



Erin K. Fure

Director, Corporate Counsel

852 Wesley Drive | Mechanicsburg, PA 17055

Phone: 717-550-1556 | Fax: 717-550-1255

erin.fure@amwater.com

June 16, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

In re: Joint Application of Pennsylvania-American Water Company and Corner Water Supply and Service Corporation Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to Pennsylvania-American Water Company, by sale, of all property of Corner Water Supply and Service Corporation used and useful in the public service; (2) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in portions of Elk and Paint Townships in Clarion County, Pennsylvania, and (3) the abandonment by Corner Water Supply and Service Corporation of all water service

Docket No. A-2025-3052745 & A-2025-3052747

Dear Secretary Homsher:

On behalf of Pennsylvania-American Water Company, I am filing the attached **Joint Petition for Approval of Unanimous Settlement of All Issues** between Pennsylvania-American Water Company, Corner Water Supply and Service Corporation, Office of Small Business Advocate and the Office of Consumer Advocate.

Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "EK Fure".

Erin K. Fure

cc: The Honorable Emily I. DeVoe (*via electronic mail*)
All Parties on the attached Certificate of Service (*via electronic mail*)

Respectfully Submitted,



Erin K. Fure, Esquire (PA ID #312245)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Phone: (717) 550-1574
Email: erin.fure@amwater.com

**Attorney for *Pennsylvania-American
Water Company***

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Honorable Administrative Law Judge
Emily I. DeVoe**

In re: Joint Application of Pennsylvania-	:	
American Water Company and Corner	:	
Water Supply and Service Corporation	:	
Pursuant to Section 1102 of the Public	:	Docket Nos. A-2025-3052745
Utility Code, for approval of (1) the	:	A-2025-3052747
transfer to Pennsylvania-American Water	:	
Company, by sale, of all property of	:	
Corner Water Supply and Service	:	
Corporation used and useful in the public	:	
service; (2) the right of Pennsylvania-	:	
American Water Company to begin to	:	
offer, render, furnish and supply water	:	
service to the public in portions of Elk and	:	
Paint Townships in Clarion County,	:	
Pennsylvania, and (3) the abandonment by	:	
Corner Water Supply and Service	:	
Corporation of all water service	:	

**JOINT PETITION FOR APPROVAL OF UNANIMOUS
SETTLEMENT OF ALL ISSUES**

Pennsylvania-American Water Company (“PAWC”), Corner Water Supply and Service Corporation (“Corner Water”), the Office of Consumer Advocate (“OCA”), and the Office of Small Business Advocate (“OSBA”) (singularly, a “Petitioner” and, collectively, the “Joint Petitioners”) hereby join in this “Joint Petition for Approval of Settlement of All Issues” (“Settlement”) and respectfully request that the Honorable Administrative Law Judge (“ALJ”) Emily I. DeVoe recommend approval of, and the Pennsylvania Public Utility Commission (“Commission”) approve, this Settlement without modification.

In support of the Settlement, the Joint Petitioners state the following:

I. PROCEDURAL HISTORY

1. On September 25, 2024, PAWC and Corner Water entered into an Asset Purchase Agreement (“APA”) by which PAWC agreed to purchase all of the assets, properties, and rights of Corner Water’s water system , other than the Excluded Assets as defined in Section 1.4 of the APA.

2. On December 31, 2024, PAWC and Corner Water filed a joint application (“Application”) asking the Commission to approve the transfer, by sale, to PAWC, of all property and rights of Corner Water used or useful in the public service in accordance with the APA under Section 1102(a) of the Public Utility Code, 66 Pa C.S. § 1102(a). In the Application, PAWC also requested the Commission to grant PAWC the right to offer or furnish water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania that are currently served by Corner Water and for Corner Water to abandon water service to those portions of the public it currently serves.

3. On January 17, 2025, Rebecca Lyttle, Esquire on behalf of the OSBA filed a Notice of Appearance in this proceeding.

4. On January 28, 2025, the OSBA, filed a Protest, Notice of Intervention, Public Statement and Verification in this proceeding.

5. On January 29, 2025, the OSBA filed an Amended Protest, Amended Notice of Intervention, and Amended Public Statement in this proceeding.

6. On February 4, 2025, the Bureau of Technical Utility Services (“TUS”) issued TUS Data Request Sets 1 and 2.

7. On February 3, 2025, PAWC filed its Proof of Publication and Certificate of Service showing all affected municipalities and entities were served with the Application.

8. On February 13, 2025, a Call-In Prehearing Conference Notice was issued scheduling a prehearing conference for February 19, 2025 before ALJ Emily DeVoe at 11:00 a.m.

9. On February 13, 2025, Steven Gray, Esquire filed a Notice of Appearance as additional counsel on behalf of the OSBA.

10. On February 13, 2025, PAWC submitted a request for a ten day extension to respond to TUS Data Request Sets 1 and 2.

11. On February 14, 2025, the OCA filed a Notice of Intervention, Protest *Nunc Pro Tunc*, and a Public Statement.

12. On February 18, 2025, a Prehearing Conference Order was issued by ALJ DeVoe.

13. On February 19, 2025, a Call-In Prehearing Conference was held at which time the Joint Petitioners requested that, in lieu of setting a litigation schedule, a status conference be held in approximately forty-five days.

14. On February 19, 2025, a Telephonic Status Conference Notice was issued scheduling a status conference for April 8, 2025.

15. By Interim Order dated February 21, 2025, ALJ DeVoe granted consolidation and ordered that the OCA Protest shall be treated as if timely filed.

16. On February 21, 2025, PAWC and Corner Water filed replies to TUS Data Requests Sets 1 and 2.

17. On February 21, 2025, PAWC and Corner Water jointly filed a Petition for Protective Order. A Protective Order was issued on February 25, 2025.

18. On April 8, 2025, an In-Person Evidentiary Hearing Notice was issued scheduling an evidentiary hearing for July 23 and 24, 2025.

19. On April 9, 2025, ALJ DeVoe issued a Prehearing Order establishing a litigation schedule.

20. On April 28, 2025, PAWC and Corner Water served direct testimony.

21. On May 13, 2025, the Joint Petitioners contacted ALJ DeVoe to inform her that a full, unanimous settlement had been reached and requested to suspend the litigation schedule to allow the Joint Petitioners to submit a Joint Petition for Settlement and Joint Stipulation of Fact within thirty days.

22. On May 14, 2025, ALJ DeVoe granted the Joint Petitioners' request, suspended the litigation schedule, and directed that the Joint Petitioners submit a fully executed Joint Petition for Settlement and Joint Stipulation of Fact within thirty days.

II. SETTLEMENT TERMS

The Joint Petitioners agree as follows:

A. Approval of Application

23. The Joint Petitioners agree that the Commission should approve the Joint Application, as modified by this Settlement. More specifically, the Joint Petitioners agree that the Commission should:

A. Grant PAWC's request for certificate of public convenience authority to (1) acquire Corner Water's water system assets (the "System") (the acquisition is referred to herein as the "Transaction"); and (2) to begin to offer, render, furnish or supply water service in the areas served by Corner Water.

B. Grant Corner Water's request for certificate of public convenience authority to abandon service to its customers subject to the condition that the closing of the Transaction occurs.

C. Grant any other approvals or certificate of public convenience authority that are appropriate, customary, or necessary under the Public Utility Code to carry out the Transaction contemplated in the Application in a lawful manner.

B. Closing

24. If PAWC and Corner Water decide to close on the Transaction in accordance with their respective contractual rights and obligations under the APA, as amended, the closing will not take place sooner than the date of the existence of a final, unappealable order of the Commission approving the Application. If the closing occurs, promptly after the closing date, PAWC and Corner Water will file a joint letter in the docket evidencing that the closing occurred and the date it occurred and serve such letter on the statutory advocates.

25. If PAWC and Corner Water elect not to close on the Transaction, promptly after the date the decision was made not to close the Transaction, (a) PAWC will file a letter in this docket and serve it on the parties to this proceeding explaining the reasons why the Transaction would not be consummated notwithstanding the existence of a final, unappealable order of the Commission approving the Application; and (b) Corner Water will file a letter in the docket stating its intention to continue to serve its customers.

C. System Enhancement Commitments

26. PAWC will interconnect and integrate the System into PAWC's Clarion regional water system as soon as reasonably possible following the closing date but no later than within

eighteen (18) months following the date of the Pennsylvania Department of Environmental Protection's ("DEP") issuance of the permit for the interconnect construction.

27. Within five (5) years of the closing date, PAWC will replace all meters within the System.

28. As part of its integration of the System with PAWC's Clarion regional water system, PAWC will install SCADA improvements to allow for continuous, remote monitoring of the System. The time-frame for the installation of SCADA improvements will correspond with the time-frame for the integration and tie-in of the System to PAWC's Clarion regional water system as established in paragraph 26 above.

29. As soon as reasonably possible following the closing date but no later than twelve (12) months following closing date, PAWC will complete a thorough review of the System's security matters. Necessary upgrades identified in the review to improve safety and security will be implemented as soon as reasonably possible but no later than three (3) months from the date the necessary upgrades were identified.

30. As soon as reasonably possible following the closing date but no later than twelve (12) months following closing date, PAWC will ensure uninterrupted power is available to critical infrastructure within the System.

