

**Application of Pennsylvania-American Water Company for the Acquisition of
the Wastewater Treatment Plant and Collection System Owned and Operated by
Elizabeth Borough Municipal Authority (“EBMA”)**

Docket No. A-2025-3052983

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

11. State the ratemaking rate base as required in 66 Pa.C.S. § 1329 and specify whether it is based on either the fair market value determined by the valuation experts or the asset purchase price.

RESPONSE: As noted in **Appendix A-6**, the negotiated purchase price for the acquired assets is \$28,000,000 and the average of the appraisals of the buyer’s Utility Evaluation Expert (“UVE”) and the seller’s UVE is \$28,438,507. PAWC’s ratemaking rate base is based on its \$28,000,000 purchase price. If, at the conclusion of this proceeding, the Commission were to approve PAWC only recording \$27,971,178 (the average depreciated original cost multiplied by the RRR) on its books as its ratemaking rate base, however, PAWC would have no objection to that outcome.