

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Application of Aqua Pennsylvania, Inc. : Docket No. A-2024-3049015**  
**(hereinafter referred to as “Aqua”, :**  
**“Company” or “Applicant”) pursuant to :**  
**Sections 1102 and 1329 of the Public Utility :**  
**Code for: :**

**(1) approval of the acquisition by Aqua of :  
the water system assets of the Municipal :  
Authority of the Borough of Greenville :  
 (“GWA”) situated within the Borough of :  
 Greenville, Hempfield Township, Sugar :  
 Grove Township, and West Salem Township, :  
 Mercer County, Pennsylvania; :**

**(2) approval of the right of Aqua to begin :  
to offer, render, furnish and supply water :  
service to the public in the Borough of :  
 Greenville, Hempfield Township, Sugar :  
 Grove Township, and West Salem Township, :  
 Mercer County, Pennsylvania; and :**

**(3) an order approving the acquisition :  
that includes the ratemaking rate base of the :  
GWA water system assets pursuant to :  
Section 1329(c)(2) of the Public Utility Code. :**

**Request for Approval of Contracts, :  
including Assignments of Contracts, between :  
Aqua and the GWA, Pursuant to Section 507 :  
of the Public Utility Code :**

**APPLICATION**

**To the Pennsylvania Public Utility Commission (“PUC” or the “Commission”):**

1. Applicant respectfully requests that the Commission issue an *Order* and *Certificates of Public Convenience* approving and addressing the items requested in this Application.

2. An **Application Filing Checklist** identifying topics addressed and the section, paragraph, and page number where they can be found is included with this Application.

**I. BACKGROUND**

3. The name and address of Applicant is:

Aqua Pennsylvania, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

4. The name, address, and contact information for Applicant’s counsel is:

Courtney L. Schultz, Esq.  
Kruti B. Patel, Esq.  
Saul Ewing LLP  
1500 Market Street  
Centre Square West, 38th Floor  
Philadelphia, PA 19102  
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5. Pursuant to Sections 1102 and 1329 of the Pennsylvania Public Utility Code, 66 Pa.C.S. §§ 1102 and 1329, Applicant hereby requests that the Commission: (1) approve Aqua’s acquisition of the water system assets of the GWA; (2) approve the right of Aqua to begin providing water service in the requested territory, as shown in the area outlined in red on the map attached hereto as **Exhibit A** (the “**Requested Territory**”);<sup>1</sup> and (3) include, in its Order approving the acquisition, the ratemaking rate base of the Acquired Assets as determined under Section 1329(c)(2) of the Public Utility Code, 66 Pa.C.S. § 1329(c)(2). As discussed in Section XI *infra*, Aqua also requests that the Commission, to the extent necessary, issue certificates for filing, pursuant to Section 507 of the

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<sup>1</sup> A CONFIDENTIAL facilities map is included with the Asset Inventory as addressed *infra*.

Public Utility Code, 66 Pa.C.S. § 507, for certain municipal contracts that Aqua has included in the Application.

6. The map of the Requested Territory includes a north arrow depicting map orientation, a graphic scale, the municipal boundaries of the Borough of Greenville (“**Greenville**”), Hempfield Township (“**Hempfield**”), Sugar Grove Township (“**Sugar Grove**”), and West Salem Township (“**West Salem**”) and identification and depiction of all private and public roads relative to the Requested Territory. A bearing and angle description of the Requested Territory is included on **Exhibit A**.<sup>2</sup> The Requested Territory is approximately 4.18 square miles (2,675 acres).

7. Aqua and the GWA have reached an agreement regarding the acquisition of the water system assets, as evidenced by the *Asset Purchase Agreement*, dated as of September 26, 2023, and attached hereto as **Exhibit B** (the “**Agreement**”).

## **II. AFFECTED ENTITIES**

8. Aqua is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania. Aqua is engaged in the water service business and furnishes water service to approximately 458,000 customer accounts, as reflected in documents already on file with the Commission. Aqua’s existing service territories cover various counties throughout Pennsylvania with water operations in Mercer County, including Aqua’s Western Division office in Sharon, Mercer County, Pennsylvania.

