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January 13, 2025

Via E-File

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

**Re: Petition of Deer Haven, LLC Requesting an Ex Parte Emergency Order
Allowing Aqua Pennsylvania, Inc. to Act as a Receiver to Operate the Deer
Haven Water and Sewer Systems
Docket No. P-2024-3050549**

Dear Secretary Chiavetta,

Enclosed please find Aqua Pennsylvania Wastewater, Inc.'s ("Aqua") Second Status Report to the Pennsylvania Public Utility Commission (the "Commission"). This Second Status Report is in accordance with Aqua's Receivership duties for Deer Haven, LLC (Sewer) established by the Commission's *Ex Parte* Order dated August 15, 2024. If you have any questions, please do not hesitate to reach out.

Sincerely,



Kruti Patel

Encls.

cc: Service List

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

The Honorable Christopher P. Pell, Presiding

Petition of Deer Haven, LLC Requesting an : Docket No. P-2024-3050549
***Ex Parte* Emergency Order Allowing Aqua :**
Pennsylvania, Inc. to Act as a Receiver to :
Operate the Deer Haven Water and :
Wastewater Systems

CERTIFICATE OF SERVICE

I hereby certify that I have, this 13th day of January, 2025, served a true and correct copy of Aqua Pennsylvania Wastewater Inc.'s Second Status Report, upon the persons and in the manner indicated below:

VIA E-FILE AND ELECTRONIC MAIL

PA PUC

E-file Only

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**SECOND STATUS REPORT TO THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DEER HAVEN, LLC (SEWER)
AQUA PENNSYLVANIA WASTEWATER, INC., AS RECEIVER

DOCKET NO. P-2024-3050549

Dated: January 13, 2025

A. BACKGROUND

On August 1, 2024, Deer Haven, LLC (Sewer) (“DH Sewer”) filed a Petition requesting that the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) issue an *Ex Parte* Emergency Order Allowing Aqua Pennsylvania, Inc. to Act as a Receiver to Operate the Deer Haven Water and Sewer Systems.¹ The Commission issued a Secretarial Letter on August 7, 2024 denying DH Sewer’s request for an *Ex Parte* Emergency Order. Aqua Pennsylvania, Inc. (“AP”) filed a letter on August 13, regarding the Deer Haven, LLC (Water) (“DH Water”) system, but noted that:

Aqua would also note that while Aqua is aware the Commission denied Deer Haven’s Petition for an *Ex Parte* Emergency Order to name Aqua Pennsylvania Wastewater, Inc. as the Receiver for the Wastewater System, Aqua understands that the operator is no longer performing operations oversight for the Wastewater System as of Saturday, August 10, 2024. Aqua is informing the Commission to ensure that operations oversight is restored as soon as possible to protect the customers of Deer Haven.²

Also on August 13, 2024 DH Sewer filed a response to the Commission’s August 7, 2024 Secretarial Letter wherein DH Sewer stated that its current operator was terminating service effective August 9, 2024 due to past due balances owed. When the operator terminated service the DH Sewer wastewater plant (“WWTP”) also lost its Pennsylvania Department of Environmental Protection (“DEP”) licensed operator of record.

On August 15, 2024, the Commission issued an *Ex Parte* Emergency Order naming AP as Receiver of the DH Sewer system.³ Although the Commission named AP as the Receiver for the DH Sewer system, Aqua Pennsylvania Wastewater, Inc. (“APW”) is acting as the Receiver as DH Sewer is a wastewater system (AP and APW shall be referred to as “Aqua” collectively).

The DH Sewer system serves approximately 62 customers in Palmyra Township, Pike County, Pennsylvania. The DH Sewer system abuts Lake Wallenpaupack and is near several of AP’s water systems including Tanglewood North and Tanglewood Lakes. The Receivership Order was ratified by the Commission through its Ratification Order entered on August 22, 2024. Aqua was directed to assume its Receivership role on August 15, 2024. Included within the Commission’s Receivership Order, the Company was directed to “[s]ubmit an initial status report to the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.”⁴ APW submitted its Initial Status Report on DH Sewer on October 15, 2024.