31. PAWC will investigate the feasibility of applying for a PENNVEST grant or loan for all eligible system improvements relating to the enhancements described in paragraphs 26 through 30 above and any other upgrade identified in PAWC's tentative five-year plan for upgrades to the Corner Water system totaling over four million, three hundred thousand (\$4,300,000.00) dollars (*see*, PAWC's Attachment A-8-a to TUS Set 1 in this proceeding) and will agree to share information relating to such investigation with the OCA in its next rate case.

D. Tariff

32. The *pro forma* water tariff supplement attached as **Appendix D** to the Settlement should be permitted to become effective immediately upon the closing date.

33. In addition, PAWC should be authorized to implement on customer bills for the formerly Corner Water customers all other miscellaneous fees and charges (for example, a turn on fee at time of service reconnection), and the rules and regulations regarding conditions of PAWC's water service, as reflected in PAWC's prevailing water tariff, effective at and after the closing date.

E. Distribution System Improvement Charge ("DSIC")

34. The DSIC provisions of PAWC's effective water tariff will apply to the former Corner Water customers in the System no sooner than the effective date of new rates established by a final order in the first base rate case in which the System is included. Additionally, PAWC will not seek to recover investments in the System in its DSIC until PAWC applies the DSIC to System customers.

F. Rates

35. PAWC will adopt Corner Water's existing Commission-approved base rates, which shall become effective at the time of the closing date. The Transaction will have no immediate effect on the base rates for water service to be charged to PAWC's and Corner Water's existing customers, except for the miscellaneous fees and charges that are permitted to be charged to the former Corner Water customers in accordance with PAWC's tariff and paragraph 33 above. Base rates for the Corner Water customers will not change until the effective date of new rates established by a final order in the first base rate case in which the System is included.

36. Except as explicitly agreed upon in this Settlement, nothing contained herein or in the Commission's approval of the Application shall preclude any Joint Petitioner from asserting any position or raising any issue in other PAWC proceedings. This includes, but is not limited to, the rights of OCA and OSBA to address and make other proposals for System rate base and rates in PAWC's future rate cases, appeals, and remands.

37. Any claim by PAWC to recover Transaction and closing costs associated with the acquisition of the System will not include costs incurred by Corner Water. OCA and OSBA reserve their rights to challenge the reasonableness, prudence, and basis for PAWC's Transaction and closing cost claims in the rate filing where they are claimed.

G. Low Income Program Outreach

38. Within the first billing cycle following the closing date, PAWC shall provide a bill insert to System customers regarding PAWC's low-income programs (including but not limited to Bill Discount and Arrearage Management) and customer payment arrangement programs. The bill insert shall include, at a minimum, a description of the available low-income programs, eligibility requirements for participation in the programs, and PAWC's, OCA's and OSBA's contact information. PAWC, OCA, and OSBA agree to discuss the specific language and placement of contact information after the submission of this Settlement but before the finalization of the bill insert.

39. Within the first thirty (30) days of the closing date, PAWC shall provide a welcome letter to System customers that includes information about bill payment options; identifies locations where customers can pay in-person for no additional fee, which are reasonably proximate to the areas served by the System; provides the information listed in Paragraph 38 above about the Company's low-income programs and customer payment arrangement programs; and identifies

resources promoting water efficiency. PAWC will track and report to the OCA the number of formerly Corner Water customers who signed up for PAWC's low-income program after six-months or at the next low-income collaborative meeting, whichever is sooner. PAWC will track and report to OSBA the number of formerly Corner Water commercial customers who received a commercial payment arrangement after six-months or at the next low-income collaborative meeting, whichever is sooner.

H. Commercial Payment Arrangements

40. Effective on the closing date, the System's commercial customers will be eligible to seek participation in PAWC's formal program for payment arrangements for commercial customers. The formal program offers a standard six (6) month payment plan to payment-troubled commercial customers, which can be extended on a case-by-case basis by PAWC in its discretion. PAWC will maintain a written internal policy of this formal program for payment arrangements for commercial customers going forward.

I. Procedural Conditions

41. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in the Settlement without modification. If the Commission modifies the Settlement, any Petitioner may elect to withdraw from the Settlement and may proceed with litigation and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Joint Petitioners within five (5) business days after the entry of an Order modifying the Settlement. The Joint Petitioners acknowledge and agree that the Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding.

42. This Settlement is proposed by the Joint Petitioners to settle all issues in the instant proceedings. If the Commission does not approve the Settlement and the proceedings continue,

the Joint Petitioners reserve their respective procedural rights, including the right to present additional testimony and to conduct full cross-examination, briefing and argument. The Settlement is made without any admission against, or prejudice to, any position which any Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

43. The Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any Petitioner's position with respect to any issues raised in these proceedings. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

44. To the extent possible, the Joint Petitioners shall jointly prepare and submit a Joint Stipulation of Proposed Findings of Fact, Proposed Conclusions of Law, and Proposed Ordering Paragraphs that the parties reasonably believe are sufficient to support a finding by the Commission that the Settlement is in the public interest.

45. Each Petitioner shall prepare a Statement in Support of Settlement setting forth the bases upon which the Petitioner believes the Settlement to be in the public interest.

46. If the ALJ recommends approval of the Settlement without modification, the Joint Petitioners agree to not file Exceptions as it relates to such recommended approval

III. REQUEST FOR RELIEF

WHEREFORE, Pennsylvania-American Water Company, Corner Water Supply and Service Corporation, the Office of Consumer Advocate, and the Office of Small Business Advocate, by their respective counsel, respectfully request:

(1) That the Honorable Administrative Law Judge Emily I. DeVoe recommend approval of, and the Pennsylvania Public Utility Commission approve, this Joint Petition for Approval of

Settlement of All Issues as submitted, including all terms and conditions thereof, without modification. These terms and conditions include, but are not limited to, the following:

a. If Pennsylvania-American Water Company and Corner Water Supply and Service Corporation decide to close on the transaction in accordance with their respective contractual rights and obligations under the Asset Purchase Agreement, as amended, the closing will not take place sooner than the date of the existence of a final, unappealable order of the Pennsylvania Public Utility Commission approving the Application. If the closing occurs, promptly after the closing date, Pennsylvania-American Water Company and Corner Water Supply and Service Corporation will file a joint letter in the docket evidencing that the closing occurred and the date it occurred and serve such letter on the statutory advocates.

b. If Pennsylvania-American Water Company and Corner Water Supply and Service Corporation elect not to close on the transaction, promptly after the date the decision was made not to close the transaction, (a) Pennsylvania-American Water Company will file a letter in this docket and serve it on the parties to this proceeding explaining the reasons why the transaction would not be consummated notwithstanding the existence of a final, unappealable order of the Commission approving the Application; and (b) Corner Water Supply and Service Corporation will file a letter in the docket stating its intention to continue to serve its customers.

c. Pennsylvania-American Water Company will interconnect and integrate Corner Water Supply and Service Corporation's water system assets into Pennsylvania-American Water Company's Clarion regional water system as soon as reasonably possible following the closing date but no later than within eighteen (18) months following the date of the Pennsylvania Department of Environmental Protection's issuance of the permit for the interconnect construction.

d. Within five (5) years of the closing date, Pennsylvania-American Water Company will replace all meters within Corner Water Supply and Service Corporation's water system assets.

e. As part of its integration of Corner Water Supply and Service Corporation's water system assets with PAWC's Clarion regional water system, Pennsylvania-American Water Company will install SCADA improvements to allow for continuous, remote monitoring. The time-frame for the installation of SCADA improvements will correspond with the time-frame for the integration established in the preceding paragraphs.

f. As soon as reasonably possible following the closing date, but no later than twelve (12) months following closing date, Pennsylvania-American Water Company will complete a thorough review of Corner Water Supply and Service Corporation's water system assets' security matters. Necessary upgrades identified in the review to improve safety, and security will be implemented as soon as reasonably possible but no later than three months from the date the necessary upgrades were identified.

g. As soon as reasonably possible following the closing date but no later than twelve (12) months following closing date, Pennsylvania-American Water Company will ensure uninterrupted power is available to critical infrastructure within Corner Water Supply and Service Corporation's water system assets.

h. Pennsylvania-American Water Company will investigate the feasibility of applying for a PENNVEST grant or loan for all eligible system improvements relating to the enhancements described in the above paragraphs and identified in the its tentative five-year plan for upgrades to Corner Water Supply and Service Corporation's water system assets totaling over four million three hundred thousand (\$4,300,000.00) dollars and will share information relating to such investigation with the Office of Consumer Advocate in its next rate case.

i. The *pro forma* water tariff supplement attached as **Appendix D** to the Joint Petition for Settlement should be permitted to become effective immediately upon the closing date.

j. In addition, Pennsylvania-American Water Company should be authorized to implement on customer bills for the formerly Corner Water Supply and Service Corporation customers all other miscellaneous fees and charges (for example, a turn on fee at time of service reconnection), and the rules and regulations regarding conditions of Pennsylvania-American Water Company's water service, as reflected in its prevailing water tariff, effective at and after the closing date.

k. The Distribution System Improvement Charge provisions of Pennsylvania-American Water Company's effective water tariff will apply to the former Corner Water Service and Supply Corporation customers no sooner than the effective date of new rates established by a final order in the first base rate case in which the water system assets are included. Additionally, Pennsylvania-American Water Company will not seek to recover investments in the Corner Water Supply and Service Corporation's water system assets in its Distribution System Improvement Charge until Pennsylvania-American Water Company applies the Distribution System Improvement Charge to Corner Water Supply and Service Corporation's former customers.