9. The GWA is a duly organized and validly existing municipal authority organized and existing under the Municipal Authorities Act of 1945. The GWA owns the water distribution and treatment system which provides drinking water service to approximately 2,731 customers in Greenville, Hempfield, Sugar Grove, and West Salem.

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<sup>2</sup> The Requested Territory map is being filed in PUBLIC and CONFIDENTIAL formats.

10. Applicant incorporates into this Application other information on file with the Commission that establishes the fact that Aqua is qualified to provide adequate public water service. Aqua will supplement this Application with all additional information the Commission may require. Balance Sheet and Income Statement reports from Aqua's financial system for calendar year 2024 are attached hereto as **Exhibit C**.

### **III. PLANT-IN-SERVICE**

11. Aqua will acquire the GWA water distribution and treatment system assets as defined in the Agreement (the "**Acquired Assets**"). The Acquired Assets are located in Greenville, Hempfield, Sugar Grove, and West Salem.

12. An Engineer's Assessment of the Acquired Assets, prepared by Entech Engineering, Inc. ("**Asset Inventory**"), is attached hereto as **Exhibit D**. The facilities maps included with the Asset Inventory, as Exhibits 1 and 3 thereto, are considered CONFIDENTIAL.

13. The Asset Inventory explains that the GWA distribution and treatment system has: (i) one water treatment plant ("**WTP**"); (ii) approximately 48 miles of distribution mains, in sizes ranging from 3/4 inches to 16 inches in diameter; (iii) one booster pump station; and (iv) five storage tanks.

14. A list of non-depreciable property is presented in Attachment 1 of the Asset Inventory. The GWA System has five parcels that have been classified as property held for future use included in the Asset Inventory.

15. All component facilities are installed. The approximate time of installation of component facilities is addressed in Attachment 1 of the Asset Inventory and in Mr. Steffy's Direct Testimony (Application **Exhibit Y**, Aqua Statement No. 3).

16. The GWA owns the WTP located in Greenville, which treats water for customers of the System. Pursuant to Pennsylvania Department of Environmental Protection ("**DEP**") Water

Allocation Permit issued on February 16, 1989, attached hereto as **Exhibit E**, GWA is authorized to withdraw up to 1.65 gallons per day (“**gpd**”) from the Shenango River. The WTP produced on average approximately 765,000 gpd in 2024 and is at an elevation (“**EL**”) between EL 937 and 946.

17. For customers of the GWA, wastewater service is provided by Aqua Pennsylvania Wastewater, Inc. (“**APW**”)<sup>3</sup> in Greenville and parts of Hempfield and West Salem. Wastewater service is also provided by Hempfield Township Municipal Authority (“**HTMA**”) in Hempfield and by West Salem Township Municipal Sewage Authority (“**WSTMSA**”) in West Salem. In addition, private septic systems serve parts of Hempfield, West Salem, and Sugar Grove.

18. Elevation of the GWA collection system and the service area varies:

EL 957 to EL 1,220 along the western boundary.

EL 933 to EL 1,190 along the southern boundary.

EL 946 to EL 1,190 along the northern boundary.

EL 1,037 to EL 1,268 along the eastern boundary.

19. The original cost, by year and major plant category, of the GWA’s used and useful plant in service is \$26,980,448 with a related calculated depreciation reserve of \$6,832,182.

20. Tentative journal entries to record the transaction are presented in Section IV.

#### **IV. ASSET PURCHASE AGREEMENT**

21. The Agreement is dated September 26, 2023. The purchase price is Eighteen Million Dollars (\$18,000,000).

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<sup>3</sup> APW acquired the wastewater system assets of the Greenville Sanitary Authority (“GSA”) pursuant to Commission approval. *See Application of APW, pursuant to 66 Pa. C.S.A. §§ 1102, 1329, and 507 for Approval of the Acquisition by APW of the GSA*, Docket No. A-2023-3041695, Opinion and Order dated December 20, 2024.