¹ *Petition of Deer Haven, LLC Requesting an Ex Parte Emergency Order Allowing Aqua Pennsylvania, Inc. to Act as a Receiver to Operate the Deer Haven Water and Sewer Systems*, Docket No. P-2024-3050549. (“DH Petition”).

² Letter of AP Re: DH Petition, Docket No. P-2024-3050545 (Aug. 13, 2024).

³ DH Petition, Docket No. P-2024-3050549, *Ex Parte* Emergency Order, Ordering Paragraph No. 5 (Aug. 15, 2024) (“Receivership Order”).

⁴ *Id.* Ordering Paragraph No. 5, Appendix A, Paragraph 1.o.

APW now submits its Second Status Report (“Status Report”) on the operations of DH Sewer as directed by the Commission.

B. SECOND STATUS REPORT

1. Operations and Capital Expenditures

On August 15, 2024, APW began its Receivership duties for the DH Sewer system. As discussed in the Initial Status Report, APW has continued to pump and haul wastewater that enters the DH Sewer wastewater treatment plant (“WWTP”).

Since the Initial Status Report, APW has made the following improvements to the DH Sewer system:

- i. Installed a new effluent flow meter, a level transducer in the tank, and a RSG 35 digital recording device so the Company can see the display through the window. These improvements provide the tank level reading and the effluent flow reading and ensures that Company personnel will not need to enter the building (see Initial Status Report for a description of the unsafe condition of the treatment building).
- ii. Installed PVC pipe that goes from the tank through the outside wall of the building. This allows the hauler to pump sewage without entering the building.

As discussed in the Initial Status Report, PL Utilities, LLC (“PLU”) owns a new wastewater treatment plant (“PLU WWTP”) that was designed and constructed to connect to the DH Sewer system upon approval of the joint application to transfer the DH Sewer assets to PLU.⁵ APW and DH Sewer filed a Joint Motion to Lift the Stay of Proceedings (“Joint Motion”) in the Joint Application proceeding as APW and DH Sewer believed that “the best path forward for the parties and customers, is through approval of the Joint Application.” Joint Motion at 4. On December 18, 2024, the Office of Consumer Advocate (“OCA”) filed a letter indicating that they did not oppose the Joint Motion to lift the stay. The Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Letter in Support of the Joint Motion on December 30, 2024.

APW established a website to provide information to customers concerning the DH Sewer system: <https://www.aquawater.com/deerhaven>. APW initially sent a letter to customers informing them that APW was now acting as Receiver of the DH Sewer system. APW provided an additional notice to customers on how they can participate in the Section 529 Proceeding, which is included in this Status Report as **Attachment A**.

⁵ *Joint Application of Deer Haven, LLC and PL Utilities, LLC for the approval of: (1) PL Utilities, LLC’s acquisition of certain wastewater system assets of Deer Haven, LLC; (2) the abandonment by Deer Haven, LLC of wastewater service to the public in Palmyra Township, Pike County, Pennsylvania; and (3) authorization of PL Utilities, LLC to offer, render, furnish, and supply wastewater service to the public in a portion of Palmyra Township, Pike County, Pennsylvania, Docket Nos. A-2024-3049587 and A-2024-3049591 (Jun. 17, 2024). (“Joint Application”).*

APW is developing a recommended capital plan for the DH Sewer system and will provide recommendations on capital improvements in a subsequent status report.⁶

As APW continues to operate the system to ensure compliance with the Receivership Order, APW will make improvements necessary to provide quality and reliable service. APW will have further information on operational issues in later reports.