l. Pennsylvania-American Water Company will adopt Corner Water Supply and Service Corporation's existing Commission-approved base rates, which shall become effective at the time of the closing date. The transaction will have no immediate effect on the base rates for water service to be charged to Pennsylvania-American Water Company and Corner Water Supply and Service Corporation's existing customers, except for the miscellaneous fees and charges that are permitted to be charged to the former Corner Water Supply and Service Corporation customers in accordance with Pennsylvania-American Water Company's tariff and paragraphs above. Base

rates for the Corner Water Supply and Service Corporation customers will not change until the effective date of new rates established by a final order in the first base rate case in which the system is included.

m. Except as explicitly agreed upon in the Settlement, nothing contained herein or in the Commission's approval of the Application shall preclude any Joint Petitioner from asserting any position or raising any issue in other Pennsylvania-American Water Company's proceedings. This includes, but is not limited to, the rights of Office of Consumer Advocate and Office of Small Business Advocate to address and make other proposals for system rate base and rates in Pennsylvania-American Water Company's future rate cases, appeals, and remands.

n. Any claim by Pennsylvania-American Water Company to recover transaction and closing costs associated with the acquisition of the Corner Water Supply and Service Corporation's water system assets will not include costs incurred by Corner Water Supply and Service Corporation. The Office of Consumer Advocate and the Office of Small Business Advocate reserve their rights to challenge the reasonableness, prudence, and basis for Pennsylvania-American Water Company's transaction and closing cost claims in the rate filing where they are claimed.

o. Within the first billing cycle following the closing date, Pennsylvania-American Water Company shall provide a bill insert to Corner Water Supply and Service Corporation's former customers regarding Pennsylvania-American Water Company's low-income programs (including but not limited to Bill Discount and Arrearage Management) and customer payment arrangement programs. The bill insert shall include, at a minimum, a description of the available low-income programs, eligibility requirements for participation in the programs, and the contact information for Pennsylvania-American Water Company, the Office of Consumer Advocate and the Office of Small Business Advocate. Pennsylvania-American Water Company, the Office of

Consumer Advocate, and the Office of Small Business Advocate agree to discuss the specific language and placement of contact information after the submission of this settlement but before the finalization of the bill insert.

p. Within the first thirty (30) days of the closing date, Pennsylvania-American Water Company shall provide a welcome letter to Corner Water Supply and Service Corporation's former customers that includes information about bill payment options; identifies locations where customers can pay in-person for no additional fee, which are reasonably proximate to the areas served by the system; provides the information listed in the paragraph above about the Pennsylvania-American Water Company's low-income programs and customer payment arrangement programs; and identifies resources promoting water efficiency. Pennsylvania-American Water Company will track and report to the Office of Consumer Advocate the number of former customers of Corner Water Supply and Service Corporation who signed up for Pennsylvania-American Water Company's low-income program after six (6) months or at the next low-income collaborative meeting, whichever is sooner. Pennsylvania-American Water Company will track and report to the Office of Small Business Advocate the number of former Corner Water Supply and Service Corporation commercial customers who received a commercial payment arrangement after six (6) months or at the next low-income collaborative meeting, whichever is sooner.

q. Effective on the closing date, the former Corner Water Supply and Service Corporation commercial customers will be eligible to seek participation in Pennsylvania-American Water Company's formal program for payment arrangements for commercial customers. The formal program offers a standard six-month payment plan to payment-troubled commercial customers, which can be extended on a case-by-case basis by Pennsylvania-American Water

Company in its discretion. Pennsylvania-American Water Company will maintain a written internal policy of this formal program for payment arrangements for commercial customers going forward.

(2) That the Application filed by Pennsylvania-American Water Company and Corner Water Supply and Service Corporation in this matter on December 31, 2024, as amended by the Settlement, be approved.

(3) That the Commission issue Certificates of Public Convenience under 66 Pa. C.S. §§ 1102(a) and 1103(a) evidencing Commission approval of (a) the transfer to Pennsylvania-American Water Company, by sale, of all property and rights of Corner Water Supply and Service Corporation used or useful in the public service in accordance with the Asset Purchase Agreement; (b) the commencement of Pennsylvania-American Water Company of water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania currently served by Corner Water Supply and Service Corporation; and (c) the abandonment by Corner Water Supply and Service Corporation of all water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania.

(4) That the Commission shall issue any other approvals or certificates appropriate, customary or necessary under the Pennsylvania Public Utility Code to carry out the transactions contemplated in the Application in a lawful manner.

[Signatures appear on next page.]

Respectfully submitted,



/s/ Melanie Joy El Atieh

Melanie Joy El Atieh, Deputy Consumer Advocate
Ryan Morden, Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
Email: MElAtieh@paoca.org
Email: Rmorden@paoca.org

On behalf of the Office of Consumer Advocate

/s/ Rebecca Lyttle

Steven C. Gray, Esquire, Senior Attorney
Assistant Small Business Advocate
Rebecca Lyttle, Esquire
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
(717) 783-2525
Email: sgray@pa.gov
Email: relyttle@pa.gov

On behalf of the Office of Small Business Advocate

Erin K. Fure, Esquire (PA ID #312245)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Phone: (717) 550-1556
Email: erin.fure@amwater.com

On behalf of Pennsylvania-American Water Company



Eric E. Cummings, Esquire (PA ID #206194)
THE CUMMINGS LAW FIRM, LLC
207 E. Market St.,
Clearfield, PA 16830
Phone: (814) 205-4061
Email: eecummings@clfdlaw.com

On behalf of Corner Water Supply and Service Corporation

List of Attachments

- A. Joint Proposed Findings of Fact
- B. Joint Proposed Conclusions of Law
- C. Joint Proposed Ordering Paragraphs
- D. *Pro Forma* Tariff Supplement
- E. Statement in Support of Pennsylvania-American Water Company
- F. Statement in Support of Corner Water Supply and Service Corporation
- G. Statement in Support of the Office of Consumer Advocate
- H. Statement in Support of the Office of Small Business Advocate

APPENDIX A. Joint Proposed Findings of Fact

APPENDIX A
PROPOSED FINDINGS OF FACT

1. The parties incorporate by reference, and adopt as their Joint Proposed Findings of Fact, the facts stated in Appendix A to the Joint Stipulation of Facts.

APPENDIX B. Joint Proposed Conclusions of Law

Joint Proposed Conclusions of Law

1. The Pennsylvania Public Utility Commission (“Commission”) has jurisdiction over the subject matter of, and the parties to, these proceedings.

2. Pennsylvania-American Water Company (“PAWC”) and Corner Water Supply and Service Corporation (“Corner Water”) (collectively, “Joint Applicants”), as the joint applicants, have the burden of proof in these proceedings. 66 Pa. C.S. § 332(a).

3. The “burden of proof” is composed of two distinct burdens: the burden of production and the burden of persuasion. *Hurley v. Hurley*, 754 A.2d 1283 (Pa. Super. 2000). The burden of production, also called the burden of producing evidence or the burden of coming forward with evidence, determines which party must come forward with evidence to support a particular proposition. The burden of production goes to the legal sufficiency of a party’s case. Having passed the test of legal sufficiency, the party with the burden of proof must then bear the burden of persuasion to be entitled to a verdict in its favor. “[T]he burden of persuasion never leaves the party on whom it is originally cast, but the burden of production may shift during the course of the proceedings.” *Riedel v. County of Allegheny*, 633 A.2d 1325, 1328 n. 11 (Pa. Cmwlth. 1993).

4. To establish a sufficient case and satisfy its burden of proof, the Joint Applicants’ evidence must be more convincing, by even the smallest amount, than that presented by any opposing party. *Se-Ling Hosiery, Inc. v. Margulies*, 364 Pa. 45, 70 A.2d 854 (1950).

5. The Commission’s decision must be supported by substantial evidence in the record. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. Pub. Util. Comm’n*, 413 A.2d 1037 (Pa. 1980).

6. Commission policy promotes settlements. 52 Pa. Code § 5.231.
7. A settlement lessens the time and expense that the parties must expend litigating a case and, at the same time, conserves precious administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. 52 Pa. Code § 69.401.
8. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water & Sewer Assocs.*, 74 Pa. PUC 767 (1991).
9. The settlement and its proposed terms and conditions are in the public interest and, therefore, should be approved without modification.
10. A certificate of public convenience is required for “any public utility to begin to offer, render, furnish or supply within this Commonwealth service of a different nature or to a different territory than that authorized” 66 Pa. C.S. § 1102(a)(1).
11. A certificate of public convenience is also required for “any public utility ... to acquire from, or to transfer to, . . . any person or corporation, including a municipal corporation, by any method or device whatsoever the title to, or possession or use of, any tangible or intangible property used or useful in the public service.” 66 Pa. C.S. § 1102(a)(3).
12. In granting a certificate of public convenience, the Commission may impose such conditions as it may deem to be just and reasonable. 66 Pa. C.S. § 1103(a).
13. An applicant for a certificate of public convenience must demonstrate that it is technically, financially and legally fit to own and operate the system being acquired. *Seaboard Tank Lines, Inc. v Pa. Pub. Util. Comm'n*, 502 A.2d 762, 764 (Pa. Cmwlth. 1985).

