineering and received a master's in business administration from Marquette University. He is a registered professional engineer (1976) (by examination) in the state of Wisconsin as well as a senior member (1982) of the American Society of Appraisers in the public utility valuation field. This latter designation is obtained by written examination primarily in the areas of utility valuation, depreciation, and the economics of regulated firms. He is also a Certified Depreciation Professional (1997) (CDP) and founding member of the Society of Depreciation Professionals and the Society's 1995 President and sponsor of the Society's Certification and re-certification program as such Mr. Weinert developed these programs and oversaw their initial introduction into the Society. He also worked in conjunction with Society members in the development of the Society's training programs which as of 2003 has become the only such formalized depreciation training program in the North America and is an instructor in several of its courses.

During his professional career related to valuations and depreciation matters Mr. Weinert has testified before various courts and public service commissions on these subjects. He has also assisted numerous utilities in preparing capital recovery plans which specifically address the issues of plant replacement. Mr. Weinert has also presented expert testimony on valuation matters. Mr. Weinert has testified before the Pennsylvania Public Utility Commission on regulatory matters associated with Pennsylvania Section 1329 matters. On matters related to eminent domain issues, Mr. Weinert has presented expert testimony in the Massachusetts Superior Court, the Court of Common Pleas, Fayette County, Ohio, the New Hampshire Public Utilities Commission, the Twentieth Judicial Court (deposition only) in Charlotte County, Florida, the Nineteenth Judicial Circuit Court in St. Lucie County, Florida (deposition only). In regard to ad valorem taxation, Mr. Weinert has presented study results to the New York State Board of Equalization and Assessment (now the New York Office of Real Property Services (NY ORPS)), pertaining to useful life and net salvage values for all types of utility property subject to the Board's mass appraisal model. Mr. Weinert has appeared before the Valuation Adjustment Board in Florida for Duval, Hillsborough, Okeechobee, and Palm Beach counties, the Twelfth Judicial Circuit Sarasota County, Florida, the California Board of Equalization and Assessment, the Arizona Board of Assessment, the Missouri Board of Taxation, the Colorado and Texas Departments of Review, the Massachusetts Tax Appeal Court, the Superior Court of the State of Arizona in the County of Maricopa, the State Tax Appeal Board of the State of Montana, the New York City Tax Commission and the Public Utility Commission of Pennsylvania Section 1329 hearings (8).

Mr. Weinert has appeared before regulatory bodies in Alaska, Arkansas, Illinois, Indiana, Iowa, Missouri,

Nevada, Nebraska, North Carolina, Ohio, Oregon, Pennsylvania, and South Carolina in support of rate-base valuation determination and capital recovery. He has presented testimony on depreciation matters before the Canadian Radio-Television and Telecommunications Commission (CRTC) and the United States Federal Energy Regulatory Commission (FERC). In terms of water and wastewater acquisitions and applications for regulatory approval of rate base Mr. Weinert has testified for two investor-owned acquisitions of municipal wastewater authorities one representing the municipality and secondly for the acquiring investor-owned utility. He has submitted study results to the State Commissions of Alabama, Alaska, Arkansas, Idaho, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, North Carolina, Oregon, Pennsylvania, South Carolina, Washington, and Wisconsin, and the Federal Communications Commission.

Mr. Weinert has presented papers on valuation and depreciation topics to professional and utility industry trade organizations. He also directed AUS Consultants' semi-annual week-long depreciation training programs (1988-1997). These specialized training courses, offered at basic and advanced levels, teach depreciation study techniques to public utility and public service commission staff specialists. The training includes depreciation theory and concepts and hands-on experience with personal computer-based analytical depreciation programs.

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
2024				
Lehigh County, PA Authority	Lehigh County	2024	2024	Bond Refinancing
Gainesville, FL Region Utilities	Telecommunications	2024	2024	Planning
2023				
Verizon Business (formerly MCI)	North America	2022	2023	Ad Valorem Tax Appraisal
Verizon New York, Inc.	New York	2022	2023	Ad Valorem Tax Appraisal
Borough of Brentwood, PA Wastewater	Brentwood Wastewater	2023	2023	Fair Market Value 1329
2022				
AT&T Communications	North America	2021	2022	Ad Valorem Tax Appraisal
AT&T Communications	California	2021	2022	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2021	2022	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2021	2022	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2019	2020	Ad Valorem Tax Appraisal
Verizon New York, Inc.	New York	2019	2020	Ad Valorem Tax Appraisal
2021				
AT&T Communications	North America	2020	2021	Ad Valorem Tax Appraisal
AT&T Communications	California	2020	2021	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2020	2021	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2020	2021	Ad Valorem Tax Appraisal
Lower Makefield, PA	Lower Makefield Wastewater	2021	2021	Fair Market Value 1329
Cozen O'Connor	Egg Harbor, NJ Water &			
Butler Area Sewer Authority, PA	BASA Wastewater	2021	2021	Fair Market Value 1329
2020				
AT&T Communications	North America	2019	2020	Ad Valorem Tax Appraisal
AT&T Communications	California	2019	2020	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2019	2020	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2019	2020	Ad Valorem Tax Appraisal
Verizon New York, Inc.	New York	2019	2020	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2019	2020	Ad Valorem Tax Appraisal
East Norriton Township, PA	East Norriton Wastewater	2019	2020	Fair Market Value 1329
Pennsylvania American Water Company	Kane Wastewater	2019	2020	Fair Market Value 1329
Pennsylvania American Water Company	Royersford Wastewater	2019	2020	Fair Market Value 1329
Pennsylvania American Water Company	Valley Wastewater	2019	2020	Fair Market Value 1329
Pennsylvania American Water Company	Valley Water	2019	2020	Fair Market Value 1329
Lehigh County Authority	Allentown Water & Sewer	2020	2020	Financing
Pennsylvania American Water Company	Upper Pottsgrove wastewater	2020	2020	Fair Market Value 1329
2019				
AT&T Communications	North America	2018	2019	Ad Valorem Tax Appraisal

