

Pennsylvania Public Utility Commission
66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater

Circle No or Yes for each item. If yes, identify the document, section, and Page number containing the item as found within the filing including appropriate cross-reference of duplicate documents. If no, provide a detailed explanation of why the information is not included in the filing.

1.	Transmittal letter with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.	No	Yes	Cover Letter
2.	Verification form that is signed by an officer or authorized employee of the company, is dated, and accurately references the case.	No	Yes	Application, Page No. 21
3.	Certificate of Service indicating that a complete copy of the application with exhibits was served by registered or certified mail, return receipt requested, or by hand delivery, upon the statutory advocates (OCA, OSBA) and the Bureau of Investigation and Enforcement. ⁴	No	Yes	COS
4.	Provide responses to Section 1329 Application Standard Data Requests, including electronic working documents (i.e., Excel spreadsheets) for all the filing’s schedules, studies, and working papers to the extent practicable.	No	Yes	Exhibit EE
5.	Provide copies of two independent appraisals by separate utility valuation experts for use in establishing the fair market value of the Selling Utility.	No	Yes	Application, Page No. 15; Exhibits Q and R
6.	State the purchase price of the seller as agreed to by the buyer and seller. ⁵	No	Yes	Application, Page No. 15; Exhibit B
7.	State the total fees paid to the utility valuation experts for providing the completed appraisals for the acquisition and provide documentation, i.e., the valuation service agreement and all associated invoices, supporting the subject fee amounts.	No	Yes	Application, Page No. 16; Exhibits T1 and T2.

⁴ See Notes on last page of this Checklist; filers will be instructed to also serve other parties when the application is accepted.

⁵ "Seller" refers to the selling municipality; "buyer" refers to the acquiring entity.

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8.	Buyer and Seller Verification Statements:			
	a. Provide a verification statement of the Buyer that its utility valuation expert was selected by the Buyer.	No	Yes	Application, Page No. 15; Exhibit S1
	b. Provide a verification statement of the Seller that its utility valuation expert was selected by the Seller.	No	Yes	Application, Page No. 15; Exhibit S2
9.	Utility Valuation Expert Verification Statements:	No	Yes	
	a. Buyer Utility Valuation Expert has no affiliation with the buyer or seller	No	Yes	Application, Page Nos. 16-17; Exhibit U1
	b. Buyer Utility Valuation Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.	No	Yes	Application, Page Nos. 16-17; Exhibit U1
	c. Buyer Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.	No	Yes	Application, Page Nos. 16-17; Exhibit U1
	d. Seller Utility Valuation Expert has no affiliation with the buyer or seller	No	Yes	Application, Page Nos. 16-17; Exhibit U2
	e. Seller Utility Valuation Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.	No	Yes	Application, Page Nos. 16-17; Exhibit U2
	f. Seller Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.	No	Yes	Application, Page Nos. 16-17; Exhibit U2
10.	Estimated or, if available, actual transaction and closing costs incurred by the buyer that will be included in its rate base.	No	Yes	Application, Page No. 16; Exhibit Y
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.	No	Yes	Application, Page No. 16; Exhibit Y

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12.	Provide a proposed tariff containing a rate equal to the existing rates of the seller at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition.	No	Yes	Application, Page No. 16; Exhibit G
13.	Seller Testimony			
	a. Provide seller direct testimony supporting the Application, if any.	No	Yes	Application Page No. 17; Exhibits V and W
	b. Provide seller UVE direct testimony.	No	Yes	Application Page No. 17; Exhibit X
14.	Buyer Testimony:			
	a. Provide buyer direct testimony supporting the application.	No	Yes	Application Page No. 17; Exhibits Y, Z, AA, BB, and CC
	b. Provide buyer UVE direct testimony.	No	Yes	Application Page No. 17; Exhibit DD
	c. Identify in Buyer direct testimony the ways in which the buyer has responded to input received at the public hearings referenced in Checklist Item 26, if any.	No	Yes	Exhibit Y
15.	Plant in Service:			
	a. Provide an inventory of the used and useful plant assets to be transferred. Identify separately any utility plant that is held for future use. ⁶	No	Yes	Application, Page No. 4; Exhibit D
	b. Provide a list of all non-depreciable property such as land and rights-of-way.	No	Yes	Application, Page No. 4; Exhibit D
	c. State the DEP-permitted productive or treatment capacity of sources or treatment facility and the pipe sizes and material used for construction for all transmission and distribution or collection facilities.	No	Yes	Application, Page Nos. 4-5

⁶ The inventory is to be developed from available records, maps, work orders, debt issue closing documents funding construction projects, and other sources to ensure an accurate listing of utility plant by utility account.