14. A certificated public utility enjoys a rebuttable presumption that it possesses the requisite fitness. *South Hills Movers, Inc. v. Pa. Pub. Util. Comm'n*, 601 A.2d 1308, 1310 (Pa. Cmwlth. 1992).

15. PAWC has demonstrated, by a preponderance of the evidence, that PAWC is technically, financially and legally fit to own and operate Corner Water's water system assets ("System").

16. The Commission may issue a certificate of public convenience upon a finding that "the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public." 66 Pa. C.S. § 1103(a) ("Procedure to obtain certificates of public convenience").

17. An applicant for a certificate of public convenience must demonstrate that the transaction will "affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way." *City of York v. Pa. Pub. Util. Comm'n*, 449 Pa. 136, 151, 295 A.2d 825, 828 (1972).

18. The affirmative public benefit test is a "net benefits assessment." This requires a showing that on net the public is better off because of the transaction than it would have been in the absence of the transaction. *Cicero v. Pa. Pub. Util. Comm'n*, 910 C.D. 2022 (Pa. Cmwlth. 2023).

19. Section 1103 requires comparing the capability of the current provider to the benefits of the proposed acquisition, but does not require that a transaction be absolutely necessary. *Cicero*, 300 A.2d at 1119.

20. The Commission must consider environmental impacts when adjudicating cases.

Township of Marple v. Pa. Pub. Util Comm'n, 319 C.D. 2022 (Pa. Cmwlth. 2023) (citing the Environmental Rights Amendment, PA. CONST. art. I, § 27).

21. PAWC and Corner Water have demonstrated, by a preponderance of the evidence, that the transaction affirmatively promotes the service, accommodation, convenience or safety of the public in a substantial way.

APPENDIX C. Joint Proposed Ordering Paragraphs

Joint Proposed Ordering Paragraphs

- (1) That the Honorable Administrative Law Judge Emily I. DeVoe recommend approval of, and the Pennsylvania Public Utility Commission approve, this Joint Petition for Approval of Settlement of All Issues as submitted, including all terms and conditions thereof, without modification. These terms and conditions include, but are not limited to, the following:
 - a. If Pennsylvania-American Water Company and Corner Water Supply and Service Corporation decide to close on the transaction in accordance with their respective contractual rights and obligations under the Asset Purchase Agreement, as amended, the closing will not take place sooner than the date of the existence of a final, unappealable order of the Pennsylvania Public Utility Commission approving the Application. If the closing occurs, promptly after the closing date, Pennsylvania-American Water Company and Corner Water Supply and Service Corporation will file a joint letter in the docket evidencing that the closing occurred and the date it occurred and serve such letter on the statutory advocates.
 - b. If Pennsylvania-American Water Company and Corner Water Supply and Service Corporation elect not to close on the transaction, promptly after the date the decision was made not to close the transaction, (a) Pennsylvania-American Water Company will file a letter in this docket and serve it on the parties to this proceeding explaining the reasons why the transaction would not be consummated notwithstanding the existence of a final, unappealable order of the Commission approving the Application; and (b) Corner Water Supply and Service Corporation will file a letter in the docket stating its intention to continue to serve its customers.

- c. Pennsylvania-American Water Company will interconnect and integrate Corner Water Supply and Service Corporation's water system assets into Pennsylvania-American Water Company's Clarion regional water system as soon as reasonably possible following the closing date but no later than within eighteen (18) months following the date of the Pennsylvania Department of Environmental Protection's issuance of the permit for the interconnect construction.
- d. Within five (5) years of the closing date, Pennsylvania-American Water Company will replace all meters within Corner Water Supply and Service Corporation's water system assets.
- e. As part of its integration of Corner Water Supply and Service Corporation's water system assets with PAWC's Clarion regional water system, Pennsylvania-American Water Company will install SCADA improvements to allow for continuous, remote monitoring. The time-frame for the installation of SCADA improvements will correspond with the time-frame for the integration established in the preceding paragraphs.
- f. As soon as reasonably possible following the closing date but no later than twelve (12) months following closing date, Pennsylvania-American Water Company will complete a thorough review of Corner Water Supply and Service Corporation's water system assets' security matters. Necessary upgrades identified in the review to improve safety and security will be implemented as soon as reasonably possible but no later than three months from the date the necessary upgrades were identified.
- g. As soon as reasonably possible following the closing date but no later than twelve (12) months following closing date, Pennsylvania-American Water Company will

ensure uninterrupted power is available to critical infrastructure within Corner Water Supply and Service Corporation's water system assets.

- h. Pennsylvania-American Water Company will investigate the feasibility of applying for a PENNVEST grant or loan for all eligible system improvements relating to the enhancements described in the above paragraphs and identified in the its tentative five-year plan for upgrades to Corner Water Supply and Service Corporation's water system assets totaling over \$4.3 million and will share information relating to such investigation with the Office of Consumer Advocate in its next rate case.
- i. The *pro forma* water tariff supplement attached as **Appendix D** to the Joint Petition for Settlement should be permitted to become effective immediately upon the closing date.
- j. In addition, Pennsylvania-American Water Company should be authorized to implement on customer bills for the formerly Corner Water Supply and Service Corporation customers all other miscellaneous fees and charges (for example, a turn on fee at time of service reconnection), and the rules and regulations regarding conditions of Pennsylvania-American Water Company's water service, as reflected in its prevailing water tariff, effective at and after the closing date.
- k. The Distribution System Improvement Charge provisions of Pennsylvania-American Water Company's effective water tariff will apply to the former Corner Water Service and Supply Corporation customers no sooner than the effective date of new rates established by a final order in the first base rate case in which the water system assets are included. Additionally, Pennsylvania-American Water Company will not seek to recover investments in the Corner Water Supply and Service

Corporation's water system assets in its Distribution System Improvement Charge until Pennsylvania-American Water Company applies the Distribution System Improvement Charge to Corner Water Supply and Service Corporation's former customers.

1. Pennsylvania-American Water Company will adopt Corner Water Supply and Service Corporation's existing Commission-approved base rates, which shall become effective at the time of the closing date. The transaction will have no immediate effect on the base rates for water service to be charged to Pennsylvania-American Water Company and Corner Water Supply and Service Corporation's existing customers, except for the miscellaneous fees and charges that are permitted to be charged to the former Corner Water Supply and Service Corporation customers in accordance with Pennsylvania-American Water Company's tariff and paragraphs above. Base rates for the Corner Water Supply and Service Corporation customers will not change until the effective date of new rates established by a final order in the first base rate case in which the system is included.
- m. Except as explicitly agreed upon in the Settlement, nothing contained herein or in the Commission's approval of the Application shall preclude any Joint Petitioner from asserting any position or raising any issue in other Pennsylvania-American Water Company's proceedings. This includes, but is not limited to, the rights of Office of Consumer Advocate and Office of Small Business Advocate to address and make other proposals for system rate base and rates in Pennsylvania-American Water Company's future rate cases, appeals, and remands.

- n. Any claim by Pennsylvania-American Water Company to recover transaction and closing costs associated with the acquisition of the Corner Water Supply and Service Corporation's water system assets will not include costs incurred by Corner Water Supply and Service Corporation. The Office of Consumer Advocate and the Office of Small Business Advocate reserve their rights to challenge the reasonableness, prudence, and basis for Pennsylvania-American Water Company's transaction and closing cost claims in the rate filing where they are claimed.
- o. Within the first billing cycle following the closing date, Pennsylvania-American Water Company shall provide a bill insert to Corner Water Supply and Service Corporation's former customers regarding Pennsylvania-American Water Company's low-income programs (including but not limited to Bill Discount and Arrearage Management) and customer payment arrangement programs. The bill insert shall include, at a minimum, a description of the available low-income programs, eligibility requirements for participation in the programs, and the contact information for Pennsylvania-American Water Company, the Office of Consumer Advocate and the Office of Small Business Advocate. Pennsylvania-American Water Company, the Office of Consumer Advocate, and the Office of Small Business Advocate agree to discuss the specific language and placement of contact information after the submission of this settlement but before the finalization of the bill insert.
- p. Within the first 30 days of the closing date, Pennsylvania-American Water Company shall provide a welcome letter to Corner Water Supply and Service Corporation's former customers that includes information about bill payment

options; identifies locations where customers can pay in-person for no additional fee, which are reasonably proximate to the areas served by the system; provides the information listed in the paragraph above about the Pennsylvania-American Water Company's low-income programs and customer payment arrangement programs; and identifies resources promoting water efficiency. Pennsylvania-American Water Company will track and report to the Office of Consumer Advocate the number of former customers of Corner Water Supply and Service Corporation who signed up for Pennsylvania-American Water Company's low-income program after six-months or at the next low-income collaborative meeting, whichever is sooner. Pennsylvania-American Water Company will track and report to the Office of Small Business Advocate the number of former Corner Water Supply and Service Corporation commercial customers who received a commercial payment arrangement after six-months or at the next low-income collaborative meeting, whichever is sooner.

- q. Effective on the closing date, the former Corner Water Supply and Service Corporation commercial customers will be eligible to seek participation in Pennsylvania-American Water Company's formal program for payment arrangements for commercial customers. The formal program offers a standard six-month payment plan to payment-troubled commercial customers, which can be extended on a case-by-case basis by Pennsylvania-American Water Company in its discretion. Pennsylvania-American Water Company will maintain a written internal policy of this formal program for payment arrangements for commercial customers going forward.