QUALIFICATIONS 3

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
AT&T Communications	California	2018	2019	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2018	2019	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2018	2019	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2018	2019	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2018	2019	Ad Valorem Tax Appraisal
Cheltenham Township, PA	Cheltenham Wastewater	2018	2019	Fair Market Value 1329
Pennsylvania American Water Company	Steelton Water	2018	2019	Fair Market Value 1329
Pennsylvania American Water Company	Exeter Wastewater	2018	2019	Fair Market Value 1329
2018				
AT&T Communications	North America	2017	2018	Ad Valorem Tax Appraisal
AT&T Communications	California	2017	2018	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2017	2018	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2017	2018	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2017	2018	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2017	2018	Ad Valorem Tax Appraisal
Level 3 Communications, LLC	North America	2017	2018	Ad Valorem Tax Appraisal
Level 3 Communications, LLC	California	2017	2018	Ad Valorem Tax Appraisal
CenturyLink Communications, LLC	North America	2017	2018	Ad Valorem Tax Appraisal
CenturyLink Communications, LLC	California	2017	2018	Ad Valorem Tax Appraisal
East Bradford Township, PA	East Bradford Wastewater	2018	2018	Fair Market Value 1329
Pennsylvania American Water Company	Sadsbury Wastewater	2017	2018	Fair Market Value Appraisal
Pennsylvania American Water Company Appraisal	Kane Wastewater	2017	2018	Fair Market Value
2017				
AT&T Communications	North America	2016	2017	Ad Valorem Tax Appraisal
AT&T Communications	California	2016	2017	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2016	2017	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2016	2017	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2016	2017	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2016	2017	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2016	2017	Ad Valorem Tax Appraisal
Level 3 Communications	North America	2016	2017	Ad Valorem Tax Appraisal
Level 3 Communications	California	2016	2017	Ad Valorem Tax Appraisal
Whitpain Township, PA	Whitpain Wastewater	2016	2017	Appraisal for Planning
Plymouth Township, PA	Plymouth Wastewater	2016	2017	Appraisal for Planning
East Norriton Township, PA	East Norriton Wastewater	2016	2017	Appraisal for Planning
Pennsylvania American Water Company	Sadsbury Wastewater	2016	2017	Fair Market Value Appraisal
Pennsylvania American Water Company	McKeesport Wastewater	2016	2017	Fair Market Value Appraisal
Intermountain Gas Company	Idaho	2016	2017	Depreciation Study
2016				
AT&T Communications	North America	2015	2016	Ad Valorem Tax Appraisal
AT&T Communications	California	2015	2016	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2015	2016	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2015	2016	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2015	2016	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2015	2016	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2015	2016	Ad Valorem Tax Appraisal
Level 3 Communications	North America,	2015	2016	Ad Valorem Tax Appraisal

QUALIFICATIONS 4

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
Level 3 Communications	California	2015	2016	Ad Valorem Tax Appraisal
New Garden Township, PA	New Garden Wastewater	2016	2016	Fair Market Value Appraisal
2015				
AT&T Communications	North America	2014	2015	Ad Valorem Tax Appraisal
AT&T Communications	California	2014	2015	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2014	2015	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2014	2015	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2014	2015	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2014	2015	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2014	2015	Ad Valorem Tax Appraisal
Level 3 Communications	North America,	2014	2015	Ad Valorem Tax Appraisal
Level 3 Communications	California	2014	2015	Ad Valorem Tax Appraisal
Verizon Wireless	Nationwide	2014	2015	Ad Valorem Tax Appraisal
2014				
AT&T Communications	North America	2013	2014	Ad Valorem Tax Appraisal
AT&T Communications	California	2013	2014	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2013	2014	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2013	2014	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2013	2014	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2013	2014	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2013	2014	Ad Valorem Tax Appraisal
Level 3 Communications	North America,	2013	2014	Ad Valorem Tax Appraisal
Level 3 Communications	California	2013	2014	Ad Valorem Tax Appraisal
Cascade Natural Gas Corporation	Oregon & Washington	2013	2014	Depreciation Study
Intermountain Gas Company	Idaho	2013	2014	Depreciation Study
Virgin Islands Telephone Corporation	US Virgin Islands	2013	2014	Depreciation Study
Verizon Wireless	Nationwide	2013	2014	Ad Valorem Tax Appraisal
2013				
AT&T Communications	North America	2012	2013	Ad Valorem Tax Appraisal
AT&T Communications	California	2012	2013	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2012	2013	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2012	2013	Ad Valorem Tax Appraisal
AT&T - Michigan Bell Telephone Company	Michigan	2012	2013	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2012	2013	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2012	2013	Ad Valorem Tax Appraisal
Verizon Communications	New England - Mass	2012	2013	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2012	2013	Ad Valorem Tax Appraisal
Level 3 Communications	North America,	2012	2013	Ad Valorem Tax Appraisal
	California			
Sprint Nextel Corporation	North America	2012	2013	Ad Valorem Tax Appraisal
Verizon Wireless	Palm Beach, Florida	2012	2013	Ad Valorem Tax Appraisal
Verizon Communications	New England Mass	2002-2007	2013	Ad Valorem Tax Appraisal
2012				
AT&T Communications	North America	2011	2012	Ad Valorem Tax Appraisal