22. The purchase price is based on arm's length negotiations. Aqua and the GWA are not affiliated with each other.

23. Aqua will use short-term debt initially for the purchase of the Acquired Assets, with the expectation that the short-term debt will be converted to long-term debt and equity capital at a later date.

24. The water system assets to be transferred are the "Acquired Assets" and have the meaning specified in Section 2.01 of the Agreement. The Acquired Assets include the assets, properties and rights of the GWA used in the system and all water treatment, transportation, and distribution facilities, and all pipes, services, valves, hydrants, pumping stations, reservoirs, dams, storage tanks, improvements, fixtures, manholes, and pipelines and any billing and collections related assets necessary to run the system.

25. Acquired Assets also include the three contracts identified on Schedule 4.15 of the Agreement to which the GWA is a party (the "Assigned Contracts"). The Assigned Contracts will either be assigned at closing or Aqua will enter into new railroad crossing agreements with the railroad companies. The current contracts are attached hereto as **Exhibit F1**, **Exhibit F2**, and **Exhibit F3**, respectively:

F1: Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated June 4, 1952

F2: Easement Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated October 15, 1985

F3: Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated 1944

26. The Acquired Assets also include all Authorizations and Permits of, or held by, the GWA (to the extent transferrable to Aqua under applicable law), including all Authorizations and

Permits, which are environmental permits, other operating permits, and those items listed or described on Schedule 4.14 of the Agreement.

27. “Excluded Assets,” which are those assets not being transferred to Aqua, has the meaning specified in Section 2.02 of the Agreement, and the assets, properties, and rights set forth in Schedule 2.02(g) of the Agreement.

28. “Assumed Liabilities” has the meaning specified in Section 2.04(a) of the Agreement and includes all liabilities and obligations arising out of or relating to Aqua’s ownership or operation of the water system and the Acquired Assets on or after Closing.

29. The tentative journal entries to record the transfer in Aqua’s accounts are:

	Debit	Credit
Utility Plant Purchased	\$18,000,000	
Cash/Short Term Debt		\$18,000,000

**V. CUSTOMERS**

30. The GWA provides water service to approximately 2,731 customers, which are comprised of 2,401 residential, 251 commercial, 3 industrial, 21 public, and 55 private fire customers within the Requested Territory. The GWA also occasionally provides bulk water truck filing at the WTP under separate individual one-off agreements that are valid only for the single use.

31. Water gallons billed for customers within the GWA’s service area was approximately 145,085,000 gallons for 2024. A breakdown of gallons billed by customer class is presented in Mr. Steffy’s testimony.

32. There are 212 hydrants in the GWA system: 183 public hydrants and 29 private hydrants.

33. The GWA projects growth of 5 customers over the next five years within the GWA service territory.

34. All customers in the Requested Territory are metered.

**VI. RATES**

35. After Closing, Aqua will implement the GWA’s water rates in effect at Closing, as reflected on Schedule 7.04(a) of the Agreement. The GWA presently bills on a monthly basis to its customers. Aqua will continue to bill the GWA customers on a monthly basis. A schedule of rates tariff page implementing monthly rates for the GWA customers post-Closing is attached hereto as **Exhibit G**.

36. The GWA bills its customers a monthly service fee and a consumption charge per 1,000 gallons based on water usage, as shown below:

Meter Size	2025 Service Fee per unit	DEP Safe Drinking Water Fee
5/8”	\$22.59	\$0.30
5/8” X 3/4”	\$22.59	\$0.30
3/4”	\$37.64	\$0.30
1”	\$60.23	\$0.30
1 1/2”	\$127.03	\$0.30
2”	\$201.37	\$0.30
3”	\$403.65	\$0.30
4”	\$586.59	\$0.30
6”	\$1,540.48	\$0.30
Customers assigned more than one unit will be billed multiple service fees as designated by the Authority.		