- (2) That the Application filed by Pennsylvania-American Water Company and Corner Water Supply and Service Corporation in this matter on December 31, 2024, as amended by the Settlement, be approved.
- (3) That the Commission issue Certificates of Public Convenience under 66 Pa. C.S. §§ 1102(a) and 1103(a) evidencing Commission approval of (a) the transfer to Pennsylvania-American Water Company, by sale, of all property and rights of Corner Water Supply and Service Corporation used or useful in the public service in accordance with the Asset Purchase Agreement; (b) the commencement of Pennsylvania-American Water Company of water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania currently served by Corner Water Supply and Service Corporation; and (c) the abandonment by Corner Water Supply and Service Corporation of all water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania.
- (4) That the Commission shall issue any other approvals or certificates appropriate, customary or necessary under the Pennsylvania Public Utility Code to carry out the transactions contemplated in the Application in a lawful manner.

APPENDIX D. Pro Forma Tariff Supplement

PENNSYLVANIA-AMERICAN WATER COMPANY
(hereinafter referred to as the "Company")

D/B/A

Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF

WATER SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED ADJACENT THERETO IN:

ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,
BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,
CUMBERLAND, DAUPHIN, FAYETTE, INDIANA, JEFFERSON, LACKAWANNA,
LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,
NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,
UNION, WARREN, WASHINGTON, WAYNE, WYOMING, AND YORK COUNTIES.

Issued:

Effective:

Issued by:
Justin Ladner, President
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

<https://www.amwater.com/paaw/>

NOTICE

**This Tariff authorizes Pennsylvania American Water Company to furnish water services to the public in the service area formerly served by Corner Water Supply & Service Corp., portions of Elk and Paint Townships, Clarion County, Pennsylvania.
(Refer to pages 2, 4, 5, 12, 16.7, 29, 32, and 35)**

PENNSYLVANIA-AMERICAN WATER COMPANY

LIST OF CHANGES

This Tariff supplement authorizes Pennsylvania American Water Company – Water Division to begin to offer or furnish water services to the public in the service area formerly served by Corner Water Supply & Service Corp., portions of Elk and Paint Townships, Clarion County, Pennsylvania, as ordered by the Pennsylvania Public Utility Commission at Docket No. A-2024-XXXXX entered XXXXX.

PENNSYLVANIA-AMERICAN WATER COMPANY

TABLE OF CONTENTS

	<u>Page</u>		
	<u>Number</u>		
Title Page.....	1	Supplement No. XX	(C)
List of Changes	2	XXXXX Revised Page	(C)
List of Changes (cont'd).....	3	Seventh Revised Page	
Table of Contents	4	XXXXX Revised Page	(C)
Table of Contents (cont'd)	5	XXXXX Revised Page	(C)
Table of Contents (cont'd)	6	Seventh Revised Page	
Table of Contents (cont'd)	7	Seventh Revised Page	
Reserved Page for Future Use	8	First Revised Page	
List of Territories Served	9	Eighth Revised Page	
List of Territories Served (cont'd).....	10	Fifth Revised Page	
List of Territories Served (cont'd).....	11	Tenth Revised Page	
List of Territories Served (cont'd).....	12	XXXXX Revised Page	(C)
List of Territories Served (cont'd).....	13	Third Revised Page	
List of Territories Served (cont'd).....	14	Third Revised Page	
Reserved Page for Future Use	15	First Revised Page	

Schedule of Rates

General Service

Rate Zone 1 – Metered – Residential	16	Fifth Revised Page	
Rate Zone 1 – Metered – Commercial, Municipal, Other Water Utilities	16.1	Seventh Revised Page	
Rate Zone 1 – Metered – Industrial	16.2	Seventh Revised Page	
Rate Zone 1 – Unmetered – Residential only	16.3	Seventh Revised Page	
Rate Zone 2 – Metered (Valley).....	16.4	Seventh Revised Page	
Rate Zone 3 – Metered (Turbotville).....	16.5	Seventh Revised Page	
Rate Zone 4 – Metered (Farmington)	16.6	Seventh Revised Page	
Rate Zone XX – Metered (Corner Water)	16.7	XXXXX Revised Page	(C)
Reserved Page for Future Use	16.8	Fourth Revised Page	
Reserved Page for Future Use	16.9	Third Revised Page	
Low-Income Rider – Residential.....	17	Seventh Revised Page	

Curtailment, Standby and Demand Based Riders

Industrial Curtailment Rate	18	First Revised Page	
Industrial Curtailment Rate (cont'd)	19	First Revised Page	
Industrial Standby Rate	20	Seventh Revised Page	
Industrial Standby Rate (cont'd)	21	Seventh Revised Page	
Industrial Standby Rate (cont'd)	22	First Revised Page	
Resale and Electric Generation Standby Rate.....	23	Seventh Revised Page	
Resale and Electric Generation Standby Rate (cont'd).....	24	Seventh Revised Page	
Rider DIS - Demand Based Industrial Service	25	First Revised Page	

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY**TABLE OF CONTENTS**

	<u>Page</u>	
	<u>Number</u>	
<u>Schedule of Rates (cont'd)</u>		
Rider DRS - Demand Based Resale Water Service	26	First Revised Page
Rider DGS – Demand Based Governmental Water Service	27	First Revised Page
Rider EGS – Electric Generation Service	28	First Revised Page
<u>Fire Protection Service</u>		
Private Fire Service – Unmetered	29	XXXXX Revised Page (C)
Private Fire Service – Unmetered (cont'd).....	30	Ninth Revised Page
Private Fire Service – Metered	31	Seventh Revised Page
Public Fire Service	32	XXXXX Revised Page (C)
<u>Surcharges and Fees</u>		
State Tax Adjustment Surcharge.....	33	Third Revised Page
PENNVEST Surcharge	34	First Revised Page
Distribution System Improvement Charge (DSIC)	35	XXXXX Revised Page (C)
Distribution System Improvement Charge (DSIC) (cont'd).....	36	First Revised Page
Distribution System Improvement Charge (DSIC) (cont'd).....	37	Second Revised Page
Distribution System Improvement Charge (DSIC) (cont'd).....	38	First Revised Page
Miscellaneous Fees	39	First Revised Page
Reserved Page for Future Use	40	Eighth Revised Page
Reserved Page for Future Use	40.1	Fifth Revised Page
<u>Rules and Regulations</u>		
1. The Water Tariff	41	Second Revised Page
2. Definitions	42	Second Revised Page
Definitions (cont'd)	43	Third Revised Page
Definitions (cont'd)	44	First Revised Page
3. Application for Service and Street Service Connection.....	45	Third Revised Page
4. Service Pipes	46	Fifth Revised Page
Service Pipes (cont'd)	47	Fifth Revised Page
Service Pipes (cont'd)	47.1	Second Revised Page
Service Pipes (cont'd)	47.2	Second Revised Page
5. Meters and Meter Installations	48	First Revised Page
Meters and Meter Installations (cont'd).....	49	Third Revised Page
6. Meter Tests	50	Third Revised Page

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

**(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)**

Southeastern Pennsylvania (cont'd)

Penn Water District

Berks County

The Boroughs of Sinking Spring, West Lawn and Wyomissing Hills and the Townships of Cumru, Lower Heidelberg, South Heidelberg and Spring

Royersford District

Chester County

The Borough of Spring City and the Townships of East Pikeland, East Vincent, Schuylkill and West Vincent and portions of East Coventry

Montgomery County

The Borough of Royersford and the Townships of Limerick, Upper Providence and a portion of the Township of Lower Pottsgrove.

Yardley District

Bucks County

The Borough of Yardley and the Townships of Falls and Lower Makefield

Western Pennsylvania

Brownsville

Fayette County

The Borough of Brownsville and portions of the Townships of Brownsville, Jefferson, Luzerne and Redstone

Washington County

The Boroughs of California, Coal Center and West Brownsville and the Township of East Pike Run

Butler District

Butler County

The City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit

Clarion District – Rate Zone 1 and Rate Zone XX (Corner Water)

(C)

Clarion County

The Boroughs of Clarion, Shipperville, Sligo and Strattanville and the Township of Clarion and portions of the Townships of Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney,

Connellsville District

Fayette County

The City of Connellsville, the Borough of South Connellsville and the Township of Connellsville and portions of the Township of Bullskin.

Ellwood District

Beaver County

The Boroughs of Ellwood City, Koppel and portions of the Borough of Big Beaver and the Townships of Franklin and portions of the Township of North Sewickley

Lawrence County

The Boroughs of Ellport and Ellwood City and portions of the Townships of Perry and Wayne

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RATE ZONE XX - METERED

(C)

APPLICABILITY

The rates under this schedule apply throughout the territories formerly served by Corner Water, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in all Customer Classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge for All Rate Classes (Except Mobile Home Parks):

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company.

<u>Size of Meter</u>	<u>Service Charge Per Month</u>
5/8 inch	\$16.88
3/4 inch	\$16.88
1 inch	\$24.47
1-1/2 inch	\$37.46
2 inch	\$53.01
3 inch	\$89.34

Consumption Charges for All Rate Classes (except Mobile Home Parks):

The following rates shall apply per 100 gallons:

	<u>Service Charge</u>
First 1,000	
Next 9,000	\$1.151
Next 110,000	\$0.987
All In Excess of 120,000	\$0.784

Service Charge for Mobile Home Parks Only: The monthly charge for each mobile home park will be calculated by multiplying the monthly customer charge for a 5/8" and 3/4" metered customer below by the total number of units.