QUALIFICATIONS 5

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
AT&T Communications	California	2011	2012	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2011	2012	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2011	2012	Ad Valorem Tax Appraisal
AT&T - Michigan Bell Telephone Company	Michigan	2011	2012	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2011	2012	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2011	2012	Ad Valorem Tax Appraisal
Verizon Communications	New England - Mass	2011	2012	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2011	2012	Ad Valorem Tax Appraisal
Level 3 Communications	North America, California	2011	2012	Ad Valorem Tax Appraisal
Sprint Nextel Corporation	North America	2011	2012	Ad Valorem Tax Appraisal
Verizon Wireless	Palm Beach, Florida	2011	2012	Ad Valorem Tax Appraisal
MetroPCS	Palm Beach, Florida	2011	2012	Ad Valorem Tax Appraisal
Verizon Communications	Florida - revised	2008	2012	Ad Valorem Tax Appraisal
Verizon Wireless	Palm Beach, Florida	2012	2012	Ad Valorem Tax Appraisal
2011				
AT&T Communications	North America	2010	2011	Ad Valorem Tax Appraisal
AT&T Communications	California	2010	2011	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2010	2011	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2010	2011	Ad Valorem Tax Appraisal
AT&T - Michigan Bell Telephone Company	Michigan	2010	2011	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2010	2011	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2010	2011	Ad Valorem Tax Appraisal
Verizon Communications	New England - Mass	2010	2011	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2010	2011	Ad Valorem Tax Appraisal
Level 3 Communications	North America, California	2010	2011	Ad Valorem Tax Appraisal
Global Crossing	North America	2010	2011	Ad Valorem Tax Appraisal
Intermountain Gas Company	Idaho	2010	2011	Depreciation Study
Sprint Nextel Corporation	North America	2010	2011	Ad Valorem Tax Appraisal
Verizon Wireless	Palm Beach, Florida	2010	2011	Ad Valorem Tax Appraisal
MetroPCS	Palm Beach, Florida	2010	2011	Ad Valorem Tax Appraisal
Verizon Communications	Florida - revised	2008	2011	Ad Valorem Tax Appraisal
Intermountain Gas Company	Idaho	2010	2011	Depreciation Study
Virgin Islands Telephone Corporation	US Virgin Islands	2010	2011	Technical Update of Depreciation Study
2010				
AT&T Communications	North America	2009	2010	Ad Valorem Tax Appraisal
AT&T Communications	California	2009	2010	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2009	2010	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2009	2010	Ad Valorem Tax Appraisal
AT&T - Michigan Bell Telephone Company	Michigan	2009	2010	Ad Valorem Tax Appraisal
AT&T - Southwestern Bell Telephone Company	Arkansas, Kansas, Missouri, Oklahoma, Texas	2009	2010	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2009	2010	Ad Valorem Tax Appraisal
Embarq Missouri, Inc.	Missouri	2009	2010	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2009	2010	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2009	2010	Ad Valorem Tax Appraisal
Verizon Communications	New England - Mass	2009	2010	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2009	2010	Ad Valorem Tax Appraisal
Level 3 Communications	North America,	2009	2010	Ad Valorem Tax Appraisal

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Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
Global Crossing	California			
	North America	2009	2010	Ad Valorem Tax Appraisal
MetroPCS	Palm Beach, Florida	2009	2010	Ad Valorem Tax Appraisal
2009				
AT&T Communications	North America	2008	2009	Ad Valorem Tax Appraisal
AT&T Communications	California	2008	2009	Ad Valorem Tax Appraisal
AT&T Communications	Florida	2008	2009	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2008	2009	Ad Valorem Tax Appraisal
AT&T - Michigan Bell Telephone Company	Michigan	2008	2009	Ad Valorem Tax Appraisal
AT&T - Wisconsin Bell Telephone Company	Wisconsin	2008	2009	Ad Valorem Tax Appraisal
AT&T - Southwestern Bell Telephone Company		2008	2009	Ad Valorem Tax Appraisal
	Arkansas, Kansas, Missouri, Oklahoma, Texas			
Embarq Florida, Inc.	Florida	2008	2009	Ad Valorem Tax Appraisal
Embarq Texas, Inc.	Texas	2008	2009	Ad Valorem Tax Appraisal
Embarq Missouri, Inc.	Missouri	2008	2009	Ad Valorem Tax Appraisal
Embarq Northwest	Washington	2008	2009	Ad Valorem Tax Appraisal
Embarq Virginia	Virginia	2008	2009	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2008	2009	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2008	2009	Ad Valorem Tax Appraisal
Verizon Communications	New England - Mass	2008	2009	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2008	2009	Ad Valorem Tax Appraisal
Level 3 Communications	North America,	2008	2009	Ad Valorem Tax Appraisal
	California, Michigan & Arizona			
Global Crossing	North America	2008	2009	Ad Valorem Tax Appraisal
AboveNet, Inc	North America/California	2003	2009	Ad Valorem Tax Appraisal
Verizon Wireless	Ohio Properties	2004-2005	2009	Ad Valorem Tax Appraisal
Virgin Islands Telephone Corporation	US Virgin Islands	2008	2009	Depreciation Study
Sprint Nextel Corporation	North America	2008	2009	Ad Valorem Tax Appraisal
2008				
AT&T Communications	North America	2007	2008	Ad Valorem Tax Appraisal
AT&T Communications	California	2007	2008	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2007	2008	Ad Valorem Tax Appraisal
AT&T - Michigan Bell Telephone Company	Michigan	2007	2008	Ad Valorem Tax Appraisal
AT&T - Wisconsin Bell Telephone Company	Wisconsin	2007	2008	Ad Valorem Tax Appraisal
AT&T - Southwestern Bell Telephone Company		2007	2008	Ad Valorem Tax Appraisal
	Arkansas, Kansas, Missouri, Oklahoma, Texas			
Embarq Florida, Inc.	Florida	2007	2008	Ad Valorem Tax Appraisal
Embarq Texas, Inc.	Texas	2007	2008	Ad Valorem Tax Appraisal
Embarq Missouri, Inc.	Missouri	2007	2008	Ad Valorem Tax Appraisal
Embarq Northwest	Washington	2007	2008	Ad Valorem Tax Appraisal
Embarq Virginia	Virginia	2007	2008	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2007	2008	Ad Valorem Tax Appraisal
Verizon Communications	California	2007	2008	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2007	2008	Ad Valorem Tax Appraisal
Verizon Communications	New England Mass	2002-2007	2008	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2007	2008	Ad Valorem Tax Appraisal
Level 3 Communications	North America,	2007	2008	Ad Valorem Tax Appraisal

