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VIA eFiling

February 21, 2025

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

In re: Application of Pennsylvania-American Water Company under 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, Allegheny County, Pennsylvania

Docket No: A-2025-3052983

Pennsylvania-American Water Company Responses to the Bureau of Technical Utility Services Deficiencies Set 1, February 19, 2025

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the Responses of Pennsylvania-American Water Company (the "Company") to the Bureau of Technical Utility Services Deficiencies Set 1, 66 Pa. C.S. Section 1329 Application Completeness Review Pennsylvania-American Water Company – Wastewater Division Acquisition of Elizabeth Borough Municipal Authority Wastewater System Assets at Docket No. A-2025-3052983.

Copies are being served upon the advocates in accordance with the attached Certificate of Service and in accordance with the Commission's Final Supplemental Implementation Order entered February 28, 2019 at Docket No. M-2016-2543193.

Rosemary Chiavetta, Secretary

February 21, 2025

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Re: Pennsylvania-American Water Company Responses to the
Bureau of Technical Utility Services Deficiencies dated February 19, 2025
Docket No. A-2025-3052983

With this filing, the Company believes its Application is complete and hopes the Commission will conditionally accept its Application. In addition, the Company respectfully requests that the Secretarial Letter conditionally accepting the Application for filing provide a due date for protests and notices of intervention, which is required on the form of notice approved by the Commission in *Application of Pennsylvania-American Water Company Pursuant to Sections 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Water System Assets of the Steelton Borough Authority*, Docket No. A-2019-3006880 (Opinion and Order entered Oct. 3, 2019) and found at Application Appendix A-18-d.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,



Teresa K. Harrold

cc: Certificate of Service
Sean Donnelly, Bureau of Technical Utility Services w/Enc.
Dan Searfoorce, Bureau of Technical Utility Services w/Enc.

66 Pa. C.S. Section 1329 Application Completeness Review
Pennsylvania-American Water Company-Wastewater Division
Acquisition of Elizabeth Borough Municipal Authority Wastewater System Assets
at Docket No. A-2025-3052983

1. Checklist Item No. 7. – Page 15 of Appendix A-7.2 indicated an outstanding balance owed by EBMA of \$88.09 under Invoice Number 0000041608, dated September 9, 2024. However, a copy of Invoice Number 0000041608 was not included in Appendix A-7.2. Please provide a copy of Invoice Number 0000041608.

Response: Please see PAWC's **Amended Appendix A-7.2**, which includes a copy of Invoice Number 0000041608.

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2. Checklist Item No. 12. – Revised Page 11.9 of the pro forma tariff supplement (Pro Forma Tariff), provided as Appendix A-12 of the Application identified a \$35.00 per month service charge and an \$0.8000 per 100 gallons usage charge. However, the second recital on Page 1 of Appendix A-18-a.2 containing Resolution No. 02-2021 (2021 Resolution) included in the Application’s Appendix A-18-a (Appendix A-18-a), indicated that “the Board verbally motioned to increase the minimum monthly charge to the charges associated with usage over that minimum usage in gallons.” The 2021 Resolution was passed on October 14, 2021. Appendix A-18-a also provided a copy of EBMA’s Resolution No. 06-2018 (2018 Resolution) as Appendix A-18-a.3. Section II, Page 1 of the 2018 Resolution stated that the fee associated with its overage charges per thousand gallons of metered water usage over 800 gallons per month shall increase to \$8.00 per thousand gallons of metered water usage over 800 gallons per month. However, the Pro Forma Tariff does not specify that the service charge per month of \$35.00 includes 800 gallons per month of metered water usage, and the usage charge per 100 gallons of \$0.8000 does not specify that this charge is for metered water usage over the minimum 800 gallons per month included in the service charge. Please provide a revised Appendix A-12 to include a Pro Forma Tariff that identifies the minimum usage of 800 gallons per month in the service charge and excludes the minimum usage of 800 gallons from the usage charge per 100 gallons, or amend the Application’s Appendix A-18-a to include a copy of Elizabeth Borough Municipal Authority’s (EBMA’s) effective ordinance or resolution that removed the minimum usage of 800 gallons from their minimum monthly charge.

Response: Please see PAWC’s **Amended Appendix A-18-a** which includes Resolution No. 01-20, at **Appendix A-18-a.5**, which eliminates EBMA’s monthly minimum allowance of metered water usage effective starting with the January 2020 billing cycle.

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Acquisition of Elizabeth Borough Municipal Authority Wastewater System Assets
at Docket No. A-2025-3052983

3. Checklist Item No. 24.d. – The Application’s Appendix A-24-a.1 included an executed copy of an agreement entitled “Asset Purchase Agreement between Elizabeth Borough Municipal Authority and Pennsylvania-American Water Company”, dated January 24, 2023 (APA). The APA’s Schedule 4.1(l)(i), Real Property and Lease of Real Property, identified only two parcels, Parcel IDs 1132-A-206 and 1133-D-50, as the complete and accurate list of the real property owned by EBMA that will be transferred to PAWC-WD as part of the proposed acquisition. However, the Engineering Assessment’s Appendix H included an inventory of additional real property owned by EBMA that identified multiple parcels not listed in the APA’s Schedule 4.1(l)(i). Please provide responses to the following:
- a. Explain why the inventory of real property owned by EMBA detailed in the APA does not match the inventory of real property listed in the Engineering Assessment; and
 - b. If either the inventory of real property listed APA or the inventory of real property listed in the Engineering Assessment are not accurate, submit either a revised APA or Engineering Assessment that identifies all real property, by parcel identification (Parcel ID), that is owned by EBMA and will be transferred to PAWC-WD as part of the acquisition and clearly identify in the APA any real property owned by EBMA that will be excluded from the acquisition, by Parcel ID.