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	d. State the elevations of major facilities and service areas.	No	Yes	Application, Page No. 5
	e. State the approximate time schedule for installation of the various component facilities.	No	Yes	Application, Page No. 5
	f. State the tentative journal entries for booking the acquisition.	No	Yes	Application, Page No. 7
16.	Map of Service Area - provide a scalable map or plan of suitable scale highlighting the boundaries of the			
	a. The extent of the proposed service area with any existing adjoining service areas identified.	No	Yes	Application, Page Nos. 2-3;
	b. A north arrow depicting map orientation.	No	Yes	Application, Page No. 3;
	c. A written description of the boundaries for the service territory utilizing bearing angles and distances.	No	Yes	Application, Page No. 3;
	d. Size of the service territory area in terms of acres or square miles.	No	Yes	Application, Page No. 3;
	e. Identification and depiction of all municipal boundaries relative to the service area.	No	Yes	Application, Page No. 3;
	f. Depiction of the location or route of the waterworks or wastewater collection, treatment or disposal facilities.	No	Yes	Exhibit A
17.	Customers:			
	a. State the seller’s actual number of customers by class and quantify the related consumption or gallons treated in the current calendar year and future number of	No	Yes	Application, Page Nos. 7-8; Exhibit AA
	b. Buyer shall demonstrate its ability to provide adequate water supply, treatment, storage and distribution or adequate wastewater collection, treatment or disposal capacity to meet present and future customer demands.	No	Yes	Application, Page Nos. 12-13; Exhibits Y, Z, AA, BB, and CC
	c. For water system acquisitions, quantify the number of public and private fire hydrants.	No	Yes	Application, Page No. 7

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18.	Rates:			
	a. State the current rates of the seller.	No	Yes	Application, Page No. 8
	b. Provide a copy of the seller’s current rules and regulations for service.	No	Yes	Application, Page No. 9; Exhibit H
	c. Provide a proposed tariff or tariff supplement showing the rates, proposed rules, and conditions of service.	No	Yes	Application, Page No. 8; Exhibit G
	d. Provide a copy of the notification sent, or which will be sent, to affected customers describing the filing and the anticipated effect on rates.	No	Yes	Application, Page No. 9; Exhibits I1 and I2
	i. For the Seller’s customers, the overall dollar and percentage rate impacts implicated from stand-alone rates that recover the Buyer’s estimated annual gross revenue requirement for the acquired system from the Seller's customers.	No	Yes	Appx. A to Exhibit Y
	ii. For the Buyer’s customers, the overall dollar and percentage rate impacts implicated from the following rates: (1) for water applications, rates that recover the Buyer’s estimated annual net revenue requirement for the acquired system from the Buyer’s existing water customers, or (2) for wastewater applications, both water and wastewater rates that recover the Buyer’s estimated annual net revenue requirement for the acquired system from the Buyer’s existing water and	No	Yes	Appx. A to Exhibit Y
	iii. Clear, plain language information about rate impacts.	No	Yes	Application, Page Nos. 8-9
	iv. A statement that any promise to freeze rates may be unenforceable.	No	Yes	Exhibits I1 and I2