<u>Size of Meter</u>	<u>Service Charge Per Month</u>
5/8 inch	\$5.17
3/4 inch	\$5.17
1 inch	\$12.96
1-1/2 inch	\$25.95
2 inch	\$41.50
3 inch	\$77.83

Consumption Charges for Mobile Home Parks Only: The total monthly consumption of the park divided by the number of units will be billed through the usage blocks below to develop the per unit consumption revenue. This per unit consumption revenue, less a 25° discount, shall be multiplied by the number of units, and billed to the park.

The following rates shall apply per 100 gallons:

First 10,000	\$0.863
Next 110,000	\$0.740
All In Excess of 120,000	\$0.588

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

PRIVATE FIRE SERVICE –UNMETERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page

AVAILABILITY

The rates under this schedule are available to any existing unmetered private fire service customer who continues to utilize the service connection solely for fire prevention purposes in connection with the customer’s fire sprinkler system, standpipe connection, or any other emergency or fire protection facilities.

RATE

Service Charge

The following shall apply based on the size of service line connection required to render adequate service, as determined by the Company:

<u>Size of Connection with Main</u>	<u>Service Charge per Month</u>	<u>Corner Water Service Charge per Month</u>	<u>(C)</u>
1 inch	\$5.99		
1-1/4 inch	\$5.99		
1-1/2 inch	\$8.63		
2 inch	\$15.34	\$2.69	(C)
3 inch	\$34.92	\$5.68	(C)
4 inch	\$61.49	\$10.01	(C)
6 inch	\$139.88	\$22.44	(C)
8 inch	\$248.72	\$39.88	(C)
10 inch	\$388.48		
12 inch	\$558.88		

Qualified Private Fire Hydrants

Service under this classification is subject to regulations set forth in Section 2.11 "Qualified Private Fire Hydrants".

Qualified Private Fire Hydrants \$26.89 per month

Corner Water: (C)
Qualified Private Fire Hydrants \$22.44 per month

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

PUBLIC FIRE SERVICE

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers with applications accepted by the Company under Section 8.5 of this tariff. Service under this classification is subject to regulations set forth in Section No. 8 "Public Fire Hydrants".

RATE

The annual charge for each public fire hydrant will be billed at 25% of the cost of service which is \$274.32 per annum or \$22.86 per month except as noted below:

<u>Municipalities</u>	<u>Monthly Charge for Each Public Fire Hydrant</u>
Moshannon Valley Area Bradford Township for hydrants contracted prior to February 18, 1988	\$6.25
Corner Water Service Area	\$32.47 per month or \$389.65 annually (C)

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

EXCEPT PUBLIC FIRE PROTECTION

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all bills rendered with an ending read date on and after the Effective Date shown on the bottom of this page. This charge applies to all Rate Zones except Rate Zone 4 – Farmington, **and Rate Zone XX – Corner Water.** (C)

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 36, 37 and 38 of this tariff.

(C) means Change

Issued:

Effective Date:

APPENDIX E. Statement in Support of Pennsylvania-American Water Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Administrative Law Judge
Emily I. DeVoe**

In re: Joint Application of Pennsylvania- :
American Water Company and Corner :
Water Supply and Service Corporation :
Pursuant to Section 1102 of the Public : Docket Nos. A-2025-3052745
Utility Code, for approval of (1) the : A-2025-3052747
transfer to Pennsylvania-American Water :
Company, by sale, of all property of :
Corner Water Supply and Service :
Corporation used and useful in the public :
service; (2) the right of Pennsylvania- :
American Water Company to begin to :
offer, render, furnish and supply water :
service to the public in portions of Elk and :
Paint Townships in Clarion County, :
Pennsylvania, and (3) the abandonment by :
Corner Water Supply and Service :
Corporation of all water service :

**STATEMENT OF PENNSYLVANIA-AMERICAN WATER
COMPANY IN SUPPORT OF THE JOINT PETITION FOR
APPROVAL OF UNANIMOUS SETTLEMENT OF ALL ISSUES**

Pennsylvania-American Water Company (“PAWC”) files this Statement in Support of the Joint Petition for Approval of Unanimous Settlement of All Issues (“Settlement”), entered into by PAWC, the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”) and Corner Water Supply and Service Corporation (“Corner Water”) (singularly, a “Joint Petitioner” and collectively, the “Joint Petitioners”) in the above-captioned proceeding. PAWC respectfully requests that the Honorable Administrative Law Judge Emily I. DeVoe (the

“ALJ”) recommend approval of, and that the Pennsylvania Public Utility Commission (“Commission”) approve, the Settlement, including all terms and conditions thereof, without modification.

I. INTRODUCTION

On September 25, 2024, PAWC and Corner Water entered into an Asset Purchase Agreement (“APA”) by which PAWC agreed to purchase all of the assets, properties, and rights of Corner Water’s water system (“System”), other than the Excluded Assets as defined in the APA. The Settlement pertains to the joint application (“Joint Application”) filed by PAWC and Corner Water pursuant to Section 1102(a) of the Pennsylvania Public Utility Code (“Code”), 66 Pa. C.S. § 1102(a), requesting that the Commission approve the transfer, by sale, to PAWC, of all property and rights of Corner Water used or useful in the public service in accordance with the APA (the “Transaction”). The Joint Application also included requests for the Commission to (1) grant PAWC the right to offer or furnish water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania that are currently served by Corner Water and (2) allow Corner Water to abandon water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania.

The Settlement, if approved, will resolve all of the issues raised in this proceeding. The Settlement is in the best interest of the sellers of the System, the System and its existing customers, PAWC as the buyer of the System, and PAWC’s existing customers, and the public-at-large (persons who are not customers of Corner Water or PAWC). It is in the public interest and, accordingly, should be approved.

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense that the parties must expend litigating a case and, at the same time, conserve

administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. See 52 Pa. Code § 69.401. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered October 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

The Settlement resolves all issues in this proceeding. The Settlement reflects a carefully balanced compromise of the interests of the Joint Petitioners and satisfies the various requirements of the Code. For these reasons, and the reasons set forth below, the Settlement is in the public interest and should be approved without modification.

II. THE SETTLEMENT IS IN THE PUBLIC INTEREST

The Joint Petitioners have agreed to a settlement of all issues in this proceeding. This includes issues arising under Sections 1103(a) of the Code. 66 Pa. C.S. § 1103(a).

A. Section 1103 Approvals

1. Fitness

PAWC must demonstrate that it is technically, financially, and legally fit to own and operate the System. *Seaboard Tank Lines, Inc. v. Pa. Pub. Util. Comm'n*, 502 A.2d 762, 764 (Pa. Cmwlth. 1985); *Warminster Township Mun. Auth. v. Pa. Pub. Util. Comm'n*, 138 A.2d 240, 243 (Pa. Super. 1958). As a certificated public utility, PAWC enjoys a rebuttable presumption that it possesses the requisite fitness. *South Hills Movers, Inc. v. Pa. Pub. Util. Comm'n*, 601 A.2d 1308, 1310 (Pa. Cmwlth. 1992). No party challenged PAWC's fitness in this proceeding. Joint Stipulation of Fact, Appendix A, ¶ 17.

PAWC possesses the technical fitness to own and operate the System. PAWC is the largest regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania engaged in the business of collecting, treating, storing, supplying distributing and selling water to the public and collecting, treating, transporting and disposing of wastewater for the public. Joint Stipulation of Fact, Appendix A, ¶1. PAWC employs approximately 1,179 professionals with expertise in all areas of water and wastewater utility operations, including engineering, regulatory compliance, water and wastewater treatment plant operation and maintenance, distribution and collection system operation and maintenance, materials management, risk management, human resources, legal, accounting, and customer service. Joint Stipulation of Fact, Appendix A, ¶ 21.

PAWC is financially fit to own and operate the System. For 2024, PAWC had total assets of \$7.3 billion, operating income of approximately \$498 million and net income of approximately \$314 million. Joint Stipulation of Fact, Appendix A, ¶19. PAWC does not anticipate the acquisition of the System will have a negative impact on PAWC's cash flows, credit ratings, or access to capital, and therefore will not deteriorate in any manner PAWC's ability to continue to provide safe, adequate, and reasonable service to its existing customers at just and reasonable rates. Joint Stipulation of Fact, Appendix A, ¶ 20.

PAWC is legally fit to own and operate the System. PAWC has an excellent history of complying with the Code and other applicable laws, including environmental laws. There are no pending legal proceedings that would suggest that PAWC is not legally fit to provide service to the customers of the System. Joint Stipulation of Fact, Appendix A, ¶ 18.

2. Public Benefit

PAWC must demonstrate that the Transaction and PAWC's ownership/operation of the System will "affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way." *City of York v. Pa. Pub. Util. Comm'n*, 449 Pa. 136, 151, 295 A.2d 825, 828 (1972). The affirmative public benefits test does not require that every utility customer benefits from the proposed transaction, nor does it require that the utility's proposed action be absolutely necessary. Instead, the affirmative public benefit test is a "net benefits assessment" requiring a showing that, on net, the public is better off because of the transaction than it would have been in the absence of the transaction. *Cicero v. Pa. Pub. Util. Comm'n*, 300 A.3d 1106 (Pa. Cmwlth. 2023). An acquisition provides an affirmative benefit if the benefits of the transaction outweigh the adverse impacts of the transaction. *Application of CMV Sewage Co., Inc.*, 2008 Pa. PUC LEXIS 950. When looking at the benefits and detriments of a transaction, the focus of the analysis must be on all affected parties, not merely a particular group or a particular geographic area. *Middletown Township v. Pa. Pub. Util. Comm'n*, 482 A.2d 674 (1984).