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Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
Global Crossing	California, Michigan & Arizona			
Intermountain Gas Company	North America	2007	2007	Ad Valorem Tax Appraisal
	Idaho	2007	2008	Depreciation Study
2007				
AT&T Communications	North America	2006	2007	Ad Valorem Tax Appraisal
AT&T Communications	California	2006	2007	Ad Valorem Tax Appraisal
AT&T - Indiana Bell Telephone Company	Indiana	2006	2007	Ad Valorem Tax Appraisal
AT&T - Michigan Bell Telephone Company	Michigan	2006	2007	Ad Valorem Tax Appraisal
AT&T - Wisconsin Bell Telephone Company	Wisconsin	2006	2007	Ad Valorem Tax Appraisal
Embarq Florida, Inc.	Florida	2006	2007	Ad Valorem Tax Appraisal
Embarq Texas, Inc.	Texas,	2006	2007	Ad Valorem Tax Appraisal
Embarq Missouri, Inc.	Missouri	2006	2007	Ad Valorem Tax Appraisal
Embarq North Carolina	North Carolina	2006	2007	Ad Valorem Tax Appraisal
Embarq Virginia	Virginia	2006	2007	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2006	2007	Ad Valorem Tax Appraisal
Verizon Communications	California	2006	2007	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2006	2007	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	North America	2006	2007	Ad Valorem Tax Appraisal
Qwest Communications Corporation	North America	2006	2007	Ad Valorem Tax Appraisal
	California			
Level 3 Communications	North America,	2006	2007	Ad Valorem Tax Appraisal
	California, Michigan, & Arizona			
Level 3 Communications	Arizona	2002 - 2006	2007	Ad Valorem Tax Appraisal
Global Crossing	North America	2006	2007	Ad Valorem Tax Appraisal
Alaska Communications System, Inc. (ACS)	ACS of Alaska	2006	2007	Depreciation Studies
	ACS of Anchorage			
	ACS of Fairbanks			
	ACS of the Northland			
	ACS Holdings			
Intermountain Gas Company	Idaho	2006	2007	Depreciation Study
2006				
AT&T Communications	Palm Beach Florida	2000 - 2003	2006	Ad Valorem Tax Appraisal
AT&T Communications	North America	2005	2006	Ad Valorem Tax Appraisal
AT&T Communications	California	2005	2006	Ad Valorem Tax Appraisal
Sprint Florida, Inc.	Florida	2005	2006	Ad Valorem Tax Appraisal
Sprint Texas, Inc.	Texas,	2005	2006	Ad Valorem Tax Appraisal
Sprint Missouri, Inc.	Missouri	2005	2006	Ad Valorem Tax Appraisal
Sprint North Carolina	North Carolina	2005	2006	Ad Valorem Tax Appraisal
Sprint Virginia	Virginia	2005	2006	Ad Valorem Tax Appraisal
Embarq Nevada	Nevada	2005	2006	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2005	2006	Ad Valorem Tax Appraisal
Verizon Communications	California	2005	2006	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2005	2006	Ad Valorem Tax Appraisal
Verizon Business (formerly MCI)	Massachusetts	2002-2--5	2006	Ad Valorem Tax Appraisal
Level 3 Communications	North America	2005	2006	Ad Valorem Tax Appraisal
Level 3 Communications	Arizona	2002-2006	2006	Ad Valorem Tax Appraisal
Global Crossing	North America	2005	2006	Ad Valorem Tax Appraisal

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
Indianapolis Power & Light	IPL	2005	2006	Depreciation Study
2005				
AT&T Communications	North America	2004	2005	Ad Valorem Tax Appraisal
AT&T Communications	California	2004	2005	Ad Valorem Tax Appraisal
Sprint Florida, Inc.	Florida	2004	2005	Ad Valorem Tax Appraisal
Sprint PCS	North America	2004	2005	Ad Valorem Tax Appraisal
Verizon Communications	Florida	2004	2005	Ad Valorem Tax Appraisal
Verizon Communications	California	2004	2005	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2004	2005	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	2004	2005	Ad Valorem Tax Appraisal
Level 3 Communications	North America	2004	2005	Ad Valorem Tax Appraisal
Global Crossing	North America	2004	2005	Ad Valorem Tax Appraisal
Global Crossing	New York Special Franchise Property	2003 & 2004	2005	Ad Valorem Tax Appraisal
Indianapolis Power & Light	IPL	2004	2005	Depreciation Study
2004				
Sprint Florida, Inc.	Florida	2003	2004	Ad Valorem Tax Appraisal
Verizon Communications	California	2003	2004	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2003	2004	Ad Valorem Tax Appraisal
Verizon Communications	New England	2003	2004	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	2003	2004	Ad Valorem Tax Appraisal
Level 3 Communications	North America	2003	2004	Ad Valorem Tax Appraisal
Global Crossing	North America	2003	2004	Ad Valorem Tax Appraisal
Sprint PCS	Cost Indexes	2003	2004	Ad Valorem Tax Appraisal
AT&T Communications	North America	2003	2004	Ad Valorem Tax Appraisal
AT&T Communications	California	2003	2004	Ad Valorem Tax Appraisal
Intermountain Gas Company	Idaho	2003	2004	Depreciation Study
2003				
Sprint Florida, Inc.	Florida	2002	2003	Ad Valorem Tax Appraisal
Verizon Communications	California	2002	2003	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2002	2003	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	2002	2003	Ad Valorem Tax Appraisal
Level 3 Communications	North America	2002	2003	Ad Valorem Tax Appraisal
Sprint PCS	Cost Indexes	2002	2003	Ad Valorem Tax Appraisal
AT&T Communications	North America	2002	2003	Ad Valorem Tax Appraisal
AT&T Communications	California	2002	2003	Ad Valorem Tax Appraisal
Global Crossing	North America	2002	2003	Ad Valorem Tax Appraisal
Verizon Wireless	Broward County, FL	1998 through 2002	2003	Ad Valorem Tax Appraisal
2002				
Sprint Florida, Inc.	Florida	2001	2002	Ad Valorem Tax Appraisal
Verizon Communications	California	2001	2002	Ad Valorem Tax Appraisal
Verizon Communications	Northwest	2001	2002	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	2001	2002	Ad Valorem Tax Appraisal
Level 3 Communications	North America	2001	2002	Ad Valorem Tax Appraisal
Global Crossing	North America	2001	2002	Ad Valorem Tax Appraisal
AT&T Wireless	Plymouth, MI	2001	2002	Ad Valorem Tax Appraisal