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	e. Provide a verification statement addressing <i>whether</i> the Buyer provided the Seller with estimates and supporting working papers, including the potential rate impacts that the transaction may have on the Seller’s customers, assuming the Buyer’s highest proposed purchase price and stand-alone rates that recovery the Buyer’s estimated gross revenue requirements for the acquired system from the Seller’s customers, prior to execution of the APA.	No	Yes	Application, Page No. 17; Exhibit FF
19.	Cost of Service:			
	a. Provide a copy of the seller’s two most recent audited financial statements.	No	Yes	Application, Page No. 9; Exhibits J1 and J2
	b. Provide a copy of the seller’s two most recent adopted budgets.	No	Yes	Application, Page No. 9; Exhibits J3 and J4
	c. Provide a copy of the seller’s most recent annual report filed with the Commonwealth’s Department of Community and Economic Development.	No	Yes	Application, Page No. 9; Exhibit K
	d. Provide calculations quantifying the projected revenues and expenses for the acquisition.	No	Yes	Application, Page No. 9; Appx. A to Exhibit Y
	e. State whether the seller has any outstanding loans on the utility plant and identify the nature, terms, and payment history.	No	Yes	Application, Page No. 9; Exhibit B
20.	Proof of Compliance - provide proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:			
	a. For water system acquisitions, provide copies of the public water supply/water quality management permits for the utility plant.	No	Yes	Application, Page No. 11; Exhibits M, N, and E

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b. For wastewater system acquisitions, provide copies of the water quality management and National Pollution Discharge Elimination System (NPDES) permits for the utility plant.	No	Yes	N/A
c. For wastewater system acquisitions, provide a copy of the Chapter 94 Municipal Wasteload Management Report that was most recently submitted to DEP.	No	Yes	N/A
d. Valid buyer’s certified operators’ certificates appropriate to the facilities being acquired.	No	Yes	Application, Page No. 11; Exhibit L
e. Provide documentation evidencing a 5-year compliance history with DEP with an explanation of each violation for the seller’s utilities that have been providing service as well as provide a copy of any DEP-approved corrective action plans.	No	Yes	Application, Page No. 11; Exhibit O
f. Provide documentation of all Notices of Violation issued to seller by DEP for the last 5 years, an explanation of each, including a description of any corrective or compliance measures taken.	No	Yes	Application, Page No. 11; Exhibit O
g. Provide documentation evidencing a 5-year compliance history with DEP of other utilities owned or operated, or both, by the buyer, including affiliates, and their officers and parent corporations with regard to the provision of utility service. ⁷	No	Yes	Application, Page Nos. 11-12
h. Provide a statement clarifying whether the acquired plant will be physically interconnected to the buyer’s system or be operated as a standalone system.	No	Yes	Application, Page Nos. 11-12; Exhibit AA
i. Provide a statement that explains how the acquisition will fit into the current operations of the buyer.	No	Yes	Application, Page Nos. 11-12; Exhibit Z
j. Provide a statement that identifies the staff, district or division of the buyer that will operate and manage the acquisition.	No	Yes	Application, Page No. 12; Exhibit Z

⁷ Regarding Checklist Item 20(g), Class A public utilities need only submit compliance history for operations in the neighboring areas or a statement attesting to their compliance with this item.

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	k. Provide a statement quantifying the distance in miles the acquisition is from the buyer’s existing system or facilities.	No	Yes	Application, Page Nos. 11-12; Exhibit Z
	l. Provide a statement that identifies all planned physical, operational and managerial changes of the buyer that will occur after closing and state the timeframe and cost for each.	No	Yes	Exhibits B, Y, Z, AA, BB, and CC
21.	Affected Persons. State the identity of all public utilities, municipalities, municipal authorities, cooperatives and associations which provide public water service or wastewater collection, treatment or disposal service within each municipality, or a municipality directly adjacent to the municipality(ies), in which the applicants seeks to provide service that abuts or is situated within one mile of the applicant’s proposed facilities.	No	Yes	Application, Pages No. 12
22.	Other requirements – demonstrate compliance with the following:			
	a. For wastewater system acquisitions, demonstrate compliance with the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities (including the extent of the requested service territory)	No	Yes	N/A
	b. For wastewater system acquisitions, provide a copy of the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities.	No	Yes	N/A
	c. For wastewater system acquisitions, state the method of water service being provided in the requested wastewater service territory (i.e., public water or private wells) and identify the name of water utility, if applicable.	No	Yes	N/A
	d. For water system acquisitions, state the method of wastewater service being provided in the requested water service territory (i.e., public wastewater or private on-lot) and identify the name of wastewater utility, if applicable.	No	Yes	Application, Page No. 5