Monthly Consumption Charges Block Rate, Per Thousand	
Volume Consumed	Cost per 1000 gallons
1,000 gallons or less	\$6.71
2,000 – 5,000 gallons	\$9.62
6,000 – 199,000 gallons	\$10.07
200,000 gallons or more	\$7.83
Consumption will be billed at the volumetric rate based on the customer’s total consumption within the bands shown above. Consumption will be truncated and billed based on the last full 1,000 gallons used. Any gallons between increments of 1,000 gallons that are not billed on the current bill will be recognized and accounted for in the following billing period.	

Private Fire Protection	
Private Hydrant	\$61.84
Sprinklers – 2” line	\$11.18
Sprinklers – 4” line	\$47.00
Sprinklers – 6” line	\$61.84
Sprinklers – 8” line	\$106.46

A copy of the GWA’s currently effective Rate Ordinance is attached hereto as **Exhibit H**. Aqua will not be implementing the DEP Safe Drinking Water Fee.

37. Upon Commission approval of this Application and completion of the proposed transaction, Aqua will begin to provide water service in its name to the customers in the Requested Territory. It will implement its *Rules and Regulations* to govern the provision of water service in the Requested Territory, as those *Rules and Regulations* are in effect from time to time for Aqua.

38. Copies of the notices that will be sent to customers of Aqua and to customers of the GWA describing the filing and the anticipated effect on rates are attached hereto as **Exhibit I1** and **Exhibit I2**.

**VII. COST OF SERVICE**

39. Copies of GWA’s Annual Financial Report for 2022 and 2023 are attached hereto as **Exhibit J1** and **Exhibit J2**, respectively. For the year ended December 31, 2023, the GWA had approximately \$6,713,192 of long-term debt, and the details of its long-term debt obligations are described in Note D in **Exhibit J2**.

40. Copies of the GWA’s Adopted Annual Budgets for 2024 and 2025 are attached hereto as **Exhibit J3** and **Exhibit J4**, respectively.

41. A copy of the GWA’s most recent annual report filed with the Department of Community and Economic Development is attached hereto as **Exhibit K**.

42. Aqua projects annual revenue of \$2,177,623 from the GWA customers based on the GWA's current rate schedule, calculated as follows:

<i>Address Type</i>	<i>Service</i>	<i>Billed Dollars</i>	<i>Monthly Meter Size Charge ^</i>	<i>Avg. Rate per Kgal*</i>	<i>Customers</i>	<i>Total Usage</i>
Residential	Water	\$1,516,269	\$23.02	\$9.72	2,400	87,793,000
<b>Domestic/Residential Total</b>		<b>\$1,516,269</b>			<b>2,400</b>	<b>87,793,000</b>
Commercial	Water	\$470,168	\$42.71	\$9.34	247	36,796,000
<b>Commercial Total</b>		<b>\$470,168</b>			<b>247</b>	<b>36,796,000</b>
Industrial	Water	\$84,725	\$397.20	\$8.00	3	8,805,000
<b>Industrial Total</b>		<b>\$84,725</b>			<b>3</b>	<b>8,805,000</b>
Public	Water	\$51,513	\$89.29	\$10.11	17	3,293,300
<b>Public Total</b>		<b>\$51,513</b>			<b>17</b>	<b>3,293,300</b>
Private Fire	Water	\$54,948	N/A	N/A	55	
<b>Bulk Total</b>		<b>\$54,948</b>			<b>55</b>	<b>0</b>
Other/Inactive	Water	\$0	N/A	N/A	9	8,398,000
<b>Bulk Total</b>		<b>\$0</b>			<b>9</b>	<b>8,398,000</b>
<b>Total Service Revenue</b>		<b>\$2,177,623</b>			<b>2,731</b>	<b>145,085,300</b>

\* Estimated Average Consumption Rate based upon billed gallons in 2024

^ Weighted Average Rate by Class & Meter Size

43. Aqua estimates annual operating and maintenance expenses of \$1,405,465 based on GWA's operating expenses presented in the 2023 financial statements, as adjusted by Aqua.