- Response:
- a. The Engineering Assessment accounted for multiple transactions related to both properties and referenced buildings and addresses that have been demolished. These multiple transactions related to pump station parcel 1133-D-40 occurred over 20 years ago and, therefore, were incorrect in the Engineering Assessment. The correct parcel number is 1133-D-50.
 - b. Please see **Amended Appendix A-15-a**, which revises Appendix H of the Engineering Assessment to correct the pump station property parcels number, consistent with APA Schedule 4.1(l)(i).

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Pennsylvania-American Water Company-Wastewater Division
Acquisition of Elizabeth Borough Municipal Authority Wastewater System Assets
at Docket No. A-2025-3052983

4. Checklist Item No. 25. – Appendix A-25.3 of the Application’s Appendix A-25 consisted of a copy of an agreement between Elizabeth Borough, EBMA and Lincoln Borough, dated December 15, 1987, regarding the treatment of sewage and industrial wastes from Borough of Lincoln (Patterson Hills Agreement) by EBMA. The Patterson Hills Agreement is missing Pages 1 and 2. Please provide a revised Appendix A-25.3 that contains a complete copy of the Patterson Hills Agreement.

Response: PAWC representatives met with representatives from the Commission’s Bureau of Technical Utility Services on November 19, 2024 and confirmed that if PAWC provides the verification referenced in question 5(c) below, PAWC does not need to produce complete or *pro forma* contracts. On November 26, 2024, PAWC previously provided a similar verification as TUS-11_Attachment in response to the Bureau of Technical Utility Services Deficiencies Set 1 dated November 12, 2024 at Docket No. A-2023-3038717. PAWC’s new verification, which is attached as **Appendix A-25.11**, reflects the new docket information of this proceeding.

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Pennsylvania-American Water Company-Wastewater Division
Acquisition of Elizabeth Borough Municipal Authority Wastewater System Assets
at Docket No. A-2025-3052983

5. Checklist Item No. 25. – The table listing municipal and affiliate contracts provided in the Application’s Appendix A-25 included asterisks next to the agreements labeled Appendix A-25.1 and Appendix A-25.2. The asterisks indicate that, “Although some of the attached agreements have missing pages and/or attachments, PAWC has confirmed with EBMA that no more complete version of these agreements exists.” The Commission’s Final Implementation Order entered October 27, 2016, at Docket No. M-2016-2543193, Page 39 indicated that, “if any of the information requested in the Checklist is unavailable after a reasonable search or simply does not exist, the applicant is expected to include with its application a verified statement to that affect.” Please provide an amended Appendix A-25 that includes either of the following:
- a. Complete executed copies of all municipal and affiliate contracts to be assumed by PAWC as part of the acquisition; or
 - b. Complete pro forma copies of all municipal and affiliate contracts to be assumed by PAWC as part of the acquisition; or
 - c. A verified statement that complete executed copies of specific contracts are unavailable after a reasonable search or do not exist.

Response: Consistent with 5(c) above, PAWC’s verification is included as **Appendix A-25.11**.

**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 : Docket No. A-2025-3052983
related to the wastewater treatment plant and collection :
system owned and operated by the 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, Allegheny County, Pennsylvania :

In re: Application of Pennsylvania-American Water :
Company under Section 1329 of the Pennsylvania Public :
Utility Code, 66 Pa C.S. § 1329, for approval of the use :
for ratemaking purposes of the lesser of the fair market : Docket No. A-2025-_____
value or the negotiated purchase price of the assets :
related to the wastewater treatment plant and collection :
system owned and operated by the Elizabeth Borough :
Municipal Authority :

In re: Petition of Pennsylvania-American Water :
Company, related to its acquisition of the wastewater :
treatment plant and collection system owned and :
operated by the Butler Area Sewer Authority, for :
approval under Section 1329 of the Pennsylvania Public :
Utility Code, 66 Pa. C.S. § 1329, to (i) collect a :
distribution system improvement charge, (ii) for book :
and ratemaking purposes, accrue Allowance for Funds : Docket Nos. P-2025-_____
Used During Construction for post-acquisition :
improvements not recovered through the distribution :
system improvement charge, (iii) for book and :
ratemaking purposes, defer depreciation related to post- :
acquisition improvements not recovered through the :
distribution system improvement charge, and :
(iv) include, in its next base rate case, a claim for :
transaction and closing costs :

In re: Filing by Pennsylvania-American Water Company :
under Section 507 of the Pennsylvania Public Utility :
Code, 66 Pa. C.S. § 507, of (i) the Asset Purchase :
Agreement by and between Elizabeth Borough :
Municipal Authority and Pennsylvania-American Water :
Company, and (ii) six (6) agreements with municipal : Docket Nos. U-2025-_____, *et al.*
corporations to be assumed by Pennsylvania-American :
Water Company upon closing of its acquisition of :
substantially all of the assets related to the wastewater :
treatment plant and collection system owned and :
operated by the Elizabeth Borough Municipal Authority :

CERTIFICATE OF SERVICE

I hereby certify that I have served a true copy of the foregoing Pennsylvania-American Water Company Responses to the Bureau of Technical Utility Services Deficiencies Set 1, dated February 19, 2025, regarding the acquisition of the Elizabeth Borough Municipal Authority's wastewater treatment plant and collection system upon the parties, listed below in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

PARTIES SERVED ON FEBRUARY 21, 2025, IN THE MANNER SPECIFIED

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Katie M. Kennedy, Esquire
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