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Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
Sprint PCS	Cost Indexes	2001	2002	Ad Valorem Tax Appraisal
AT&T Communications	North America	2001	2002	Ad Valorem Tax Appraisal
Intermountain Gas Company	Idaho	2001	2002	Depreciation Study
AT&T Communications	California	2001	2002	Ad Valorem Tax Appraisal
2001				
Verizon	Verizon - New York	2001	2001-2	Functional Obsolescence & Useful Life studies for valuation
Sprint Florida, Inc.	Sprint Florida, Inc.	2000	2001	Ad Valorem Tax Appraisal
Verizon Communications	California	2000	2001	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	2000	2001	Ad Valorem Tax Appraisal
Global Crossing	North America	2000	2001	Ad Valorem Tax Appraisal
Sprint PCS	Cost Indexes	2000	2001	Ad Valorem Tax Appraisal
Sprint Corporation	Centel - Nevada	2000	2001-2	Depreciation Study
Alaska Communications System, Inc. (ACS)	ACS of Alaska ACS of Anchorage ACS of Fairbanks ACS of the Northland ACS Holdings	2000	2001	Depreciation Study
2000				
Sprint PCS	BTS Equipment	2000	2000	Economic Life Study
Telus Communications	Telus - Alberta & British Columbia	2000	2000	Depreciation study Phase III Price Caps
Sprint Florida, Inc.	Florida	1999	2000	Ad Valorem Tax Appraisal
Verizon Communications	California	1999	2000	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	1999	2000	Ad Valorem Tax Appraisal
1999				
Sprint Corporation	Centel - Nevada	1998	1999	Depreciation Study
Intermountain Gas Company	Intermountain Gas Company	1998	1999	Depreciation Study
Sprint Florida, Inc.	Florida	1998	1999	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	1998	1999	Ad Valorem Tax Appraisal
1998				
Frontier Corporation	Frontier Telephone of Rochester	1998	1997	Valuation depreciation Lives and Net Salvage Parameters
Pacific Telecom, Inc.	Telephone Utilities of Washington	1997	1998	Depreciation Study
Sprint Florida, Inc.	Florida	1997	1998	Ad Valorem Tax Appraisal
Verizon Communications	Florida	1997	1998	Ad Valorem Tax Appraisal
Sprint Communications, LP	North America	1997	1998	Ad Valorem Tax Appraisal
Sprint Corporation	United Telephone Company of South Carolina	1998	1998	Depreciation Expense Universal Service Fund
Sprint Corporation	Carolina Telephone and Telegraph	1998	1998	Depreciation Expense

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Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
	and Central Telephone of North Carolina			Universal Service Fund
Telus Communications	Telus - Edmonton (TCE)	1997	1998	Depreciation Study Phase II Price Caps
1997				
Sprint Corporation	Centel - Nevada	1997	1997	Unbundling/ Inter-connection Depreciation Study
Pacific Telecom, Inc.	Telephone Utilities of Oregon	1996	1997	Depreciation Study
Pacific Telecom, Inc.	Telephone Utilities of Alaska And the Northland	1996	1997	Depreciation Study
Telus Communications	Telus - TCI formerly AGT	1996	1997	Depreciation Study Phase II Price Caps
Indianapolis Power & Light	IPL	1996	1997	Depreciation Study
Sprint Florida, Inc.	Florida	1996	1997	Ad Valorem Tax Appraisal
Verizon Communications	Florida	1996	1997	Ad Valorem Tax Appraisal
Pacific Telecom, Inc.	Eagle Telephone (Colorado)	1996	1997	Depreciation Study
1996				
Intermountain Gas Company	Intermountain Gas Company	1995	1996	Depreciation Study
Sprint Florida, Inc.	Florida	1995	1996	Ad Valorem Tax Appraisal
Century Telephone	Century Telephone of Ohio, Inc.	1995	1996	Depreciation Study
Telus Communications	AGT Limited (Alberta Government Telephones)	1995	1996	Depreciation Study
Johnson County Kansas Office of the Assessor	Useful Life of Computer Equipment	1995	1995	Useful/Market Life Analysis
Milwaukee Metropolitan Sewerage District	Milwaukee Metropolitan Sewerage District	1995	1996	Depreciation Study
Sprint Corporation	Long Distance Division	1995	1995	Depreciation/Recovery Status Study
Sprint Corporation	Cellular Division	1995	1995	Depreciation/Recovery Status Study
Pacific Telecom, Inc.	Alascom, Inc.	1994	1995	Depreciation Study
Pacific Telecom, Inc.	Telephone Utilities of the Northland	1993	1994	Depreciation Study
	Telephone Utilities of Alaska	1993	1994	Depreciation Study