The Transaction, with the conditions described in the Settlement, benefits all of the stakeholder groups impacted by the Transaction. The Transaction benefits members of the public-at-large in that the Transaction promotes the Commission's policy favoring regionalization and consolidation of water and wastewater systems. 52 Pa. Code § 69.721(a). Joint Stipulation of Fact, Appendix A, ¶ 25. Following the closing of the Transaction (the "Closing"), the System will be physically integrated into PAWC's regional Clarion Water System and served by employees from that district. Joint Stipulation of Fact, Appendix A, ¶ 22. The System will have the support of PAWC's surrounding water operations as well as PAWC's operations throughout the Commonwealth and American Water Works Company, Inc.'s ("American Water") nationwide

resources. Joint Stipulation of Fact, Appendix A, ¶ 24. A regionalized system provides for additional staffing and equipment generally, and in the event of emergencies such as a main break, will allow for faster resolution. Joint Stipulation of Fact, Appendix A, ¶ 25. The Transaction promotes consolidation by combining two public utilities' systems into one, and will conserve resources of the Commission which will no longer need to review filings from two separate public utilities. Joint Stipulation of Fact, Appendix A, ¶¶ 25, 27. The Transaction also creates opportunities for functional and operational consolidation and associated efficiencies and cost savings. Consolidating the System will reduce costs for equipment and materials and compliance monitoring. Joint Stipulation of Fact, Appendix A, ¶ 26.

The Transaction will also yield environmental benefits because it will allow PAWC, which has a record of compliance with environmental laws and regulations, to bring the System into compliance, as it has done with other water and wastewater systems it has acquired. Joint Stipulation of Fact, Appendix A, ¶¶ 18, 28. Corner Water received four violations from the Pennsylvania Department Environmental Protection ("DEP") in the last five years, including three monitoring and reporting violations as well as an inspection violation from July 10, 2024 concerning Corner Water's deficient wells that is still outstanding. Joint Stipulation of Fact, Appendix A, ¶ 28. Furthermore, Corner Water's source of supply is limited and their well production facilities have significant deficiencies that could easily compromise the safety and quality of drinking water provided to their customers. Joint Stipulation of Fact, Appendix A, ¶ 29. The Transaction will allow PAWC to promptly bring the System into compliance with applicable environmental laws and regulations and remedy the System's source of supply issues by allowing integration into PAWC's larger, more reliable system. Joint Stipulation of Fact, Appendix A, ¶¶ 28-29.

The Settlement contains additional benefits for the public-at-large by committing PAWC and Corner Water to file letters with the Commission in the event the Transaction closes, as well as in the event the Transaction does not close. Settlement, ¶¶ 23-24. These commitments ensure that the Commission, as well as the public, receive timely information regarding the closing of the Transaction.

The Transaction benefits Corner Water's existing owners in the same way that it benefits all other members of the public-at-large. In addition, the Transaction has specific benefits for Corner Water's owners by allowing them to cease operating a business they no longer desire to own or manage via a sale of the System. Joint Stipulation of Fact, Appendix A, ¶¶ 9, 16. The Transaction would allow for a change in ownership in an orderly fashion.

The Transaction benefits the System because:

- PAWC expects to invest \$4,292,323 in the System during the first five years of ownership. Joint Stipulation of Fact, Appendix A, ¶ 23.
- Integrating the System into PAWC's Clarion regional system will improve service reliability by replacing the System's poor-quality groundwater source, aging plant, and single-point-of-failure high service pumping operation with the state-of-the-art surface water treatment plant, redundant pumping units and reliable floating storage of PAWC's Clarion regional system. Joint Stipulation of Fact, Appendix A, ¶ 30.
- PAWC will ensure that uninterrupted power is available to critical infrastructure, which will improve the reliability of the System. Joint Stipulation of Fact, Appendix A, ¶ 40.
- PAWC's distribution system improvement charge ("DSIC") will allow it to replace mains at a faster rate than Corner Water, which will help address the System's excessive non-revenue water rate (30%). Joint Stipulation of Fact, Appendix A, ¶ 39.

The Settlement contains additional benefits for the System by committing PAWC to (1) interconnect the System into PAWC's Clarion regional system and install SCADA improvements

as soon as reasonably possible but no later than within eighteen months following the date of the DEP issuance of the permit for the interconnect construction, (2) replace all meters within the System within five years after Closing, (3) ensure uninterrupted power is available to the System's critical infrastructure as soon as possible but no later than twelve months following Closing, and (4) complete a thorough review of the System's security matters as soon as possible but no later than twelve months following Closing and implement necessary upgrades no later than three months from the date they were identified. Settlement, ¶¶ 26-30. PAWC's commitment to investigate the feasibility of applying for a PENNVEST grant or loan for these system improvements, and other upgrades identified in PAWC's tentative five-year plan for upgrades to the System, ensures that PAWC will investigate these alternatives for funding while also balancing the need for these upgrades to be completed within the timeframes in the Settlement, to the ultimate benefit of the System's customers. Settlement, ¶ 31.

The Transaction benefits Corner Water's existing customers in the same way that it benefits all other members of the public-at-large. Corner Water's existing customers will also benefit from the improvements to the System listed above, which will occur as a result of the Transaction. In addition, the Transaction has specific benefits for Corner Water's existing customers:

- The Transaction will allow Corner Water's existing customers to benefit from PAWC's access to equity markets and line of credit through American Water Capital Corp. which Corner Water does not have. Joint Stipulation of Fact, Appendix A, ¶ 32.
- The Transaction will allow Corner Water's existing customers to become part of a larger system and be able to share the costs of upgrading and operating the System with many other customers. Joint Stipulation of Fact, Appendix A, ¶ 34.
- Interconnection with PAWC's Clarion regional system will eliminate the System's current vulnerable well supplies, which are impacted by high levels of iron and manganese as well as prone to flooding, and eliminate risk to Corner Water's existing customers. Joint Stipulation of Fact, Appendix A, ¶ 31.

- Customers will have access to PAWC’s proven and enhanced customer service, including its customer assistance programs, extended call hours, additional bill payment options, and greater cyber-security protection than Corner Water. Joint Stipulation of Fact, Appendix A, ¶¶ 35, 38, 41.

The Transaction benefits PAWC, as the buyer of the System, in the same way that it benefits all other members of the public-at-large. In addition, the Transaction has specific benefits for PAWC:

- The Transaction will allow PAWC to acquire an additional system near its Clarion regional system at a very reasonable price per customer. Joint Stipulation of Fact, Appendix A, ¶ 42. As a result, PAWC will be a larger, financially stronger, and more stable public utility.

The Transaction benefits PAWC’s existing customers in the same way that it benefits all other members of the public-at-large. In addition, the Transaction has specific benefits for PAWC’s existing customers:

- The Transaction will benefit PAWC’s existing water customers because it will immediately add 605 new customers to PAWC’s water customer base, who can share future infrastructure investment costs. Joint Stipulation of Fact, Appendix A, ¶¶ 43-44. Increasing the number of customers promotes stable rates across the entire PAWC system because customers who benefit from near-term improvements will one day help pay for improvements on behalf of other customers in other parts of the PAWC system.

In short, as modified by the terms and conditions in the Settlement, the Transaction has affirmative public benefits of a substantial nature for every impacted stakeholder group. These benefits, considered as a whole, substantially outweigh any alleged detriments, considered as a whole. Accordingly, the ALJ and the Commission should find that the Transaction, as modified

by the Settlement, affirmatively promotes the service, accommodation, convenience, or safety of the public in some substantial way.

3. Tariff/Rates

The Joint Petitioners agree that the *pro forma* tariff supplement attached as Appendix D to the Settlement shall be permitted to become effective immediately upon closing. Settlement, ¶ 31. The Joint Petitioners further agree that PAWC should be authorized to implement for former Corner Water customers all other miscellaneous fees and charges, and the rules and regulations regarding conditions of PAWC's water service, as reflected in PAWC's prevailing water tariff, effective at and after Closing. Settlement, ¶ 32. These provisions are in the public interest because they establish that none of the other Joint Petitioners takes issue with the *pro forma* tariff supplement and because they are consistent with law; PAWC will adopt the seller's rates at closing, as required by the Code, but be permitted to apply the remaining terms and conditions of its prevailing water tariff to its newly acquired customers.

In terms of rates, the Settlement is in the public interest because it reserves the other Joint Petitioner's rights to address and make other proposals for System rates in PAWC's future rate cases, except as explicitly agreed upon in the Settlement. Settlement, ¶ 36-37. It also confirms that PAWC will adopt Corner Water's existing Commission-approved base rates, which will not change until the effective date of new rates established by a final order in the first base rate case in which the System is included. Settlement, ¶ 35. This provision is consistent with the Code and is therefore in the public interest.

4. Distribution System Improvement Charge

The Joint Petitioners agree that the DSIC provisions of PAWC's effective water tariff will apply to the former Corner Water customers in the System no sooner than the effective date of

new rates established by a final order in the first base rate case in which the System is included and PAWC will not seek to recover investments in the System in its DSIC until PAWC applies the DSIC to System customers. Settlement, ¶ 34. This provision is in the public interest because it prohibits PAWC from including System-related investments in its DSIC until it collects the DSIC from System customers, therefore PAWC's existing customers are protected from fully funding System-related improvements.