## VII. PROOF OF COMPLIANCE

44. Aqua will operate and manage the GWA water system as a standalone distribution system, but within Aqua's footprint, from its Western Division Office in Sharon, Pennsylvania with operations and management support from Aqua PA's Southeastern Division Office in Bryn Mawr, Pennsylvania. The system is approximately 14 miles from Aqua's Western Division Office. Jessica Micco will be the assigned Certified Water Operator for the System. Ms. Micco's currently effective Water Operator's License is attached hereto as **Exhibit L**.

45. The Public Water Supply ("PWS") Permits for the WTP and system are attached as **Exhibit M**. The National Pollution Discharge Elimination System ("NPDES") Permit for the WTP is attached hereto as **Exhibit N**, along with the GWA's NPDES permit renewal application. The Water Allocation Permit for the GWA system, as stated above is included in Exhibit E. Copies of Consumer Confidence Reports for 2019-2023, are attached hereto as **Exhibit N2**.

46. A list of violations ("NOVs") issued to the GWA are attached hereto as **Exhibit O**. Compliance was achieved by the GWA for each of these events. **Exhibit P is held for future use**.

47. Aqua is a Class A utility. It is in good standing with DEP and in general compliance with the DEP requirements with regard to the provision of water service.

48. The web address for the Greenville and Hempfield Joint Comprehensive Plan is: <https://greenvilleborough.com/joint-comprehensive-plan>. The web address for the Mercer County Comprehensive Plan is: <https://www.mcrpc.com/mercercountys-comprehensive-plan/>. Aqua is not requesting to extend the GWA's service territory beyond the existing plant footprint. West Salem does not have a comprehensive plan, and despite best efforts, Applicant was not able to obtain information from Sugar Grove as to whether it has a comprehensive plan or not.

49. Aqua has an existing operational presence and water professionals in close proximity to the Requested Territory. Aqua provides water service in Mercer County with Aqua's

Western Division office only 10 miles away from the Requested Territory. The acquisition will easily fold into Aqua’s existing water operations. A listing of Aqua’s nearby territories and facilities are as follows:

<b>Aqua Facilities</b>	<b>Location</b>	<b>Distance from the System</b>
Shenango Water System	Sharon, PA	10 miles
Lake Latonka (Water) System	Mercer, PA	12 miles
Western Division Office	Sharon, PA	14 miles

50. Aqua is not anticipating any physical, operational, or managerial changes at Aqua’s Southeastern Office as a result of the acquisition. Aqua also does not anticipate any physical, operation, or managerial changes at its Western Division Office. Aqua will be offering employment to 11 operational staff from GWA to address the day-to-day operations of the GWA system.

51. Planned capital improvements are addressed in Mr. Steffy’s Direct Testimony (Application **Exhibit AA**, Aqua Statement No. 3).

**VIII. AFFECTED PERSONS**

52. No corporation or entity, except the GWA, is now furnishing or has corporate or franchise rights to furnish water service in the Requested Territory. No competitive condition will be created by approval of this Application. Water and wastewater service providers abutting or within one mile of the Requested Territory are as follows:

- i. Within neighboring Hempfield, water service is provided by GWA, and private wells. Wastewater service is provided by HTMA, APW, and private septic systems.
- ii. Within neighboring West Salem, water service is provided by GWA, and private wells. Wastewater service is provided by WSTMSA, APW, and private septic systems.
- iii. Within neighboring Sugar Grove, water service is provided by private wells. Wastewater service is provided by private septic systems.

## **IX. REASONS SUPPORTING THIS APPLICATION**

53. Approval of this Application is necessary or proper for the service, accommodation, convenience or safety of the public. As summarized below and discussed further in the testimonies of Mr. Packer, Mr. Martin, Mr. Steffy, Mr. Nair, and Ms. Black which, as identified in Section X below, are attached hereto as **Exhibit Y**, **Exhibit Z**, **Exhibit AA**, **Exhibit BB**, and **Exhibit CC**:

- a. Aqua has the technical, regulatory, financial and legal fitness to operate the Acquired Assets of the GWA, and to maintain the operations and make improvements to meet continuing and future customer needs.<sup>4</sup> The proposed transaction will not have an adverse effect on the service provided to existing customers of Aqua;
- b. The GWA has agreed to sell its assets. The public interest and need will be served by allowing Aqua, in lieu of the GWA, to provide water service in the Requested Territory and to address the issues of regulatory requirements and capital expenditures. The GWA system will benefit from the support of water professionals throughout Aqua's organization;
- c. The acquisition is consistent with the Commission's long-standing policy supporting the consolidation/regionalization of water/wastewater systems. Through consolidation/regionalization, the utility industry has a better chance to realize the benefits of better management practices, economies of scale, and the resulting greater environmental/economic benefits. The Commission has previously stated that "acquisitions of smaller systems by larger more viable systems will likely improve the overall long-term viability of the water and

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<sup>4</sup> As a certificated provider of utility service, Aqua's fitness is presumed. *See Re Pennsylvania-American Water Company*, 85 PA PUC 548 (1995).

wastewater industry.”<sup>5</sup> The benefits of consolidation/regionalization, ultimately, inure to customers both existing and acquired;

- d. Aqua provides utility service to approximately 458,000 water customers and has years of experience operating water treatment and collection systems in a safe, reliable and efficient manner. Aqua has the managerial, technical, and financial resources to improve the operations of the GWA;
- e. In *McCloskey v. Pa. P.U.C.*, 195 A.3d 1055 (Pa. Cmwlth. 2018), *petition for allowance of appeal denied* No. 703 MAL 2018 (April 23, 2019), the Commonwealth Court held that Commission findings: (i) that Aqua, as the owner of numerous water and wastewater systems has sufficient operational expertise and ability to raise capital to support system operations; and (ii) that the Commission has a policy of consolidation/regionalization of wastewater system assets that allows for increased maintenance, upgrade and expansion of public sewer and water facilities, are substantial evidence, consistent with *Popowsky v. Pa. P.U.C.*, 937 A.2d 1040 (Pa. 2007), to support a conclusion that there is a public benefit to a transaction such as the one that is the subject of this proceeding;
- f. The acquisition of the GWA system will increase Aqua’s customer base by approximately 0.6%. With a larger customer base, future infrastructure investments, Statewide, will be shared at a lower incremental cost per customer for all Aqua customers; and
- g. The acquisition will not have any immediate impact on the rates of either existing customers of Aqua or the GWA. As discussed in the testimony of Mr. Packer and

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<sup>5</sup> Pennsylvania Public Utility Commission, Final Policy Statement on Acquisitions of Water and Wastewater Systems, Docket No. M-00051926, Final Order at 18 (Aug. 17, 2006).

presented in the Notice to customers, the increase in rate base may ultimately require an increase in revenue. The hypothetical impact on rates is outweighed by the recognized benefits of Aqua's ownership including its expertise and ability to raise capital; the furtherance of consolidation/regionalization of water services; and the spreading of costs over a larger customer base. Perhaps more significantly, the acquisition furthers the objective of the General Assembly with the enactment of Section 1329. While *McCloskey* concludes that rate impact should be addressed, it recognizes that it is not dispositive in the Commission's determination of substantial affirmative benefits.

**X. ADDITIONAL INFORMATION REQUIRED BY SECTION 1329 OF THE CODE AND THE COMMISSION'S 1329 CHECKLIST**

54. Aqua and the GWA have agreed to use the process presented in Section 1329 of the Code, 66 Pa. C.S. § 1329, to determine the fair market value of the Acquired Assets and the ratemaking rate base.

55. As required by Section 1329(d)(1)(i), copies of the Fair Market Value Appraisal Reports of the Utility Valuation Experts ("UVE") Gannett Fleming Valuation and Rate Consultants, LLC ("**Gannett**") and ScottMadden, Inc. ("**ScottMadden**") are attached hereto as **Exhibit Q** and **Exhibit R**, respectively. Confidential and Proprietary Work Paper Files, in Excel Format, of Gannett and ScottMadden are provided with the Application. Aqua's verified statement that it selected Gannett as its UVE is attached hereto as **Exhibit S1**. The GWA's verified statement that it selected ScottMadden as its UVE is attached hereto as **Exhibit S2**.