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
Indiana Energy	Indiana Gas Company	1993	1994	Depreciation Study
Columbia Gas Transmission	Gas Pipeline Property in Sullivan County, NY	1993	1993	Useful Life Study
United Telephone - Midwest Group	United Telephone Company of Missouri	1993	1993	Modernization/ Depreciation Study
Intermountain Gas Co.	Intermountain Gas Co.	1992	1993	Depreciation Study
Pacific Telecom, Inc.	Alascom, Inc.	1992	1993	Depreciation Study
	Telephone Utilities of Oregon, Inc.	1991	1992	Depreciation Study
	Telephone Utilities of Washington, Inc.	1991	1992	Depreciation Study
Small Telephone Company Coalition	Oregon Small Telephone Companies	1991	1992	Depreciation Support
United Telephone Systems	United Telephone Co. of Pennsylvania	1991	1992	Instructional Depreciation Study
New York State Division of Equalization and Assessment	Electric, Gas, Water, Telephone, Pipeline, Steam, CATV	1991	1992	Useful Lives and Net Salvage Values
Rochester Telephone Company	Enterprise Telephone	1991	1992	Study Review
Indiana Energy	Indiana Gas/Richmond Gas/ Terre Haute Gas	1990	1991	Depreciation Study
American Electric Power	Indiana/Michigan Power Co.	1990	1991	Depreciation Study
Rochester Telephone Company	Rochester Telephone Co.	1990	1991	Study Review
United Telephone Systems	United Telephone Co. of Florida	1990	1991	Instructional Depreciation Study
United Telephone Systems	United Telephone Co. of Oregon	1989	1990	Study Review
Telephone and Data Systems, Inc.	Quincy Telephone Company	1990	1991	Depreciation Study
Telephone and Data Systems, Inc.	Wolverine Telephone Company	1989	1990	Depreciation Study
Indiana Energy	Indiana Gas Company, Inc.	1989	1990	Depreciation Study

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Year</u>	<u>Study Performed</u>	<u>Year</u>	<u>Activity</u>
Intermountain Gas Co.	Intermountain Gas Co.	1989	1990		Remaining Life/Net Salvage Support
North-West Telephone Company	North-West Telephone Company	1989	1990		Study Review
United Telephone System	United of Texas	1989	1990		Instructional Depreciation Study
	United of Missouri	1989	1990		Instructional Depreciation Study
Milwaukee Water	Milwaukee Water	1989	1990		Depreciation Study
Indiana Natural Gas Corp.	Indiana Natural Gas Corp.	1989	1990		Depreciation Study
Pacific Telecom	Telephone Utilities of the Northland	1989	1990		Depreciation Study
	Telephone Utilities of Alaska	1989	1990		Depreciation Study
	Alascom	1989	1990		Depreciation Study
	Telephone Utilities of Washington, Inc.	1988	1989		Depreciation Study
WICOR	Wisconsin Gas Company	1988	1989		Depreciation Study
ALLTEL	ALLTEL - Kentucky, Inc.	1987	1989		Depreciation Study
	ALLTEL - Ohio, Inc.	1988	1989		Depreciation Study
	Western Reserve Telephone Company	1988	1989		Depreciation Study
Milwaukee Metropolitan Sewer District	Milwaukee Metropolitan Sewer District	1988	1989		Depreciation Study
United Telephone Company	United of Ohio Telephone Company	1988 1988	1989 1989		ELG Support ELG Support
United Telecom	U.S. Sprint	1988	1988		Useful Life Study
Pacific Telecom	Telephone Utilities of Oregon	1987	1988		Depreciation Study
	Telephone Utilities of	1987	1988		Depreciation Study

**Utility Industries
Capital Recovery Activities Client List**

<u>Company</u>	<u>Property</u>	<u>Year</u>	<u>Study Performed</u>	<u>Year</u>	<u>Activity</u>
	Eastern Oregon				
	Rose Valley Telephone Company	1987		1988	Depreciation Study
United Telephone	United of Minnesota	1987		1988	Capital Planning Support
Wisconsin Southern Gas	Wisconsin Southern Gas	1987		1988	Depreciation Study
Pacific Telecom	Glacier State Telephone Company	1986		1987	Depreciation Study
	Sitka Telephone Co.	1986		1987	Depreciation Study
	Juneau-Douglas Tel Company	1986		1987	Depreciation Study
Pacific Telecom	Telephone Utilities of Alaska	1986		1987	Depreciation Study
	Alascom	1986		1987	Depreciation Study
Lincoln Telecommunications	Lincoln Telephone and Telegraph Company	1986		1987	Digital Switching Service Life
Northwest Natural Gas Corporation	Northwest Natural Gas Corporation	1985		1986	Depreciation Study
ALLTEL	Western Reserve Telephone Company	1984		1985	Depreciation Study
	ALLTEL - Ohio	1984		1985	Depreciation Study
	ALLTEL - Alabama	1984		1985	Depreciation Study
Gulf Telephone Co.	Gulf Telephone Company	1984		1985	Depreciation Study
United Telephone Systems, Inc.	United of Iowa	1984		1985	Depreciation Study
	United of Arkansas	1984		1985	Depreciation Study
Pacific Telecom	Telephone Utilities of Washington	1983		1984	Depreciation Study
	Telephone Utilities of Eastern Oregon	1983		1984	Depreciation Study
Pacific Telecom	Telephone Utilities of Oregon	1983		1984	Depreciation Study
	Northwestern Telephone Systems, Inc., Oregon	1983		1984	Depreciation Study

Appraisal & Capital Recovery Activities Client List

<u>Company</u>	<u>Property</u>	<u>Study Year</u>	<u>Year Performed</u>	<u>Activity</u>
	Rose Valley Telephone Company	1983	1984	Depreciation Study
United Telecommunications	All United Telephone Companies	1983	1984	Capital Recovery Strategy
Lincoln Telecommunications	Lincoln Telephone & Telegraph Company	1983	1984	Depreciation Study
ALLTEL	ALLTEL - Mississippi	1982	1983	Depreciation Study
	ALLTEL - Michigan	1982	1983	Depreciation Study
North Carolina Natural Gas Corp.	North Carolina Natural Gas Corporation	1982	1983	Depreciation Study
Mid Continent Telephone (Currently ALLTEL)	Western Reserve Telephone	1982	1983	Depreciation Study
	Mid Ohio Telephone	1982	1982	Depreciation Study
	Florence Telephone Company	1980	1981	Depreciation Study
	Leeds Telephone Co.	1980	1981	Depreciation Study
	Elmore Coosa Tel Company	1980	1981	Depreciation Study
	Brookville Telephone Company	1980	1981	Depreciation Study
	Mid-Pennsylvania Telegraph	1980	1981	Depreciation Study
Telephone Utilities (Currently Pacific Telecom)	Telephone Utilities of Oregon	1979	1980	Depreciation Study
	Telephone Utilities of Eastern Oregon	1979	1980	Depreciation Study
	Northwestern Telephone Systems, Inc.-Oregon	1979	1980	Depreciation Study
	Rose Valley Telephone Company	1979	1980	Depreciation Study
United Telephone Systems, Inc.	United of Ohio	1979	1980	Depreciation Study
Telephone Utilities	Telephone Utilities of Washington	1978	1979	Depreciation Study
United Telephone Systems, Inc.	United of Ohio	1978	1979	Depreciation Study