2. Financial

The Receivership Order directed APW to establish the financial position of DH Sewer at the time Aqua assumed its Receivership role.⁷ APW is working to establish the financial position of DH Sewer as of the start of APW's Receivership. APW does note that the current revenue for the DH Sewer system does not meet the current costs of operation. APW will continue to track expenses and capital improvements related to the DH Sewer system through deferred accounting treatment via establishment of a regulatory asset in accordance with APW's Receivership duties.⁸

C. CONCLUSION

APW will continue to investigate the system's operations and financial status and will make necessary improvements to operate the DH Sewer system to ensure quality service to the DH Sewer customers for the period of its Receivership duties during the 529 proceeding. APW will provide an update to this Status Report on or before April 14, 2025.

⁶ *Receivership Order*, Ordering Paragraph 5, Appendix A, Paragraph 1.c.

⁷ *Id.* Ordering Paragraph 5, Appendix A Paragraph 1.r.

⁸ *Id.* Ordering Paragraph 5, Appendix A, Paragraphs 1.s and 2.b.

ATTACHMENT A



NOTICE OF SECTION 529 PROCEEDING

To Deer Haven, LLC Water and/or Sewer Customers:

The Section 529 Proceeding

Deer Haven, LLC is your water and/or sewer service provider.

The Pennsylvania Public Utility Commission (“PUC”) initiated an investigation into Deer Haven, LLC (“Deer Haven”) under Section 529 of the Public Utility Code, 66 Pa. C.S. § 529. The PUC initiated the Section 529 Investigation through its Ex Parte Emergency Orders for Deer Haven water on August 7, 2024 (as modified by the Commission’s Ratification Order on August 26, 2024) and for Deer Haven sewer on August 15, 2024 (and ratified by the Commission’s Ratification Order on August 22, 2024) (“Deer Haven 529 Proceeding”). Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (together “Aqua”) was named as Receiver for Deer Haven to provide water and wastewater service during the pendency of the Deer Haven 529 Proceeding. Through the Deer Haven 529 Proceeding the PUC will determine whether a capable public utility should acquire Deer Haven. The Docket Numbers for the Deer Haven 529 Proceeding are P-2024-3050545 and I-2024-3051540 for water, and P-2024-3050549 and I-2024-3051541 for sewer.

Notice of the Section 529 Proceeding and Opportunity to Participate

As a customer of Deer Haven, you are entitled to receive Notice of the Deer Haven 529 Proceeding and an opportunity to participate in them.

Actions You Can Take

You are not required to participate in the Deer Haven 529 Proceedings. Should you wish to participate, there are three ways to do so:

1. Sending a letter to the PUC. You can tell the PUC why you support or object to a capable public utility acquiring the subject system(s). This information can be helpful when the PUC investigates the issues. Send your letter, referencing the Docket Numbers P-2024-3050545 and I-2024-3051540 for water, and P-2024-3050549 and I-2024-3051541 for sewer, to the Secretary’s Bureau, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Room-N201, Harrisburg, PA 17120. You can also contact the Pennsylvania Office of Consumer Advocate (“OCA”) with questions, concerns and comments. The OCA is an active party representing the interests of residential customers. The telephone number for the OCA is 717-783-5048 or toll-free 800-684-6560.

2. You can file a formal Petition to Intervene asking the PUC to allow you to be a party – the petition must state who you are, why you want to be a party, and what your specific concerns are. Petitions should include the Docket Numbers P-2024-3050545 and I-2024-3051540 for water, and P-2024-3050549 and I-2024-3051541 for sewer, and be sent to the Secretary’s Bureau, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Room-N201, Harrisburg, PA 17120.

3. You can attend or be a witness at a public input hearing, if one is held, where you will have the opportunity to present your views to the Administrative Law Judge and the parties. All testimony given “under oath” becomes part of the official case record. If no public input hearings are held, you still have the right to attend any hearings that are held in the case but will not be permitted to testify unless you have requested and been granted permission to intervene or are called by a party as a witness.

AQUA PENNSYLVANIA, INC. & AQUA PENNSYLVANIA WASTEWATER, INC.
As Receiver for DEER HAVEN, LLC

Dated: December 13, 2024