56. Applicant states that the purchase price of the Acquired Assets of the selling utility as agreed to by Aqua and the GWA is \$18,000,000.

57. The ratemaking rate base determined pursuant to Section 1329(c)(2) of the Public Utility Code is \$18,000,000, being the lesser of the purchase price of \$18,000,000 negotiated by Aqua and the GWA and the average of the fair market value appraisals which is \$26,879,745 – determined by \$33,246,833 presented in the appraisal of Gannett and \$20,512,657 presented in the appraisal of ScottMadden.

58. The Company is not requesting a deviation from the default weightings established in the Commission’s July 2, 2024 Final Supplemental Implementation Order (“**2024 FISO**”).

59. Aqua will incur transaction and closing costs of approximately \$359,019, which it will include in its rate base.

60. A schedule of rates tariff page implementing rates equal to the rates of the GWA at the time of closing is attached hereto as **Exhibit G**, as previously stated.

61. Applicant verifies that Gannett was selected by Aqua, the acquiring public utility, and that ScottMadden was selected by the GWA, the selling municipal authority.

62. The UVEs were paid \$73,030 for the completed Fair Market Value Appraisal Reports. Documentation of the fees paid to Gannett and ScottMadden, including the valuation service agreements and all associated invoices, are attached hereto as **Exhibit T1** and **Exhibit T2**, respectively. Fees paid to the UVEs did not exceed 5% of the fair market value of the selling utility.

63. Statements of Gannett and of ScottMadden verifying that they have no affiliation with Aqua or the GWA as specified in Section 1329; that their Appraisals determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of their report, employing the cost, market and income

approaches; and that they applied applicable jurisdictional exceptions to their submitted Appraisal are attached hereto as **Exhibit U1** and **Exhibit U2**, respectively.

64. GWA Statement No. 1, the Direct Testimony of Thomas Strahler, GWA Chairman, in support of the Application is attached hereto as **Exhibit V**.

65. GWA Statement No. 2, the Direct Testimony of Jasson Urey, Greenville Manager, in support of the Application is attached here to as **Exhibit W**.

66. GWA Statement No. 3, the Direct Testimony of Dylan W. D'Ascendis, in support of the ScottMadden Appraisal, is attached hereto as **Exhibit X**.

67. Aqua Statement No. 1, the Direct Testimony of William C. Packer, in support of this Application, is attached hereto as **Exhibit Y**.<sup>6</sup>

68. Aqua Statement No. 2, the Direct Testimony of Zach Martin, in support of this Application, is attached hereto as **HIGHLY CONFIDENTIAL Exhibit Z**.

69. Aqua Statement No. 3, the Direct Testimony of Scott Steffy, in support of this Application, is attached hereto as **Exhibit AA**.

70. Aqua Statement No. 4, the Direct Testimony of Sumit Nair, in support of this Application, is attached hereto as **HIGHLY CONFIDENTIAL Exhibit BB**.

71. Aqua Statement No. 5, the Direct Testimony of Rita Black, in support of this Application, is attached hereto as **Exhibit CC**.

72. Aqua Statement No. 6, the Direct Testimony of Harold Walker, III, in support of the Gannett Appraisal, is attached hereto as **Exhibit DD**.

73. Answers to the Section 1329 Application Standard Data Requests are attached hereto as **Exhibit EE**.

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<sup>6</sup> Electronic workpapers of Appendix A to Aqua Statement No. 1 are being submitted to the Commission under CONFIDENTIAL cover.

74. The Verification of William C. Packer stating that the Company did not provide GWA with estimated rates and supporting documentation prior to execution of the Agreement as described in the Commission's 2024 FSIO, because the Agreement was executed prior to the Commission issuing its 2024 FSIO, is attached hereto as **Exhibit FF**.