Papers and Seminars

Rochester Telephone	Rochester Telephone (Indiana)	1977	1978	Depreciation Study
United Telephone Systems, Inc.	United of Ohio	1977	1978	Depreciation Study
Princeton Telephone	Princeton Telephone (Indiana)	1976	1977	Depreciation Study
Northwestern Telephone	Northwestern Telephone (Illinois)	1975	1976	Depreciation Study

Papers and Seminars

- 2011 Training Instructor Depreciation Basics Sessions A & B and Life and Salvage Analysis
Society of Depreciation Professionals 25th Annual Meeting
Atlanta, GA September 20-22, 2011
- 2010 Will the Real Cost Approach Please Stand Up?
National Association of Property Tax Representatives Transportation, Energy, & Communications (NAPTR-TEC)
Scottsdale, Arizona October 25-27, 2010
- Issues Affecting Assessment of Regulated Industries
Institute for Professionals in Taxation (IPT) Property Tax Symposium
Austin, Texas October 31 – November 3, 2010
- 2009 (Valuing) Intangibles
Appraisal for Ad Valorem Taxation, Wichita State University
Wichita, Kansas July 28, 2009
- Fair Value Accounting (Appraisal Panelist)
Appraisal for Ad Valorem Taxation, Wichita State University
Wichita, Kansas July 29, 2009
- 2008 Valuation Issues Valuation of Assets and the Impact of Depreciation
Society of Depreciation Professionals Annual Meeting
Greenville, SC September 21-26, 2008
- Obsolescence in the Long-Distance and Local Transport Networks
Technology Futures Inc. Asset Valuation Conference
Austin Texas February 8, 2008
- 2007 Communications Industry Issues
National Association of Property Tax Representative – Transportation, Energy, & Communications
New Orleans, LA October 30, 2007
- 2006 Appraisal Procedures & Issues in a Changing communications Industry
Florida Chapter International Association of Assessing Officers' Tangible Personal Property Conference
Ocala, Florida January 12, 2006
- Valuation of Intangibles
Appraisal for Ad Valorem Taxation, Wichita State University
Wichita, Kansas July 25, 2006
- SDP 20 years of History and Beyond
Society of Depreciation Professionals 20th Annual Meeting
Long Beach, CA September 18, 2006
- 2005 Valuation in a World with Asset Impairments
Appraisal for Ad Valorem Taxation, Wichita State University
Wichita, Kansas August 1, 2005

Papers and Seminars

- 2004 Depreciation in the Valuation of Assets
Society of Depreciation Professionals' Eighteenth Annual Meeting
Washington, D.C., September 13, 2004
- 2003 Cost Approach and the Use of Appraisal Guidelines
Institute for Professionals in Taxation – Property Tax Symposium
Fort Lauderdale, FL, September 17, 2003
- Cost Approach – Obsolescence and Depreciation
Appraisal for Ad Valorem Taxation, Wichita State University
Wichita, Kansas, July 28, 2003
- 2000 Appraisal Issues Associated with Technological Change in the Wireline Telecommunications Industry
Appraisal for Ad Valorem Taxation, Wichita State University
Wichita, Kansas, July 31, 2000
- The Impact of Advancing Technology and the Changing Regulatory Environment on Obsolescence
Calculations for Ad Valorem Valuation Purposes
Journal of Property Tax Management, Spring 2000
- 1996 How to Develop a Reproduction/Replacement Cost New Less Depreciation Approach to Value
Appraisal for Ad Valorem Taxation, Wichita State University
Wichita, Kansas, August 4, 1996
- 1995 Valuation Method, Techniques and Strategies (How to Quantify Stranded Investment) (Market, Income,
& Cost Approach
AGA Depreciation Committee Meeting
Denver, Colorado, August 6-9, 1995, jointly presented with Earl Robinson of AUS Consultants
- 1994 Integrating Future Expectations for the Telephone Industry into Historical Depreciation Analysis
United States Telephone Association (USTA's 1994 Capital Recovery Seminar)
Scottsdale, Arizona, September 12-13, 1994
- 1994 Capital Recovery: United States versus Canada
Canadian Telephone Industry's Annual Capital Recovery Seminar
Edmonton, Alberta, Canada June 14-15, 1994
- 1990 Capital Recovery: Methods, Terminology, Procedures, and Record Keeping
United States Telephone Association (USTA)'s
1990 Non-FCC Subject and Small Company Capital Recovery Seminar
Minneapolis, Minnesota April 10_11, 1990
- Integration of Technology Forecasting Into Historical Life Studies
29th Iowa State Regulatory Conference
Ames, Iowa May 15-17, 1990
- The 1990's and the Second Wave of Major Plant Retirements in the Communications Industry
NARUC's Seventh Biennial Information Conference
Columbus, Ohio September 12-14, 1990

Papers and SeminarsHow Do We Incorporate Change into the Study Filing Procedures?