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	e. Provide evidence the filing is consistent with the affected municipality and county comprehensive plans if the filing proposes to expand service beyond the existing plant footprint.	No	Yes	Application, Page No. 11
23.	Verification:			
	a. For water system acquisitions, provide a verification that the water sources and customers are metered in accordance with 52 Pa. Code § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission.	No	Yes	Application, Page No. 7
	b. Include a statement that there is no affiliation between the buyer and seller.	No	Yes	Application, Page No. 6
	c. Include a statement that the agreement was conducted at arm’s length.	No	Yes	Application, Page No. 6
	d. Include a statement explaining how the customers will benefit from the Buyer’s ownership.	No	Yes	Application, Page Nos. 13-15; Exhibits Y, Z, AA, BB, and CC
	e. Provide a verification statement that the Seller is aware of the potential rate impacts the transaction may have on the Seller’s customers, including the overall dollar and percentage rate impacts implicated from stand-alone rates that recover the Buyer’s estimated annual gross revenue requirement for the acquired system from the Seller’s customers.	No	Yes	Application, Page No. 18; Exhibit GG
	f. Provide a verification statement that the Buyer and Seller understand the Commission may shift rate allocations in a manner different from any commitments made in the underlying application.	No	Yes	Application, Page No. 18; Exhibits GG and HH
24.	Asset Purchase Agreement (APA):			
	a. Provide a copy of the APA that is signed by all parties.	No	Yes	Exhibit B

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	b. APA clearly states the purchase price and terms.	No	Yes	Exhibit B
	c. APA clearly states whether all assets or only a portion of the assets are to be purchased (e.g., water treatment and distribution or wastewater collection and treatment).	No	Yes	Application, Page Nos. 5-7; Exhibit B
	d. APA adequately describes the assets to be acquired.	No	Yes	Application, Page Nos. 5-7; Exhibit B
	e. APA adequately describes the assets to be excluded.	No	Yes	Application, Page Nos. 5-7; Exhibit B
25.	Provide a copy of all municipal and affiliate contracts to be assumed by buyer as part of the acquisition and a list and annual dollar value of other contracts.	No	Yes	Application, Page Nos. 6; Exhibits F1, F2, and F3
26.	Public Hearings. Provide a verification statement that at least two in-person public hearings were scheduled and conducted prior to executing the APA, and that:	No	Yes	Application, Page No. 18, Exhibit II
	a. The public hearings addressed the proposed acquisition, described the potential rate impacts, provided the opportunity for public comment, and were held at venues within the municipal boundaries of the Seller, or at the nearest reasonable venues, with Commission notification.	No	Yes	Application, Page No. 18, Exhibit II
	b. The Buyer or Seller notified the Seller’s customers of the public hearings.	No	Yes	Application, Page No. 18, Exhibit II
27.	If seeking a deviation from the default weights established in the <i>2024 Final Supplemental Implementation Order</i> , provide the request supported by good cause.	No	Yes	N/A

<p style="text-align: center;">Pennsylvania Public Utility Commission 66 Pa. C.S. § 1329 Application Filing Checklist – Water/Wastewater</p>
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Notes:

*All information disclosed within this application is considered public information unless specifically labeled confidential. Applicants are responsible for disclosing to the Secretary's Bureau that which is privileged or confidential information and not otherwise available to the public. **Submit one copy of all confidential information, on documents stamped CONFIDENTIAL at the top in clear and conspicuous letters, in a separate envelope (but still attached to the application) to the Secretary's Office along with the Application.***

If you e-file your Application, separately mail any confidential information specifically identifying that you have e-filed the application. Be sure to specify the Applicant's name, and provide the e-filing confirmation page.

Once the application is reviewed and accepted as filed, the Commission will issue a secretarial letter instructing the Applicant to publish notice in local newspapers of general circulation and to serve (electronically if acceptable to recipient) the following:

- each city, borough, town, township, county and related planning office which is included whole or in part in the proposed service area;*
- a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment or disposal service to the public and whose service area abuts or is within 1 mile of the service area proposed in the application; and*
- the Department of Environmental Protection's central and regional offices.*