75. The Verification of Thomas Strahler stating that (1) the GWA is aware of the potential rate impacts the transaction may have on the GWA customers, including overall dollar and percentage rate impacts implicated from stand-alone rates that recover Aqua's estimated annual gross revenue requirement for the acquired system from the GWA customers and (2) that the GWA understands that the Commission may shift rate allocations in a manner that is different from the any commitments made in the underlying Application, is attached hereto as **Exhibit GG**.

76. The Verification of William C. Packer stating that the Company understands that the Commission may shift rate allocations in a manner that is different from the any commitments made in the underlying Application, is attached hereto as **Exhibit HH**

77. The Verification of Thomas Strahler stating that (i) the Agreement was executed prior to the Commission issuing its 2024 FSIO, but that two public meetings were held, one on January 31, 2023, where the Company presented to GWA regarding the Proposed Transaction, and one on April 12, 2023, where the GWA Board voted to pursue the sale; and (ii) the Agreement was discussed at two public meetings, one on August 9, 2023 and one on September 13, 2023, is attached hereto as **Exhibit II**.

#### **XI. SECTION 507 APPROVAL OF ASSIGNMENT OF CONTRACTS**

78. Section 507 of the Code, 66 Pa.C.S. § 507, provides that, except for contracts between a public utility and a municipal corporation to furnish service at tariff rates, no contract or agreement between a public utility and a municipal corporation shall be valid unless filed with the Commission at least 30 days prior to its effective date.

79. Aqua requests that the Commission, to the extent necessary, issue certificates for filing, pursuant to Section 507, for the following contracts, which will be assigned or new agreements entered into by Aqua at with the railroad companies.

- i. F1: Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated June 4, 1952
- ii. F2: Easement Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated October 15, 1985
- iii. F3: Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated 1944

**XII. OTHER APPROVALS, CERTIFICATES, REGISTRATIONS AND RELIEF, IF ANY**

80. Aqua asks that the Commission issue such other approvals, certificates, registrations and relief, if any, that may be required with respect to Aqua's acquisition of the Acquired Assets.

**XIII. CONCLUSION**

**WHEREFORE**, Aqua requests that the Commission approve this Application, filed pursuant to Sections 1102, 1329, and 507 of the Public Utility Code, and:

- a. Issue *Certificates of Public Convenience* under §1102 of the Code:
  - (1) Authorizing Aqua to acquire, by purchase, the water system assets of the GWA; and
  - (2) Authorizing Aqua to begin to offer, render, furnish and supply water service to the public in the Requested Territory covered by this Application.
- b. Authorize Aqua to file tariff revisions, effective upon one day's notice, to:
  - (1) Include within its territory all the Requested Territory covered by this Application;
  - (2) Adopt and apply the GWA's rates as set forth in this Application as Aqua's Base Rates within the Requested Territory; and
  - (3) Apply Aqua's *Rules and Regulations* within the Requested Territory.

- c. Enter an *Order* approving this Application and Aqua's acquisition of the Acquired Assets and, as part of that *Order* include the ratemaking rate base of the GWA as \$18,000,000 pursuant to Section 1329(c)(2) of the Code;
- d. Approve the Agreement between Aqua and the GWA and the Assigned Contracts pursuant to Section 507 of the Public Utility Code; and
- e. Issue such other approvals, certificates, registrations and relief, if any, under the Code that may be required with respect to Aqua's acquisition of the Acquired Assets.

Respectfully submitted,

**AQUA PENNSYLVANIA, INC.**

By: 

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*Counsel for Aqua Pennsylvania, Inc.*

Date: April 25, 2025

## VERIFICATION

I, William C. Packer, Vice President, Rates, Regulatory and Regional Controller of Aqua Pennsylvania, Inc., hereby state that the facts set forth in the foregoing Application of Aqua Pennsylvania, Inc., pursuant to Sections 1102, 1329, and 507 of the Public Utility Code, for approvals and an order relating to the acquisition of the water system assets of the Municipal Authority of the Borough of Greenville are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



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William C. Packer  
Vice President, Rates, Regulatory  
and Regional Controller  
Aqua Pennsylvania, Inc.

Dated: April 25, 2025