USTA's 1990 Capital Recovery Seminar
Chicago, Illinois October 16_17, 1990

1989

Plant Modernization: Capital Planning and Capital Recovery

Midwest Utilities Conference
Chicago, Illinois September 11_14, 1989

Price Indexes Today: Procedures, Uses, and Misuses

Society of Depreciation Professionals' Third Annual Meeting
New Orleans, Louisiana December 6_7, 1989

1988

Plant Modernization: Capital Planning and Capital Recovery

National Association of Regulatory Utility Commissioners (NARUC)'s
Sixth Biennial Regulatory Information Conference
Columbus, Ohio September 14_16, 1988

Papers and Seminars

- 1997 Sprint Corporation - West Finance Center
Overland Park, Kansas, August 1997
- 1997 Rochester Telephone Corporation
Rochester, New York, April 1997
- 1996 Sprint-Florida-Vista United Telecommunications
Altamonte Springs, Florida August 27-29, 1996
- 1994 Saskatchewan Telecommunications
Regina, Saskatchewan, Canada, June 1994
- 1994 AUS Consultants/Leroy J. Murphy and Associates 1994 Capital Recovery Seminar
May 1994
- 1993 Manitoba Telephone System, Winnipeg, Manitoba, December 1993
- 1993 Society of Depreciation Professionals Annual Meeting
Charleston, South Carolina September 30, 1993
- 1993 SPRINT - Local Telephone Division
Atlanta, Georgia August 11-12, 1993
- 1993 AUS Consultants/Leroy J. Murphy and Associates 1993 Capital Recovery Seminar
Chicago, Illinois May 11 - 13, 1993
- 1993 Canadian Telephone Capital Recovery Seminar
Halifax, Nova Scotia April 20 - 22, 1993
- 1993 United Telephone, Midwest Group
Overland Park, Kansas January 20, 1993
- 1992 BellSouth Corporation
Birmingham, Alabama November 23, 1992
- 1992 Sprint - Local Telephone Division
Kansas City, Kansas November 18 - 20, 1992
- 1992 Society of Depreciation Professionals Annual Meeting
San Antonio, Texas September 9 - 10, 1992
- 1992 AUS Consultants/Leroy J. Murphy and Associates 1992 Capital Recovery Seminar
Chicago, Illinois October 6 - 8, 1992
- 1991 Society of Depreciation Professionals Annual Meeting
Nashville, Tennessee November 20-22, 1991
- 1991 ALLTEL Corporation Microcomputer Depreciation Studies System Training
Hudson, Ohio October 14-16, 1991

Capital Recovery Training

- 2016 Society of Depreciation Professionals
Annual Training
Charleston, South Carolina, September 18-23, 2016
- 2015 Society of Depreciation Professionals
Annual Training
Austin Texas September 2015
- 2014 Society of Depreciation Professionals
Annual Training
New Orleans, Louisiana September 2014
- 2013 Society of Depreciation Professionals
Annual Training
Salt Lake City, Utah September 2013
- 2012 Society of Depreciation Professionals
Annual Training
Minneapolis, Minnesota, September 16-18, 2012
- 1991 United Telecommunications, Inc., Capital Recovery/Microcomputer Depreciation
Studies System Training
Kansas City, Kansas September 23-25, 1991
- 1991 AUS Consultants/Leroy J. Murphy and Associates 1991 Capital Recovery Seminar
Lake Geneva, Wisconsin September 17-19, 1991
- 1991 Rochester Telephone Corporation, Capital Recovery/Microcomputer Depreciation Studies
System Training, Rochester, New York September 3-7, 1991
- 1991 Ameritech Services, Microcomputer Depreciation Studies System Training
Chicago, Illinois May 16-17, 1991
- 1991 AUS Consultants/Leroy J. Murphy and Associates 1991 Capital Recovery Seminar
Washington, D.C. April 9_11, 1991
- 1990 United Telecommunications, Inc., Capital Recovery Seminar
Overland Park, Kansas December 1990
- 1990 AUS Consultants/Leroy J. Murphy and Associates 1990 Capital Recovery Seminar
Chicago, Illinois September 24_27, 1990
- 1990 AUS Consultants/Leroy J. Murphy and Associates 1990 Capital Recovery Seminar
Chicago, Illinois January 29-February 1, 1990
- 1990 United Telecommunications, Inc., Capital Recovery/Microcomputer Depreciation Studies
System Training, Chicago, Illinois July 1990
- 1989 United Telecommunications, Inc., Capital Recovery/Microcomputer Depreciation Studies
System Training, Chicago, Illinois July 1989

Capital Recovery Training

- 1989 AUS Consultants/Leroy J. Murphy and Associates 1989 Capital Recovery Seminar
Chicago, Illinois March 6_9, 1989
- 1988 AUS Consultants/Leroy J. Murphy and Associates 1988 Capital Recovery Seminar
Chicago, Illinois July 25_28, 1988
- 1988 United Telecommunications, Inc., Microcomputer Depreciation Studies System Training
Kansas City, Kansas January 1988

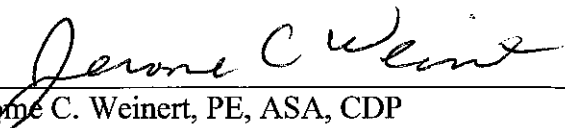
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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 treatment plant and :
collection system owned and operated by the : Docket Nos. A-2023-3038717, *et al.*
Elizabeth Borough Municipal Authority, :
(2) the rights of Pennsylvania-American :
Water Company to begin to offer or furnish :
wastewater service to the public in the :
Borough of Elizabeth, and portions of the :
Borough of Lincoln, and the Townships of :
Elizabeth and Forward, in Allegheny County, :
Pennsylvania :

VERIFICATION

I, Jerome C. Weinert, hereby state that the facts set forth in PAWC Statement No. 4 and accompanying exhibits, if any, are true and correct to the best of my knowledge, information, and belief. I understand that this verification is made subject to the provisions and penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: September 27, 2024



Jerome C. Weinert, PE, ASA, CDP
Principal and Owner
Weinert Appraisal and Depreciation Services, LLC
("WADS Consultants")