5. Low Income Program Outreach

The Transaction, as modified by the Settlement, is in the public interest because the Settlement requires PAWC to send a bill insert and a welcome letter to the System's customers, informing them of PAWC's low-income customer assistance programs and customer payment arrangement programs. At a minimum, PAWC is to provide a description of the available low-income programs, the eligibility requirements for participating in the programs, and PAWC's, the OCA's and the OSBA's contact information. Settlement, ¶¶ 37-38. These provisions of the Settlement are in the public interest because they may increase participation in PAWC's customer assistance programs, compared to what would have been the case without these provisions. Additionally, the Settlement requires PAWC to track and report, after six-months or at the next low-income collaborative meeting (whichever is sooner), to the OCA the number of formerly Corner Water customers who signed up for PAWC's low-income program, and to the OSBA the number of formerly Corner Water commercial customers who received a commercial payment arrangement. Settlement, ¶ 38. These provisions are in the public interest because they will provide data to PAWC, OCA, and OSBA regarding enrollment in these programs following Closing.

PAWC also has committed to include in the welcome letter resources promoting water efficiency and locations where customers can pay in-person for no additional fee, which are reasonably proximate to the areas served by the System. Settlement, ¶ 38. These provisions are in the public interest because they provide helpful information to the System's customers as they transition to becoming PAWC's customers.

6. Commercial Payment Arrangements

The Transaction, as modified by the Settlement, is in the public interest because it clarifies that upon Closing, the System's commercial customers will be eligible to seek participate in PAWC's formal program for payment arrangements for commercial customers and provides details on the program. Settlement, ¶ 39. The Settlement also requires PAWC to maintain a written internal policy of the formal program for payment arrangements for commercial customers on a prospective basis. Settlement, ¶ 39. These provisions are in the public interest because they provide more detail, description, and clarity around the terms of PAWC's formal payment arrangement program for commercial customers and ensures that these parameters are memorialized in an internal written policy.

7. Procedural Conditions

Paragraphs 41 through 46 of the Settlement are in the public interest as these provisions describe the agreements and expectations of the Joint Petitioners in terms of (1) reservation of rights in the event that the Commission does not approve or modifies the Settlement, (2) obligations to fulfill to submit the Settlement for consideration by the Commission, and (3) agreements not to file Exceptions if the Settlement is approved by the Commission without modification. These provisions outline the process for the Joint Petitioners regarding submission of the Settlement, and protect the Joint Petitioners in the event that the Commission rejects or

modifies the Settlement in a way in which a party finds unacceptable, which makes parties to a Commission proceeding more willing to settle than they otherwise might be. These terms are therefore in the public interest and should be approved.

III. CONCLUSION

Through cooperative efforts and the open exchange of information, the Joint Petitioners have arrived at a settlement that resolves all issues in the proceeding in a fair and equitable manner. The Settlement is the result of detailed examination of the Transaction and extensive settlement negotiations. A fair and reasonable compromise has been achieved in this case, as is evidenced by the fact that all the parties to the proceeding have agreed to the resolution of the issues. PAWC fully supports the Settlement and urges the ALJ and the Commission to approve it without modification.

WHEREFORE, Pennsylvania-American Water Company respectfully requests that the Honorable Administrative Law Judge Emily I. DeVoe recommend approval of, and that the Commission approve, the Settlement, including all terms and conditions thereof, without modification, and enter an order consistent with the Settlement.

Respectfully submitted,



Erin K. Fure, Esq. (PA ID No. 312245)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone: 717-550-1556
E-mail: erin.fure@amwater.com
Counsel for *Pennsylvania-American Water Company*

Dated: June 16, 2025

APPENDIX F. Statement in Support of Corner Water Supply and Service Corporation

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge
Emily I. DeVoe

In re: Joint Application of Pennsylvania- :
American Water Company and Corner :
Water Supply and Service Corporation :
Pursuant to Section 1102 of the Public :
Utility Code, for approval of (1) the :
transfer to Pennsylvania-American Water : Docket Nos. A-2025-3052745
Company, by sale, of all property of : A-2025-3052747
Corner Water Supply and Service :
Corporation used and useful in the public :
service; (2) the right of Pennsylvania- :
American Water Company to begin to :
offer, render, furnish and supply water :
service to the public in portions of Elk and :
Paint Townships in Clarion County, :
Pennsylvania, and (3) the abandonment :
by Corner Water Supply and Service :
Corporation of all water service :

STATEMENT OF CORNER WATER SUPPLY AND SERVICE CORPORATION
IN SUPPORT OF THE JOINT PETITION FOR APPROVAL OF
UNANIMOUS SETTLEMENT OF ALL ISSUES

Corner Water Supply and Service Corporation (hereinafter referred to as "Corner Water") files this Statement in Support of the Joint Petition for Approval of Unanimous Settlement of All Issues (hereinafter referred to as the "Settlement"), entered into by: Corner Water, Pennsylvania-American Water Company (hereinafter referred to as

“PAWC”), the Office of Consumer Advocate (hereinafter referred to as “OCA”) and the Office of Small Business Advocate (hereinafter referred to as “OSBA”) (singularly, a “Joint Petitioner” and collectively, the “Joint Petitioners”) in the above-captioned proceeding. Corner Water respectfully requests that the Honorable Administrative Law Judge Emily I. DeVoe (hereinafter referred to as the “ALJ”) recommend approval of, and that the Pennsylvania Public Utility Commission (hereinafter referred to the “Commission”) approve, the Application filed by Corner Water and PAWC on December 31, 2024 (hereinafter referred to as the “Application”), as modified by Settlement, including all terms and conditions thereof, without modification.

I. INTRODUCTION

On September 25, 2024, Corner Water Supply and Service Corporation and PAWC entered into an Asset Purchase Agreement (hereinafter referred to as the “APA”), by which PAWC agreed to purchase all of the assets, properties and rights of Corner Water’s water system (hereinafter referred to as the “System”) (other than excluded assets as defined in Section 1.4 of the APA.

On December 31, 2024, Corner Water and PAWC filed a joint application (referred to hereinafter as the “Application”), which asks the Commission to approve the transfer, by sale, to PAWC, which included all of the property and rights of Corner Water which were used or useful in the rendering of public services, in accordance with the APA under Section 1102(a) of the Public Utility Code, 66 Pa. C.S. §1102(a). In the Application, PAWC also requested the Commission grant PAWC the right to offer or furnish water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania, that

are currently served by Corner Water and for Corner Water to abandon providing water service to those portions of the public it currently serves.

On January 2, 2025, a Secretarial Letter and Bulletin was issued by Secretary Rosemary Chiavetta.

On January 17, 2025, Rebecca Lyttle, Esquire, on behalf of the OSBA, filed a Notice of Appearance in this proceeding.

On January 28, 2025, the OSBA filed a protest, Notice of Interventions, Public Statement and Verification in this proceeding. Then, on January 29, 2025, the OSBA filed an Amended Protest, Amended Notice of Intervention and Amended Public Statement in this proceeding.

On February 3, 2025, PAWC filed its Proof of Publication.

On February 4, 2025, the Bureau of Technical Utility Services ("TUS") issued TUS Data Request Set I.

On February 13, 2025, Steven C. Gray, Esquire, on behalf of the OSBA filed a Notice of Appearance as additional counsel in these proceedings.

On February 13, 2025, PAWC submitted a letter requesting ten (10) additional days to submit the completed data request.

On February 13, 2025, Notice of Prehearing Conference by Telephonic Participation was issued for Prehearing Conference to occur on Wednesday, February 19, 2025, at 11:00 a.m.

On February 14, 2025, the OCA filed a Notice of Intervention.

On February 14, 2025, OCA filed a Protest Nunc Pro Tunc and Public Statement Nunc Pro Tunc.

On February 18, 2025 Prehearing Memorandums were filed by OCA, OSBA, PAWC and Corner Water.

On April 8, 2025, a Status Conference was held and in-person evidentiary hearing dates and times were scheduled by reception of an in-person evidentiary hearing notice, with the hearing scheduled to occur at 10:00 a.m. on both July 23 and July 24, 2025.

The Honorable Court issued a Pre-Hearing Order dated April 9, 2025. In this Prehearing Order, the ALJ issued a litigation schedule and discovery modifications.

On April 28, 2025, Corner Water served one piece of Direct Testimony of Mr. Thomas Weaver, Owner of Corner Water. On the same date PAWC served three pieces of Direct Testimony of Ms. Tracy Baer, Mr. Michael Guntrum and Ms. Stacey Gress.

On June 16, 2025, Corner Water, PAWC, OCA and OSBA entered into a Settlement Agreement.

II. APPROVAL OF THE SETTLEMENT AND COMPLETION OF THE TRANSACTION IS IN THE BEST INTEREST OF THE PUBLIC

The Settlement, if approved, will resolve all the issues raised in these proceedings. The Settlement is in the best interest of the public-at-large (all residents of Pennsylvania, regardless of whether they are customers of Corner Water or PAWC), Corner Water, Corner Water's existing customers, PAWC of the buyer of the system and PAWC's existing water and wastewater customers. It is in the public interest and, accordingly, should be approved.

Commission policy promotes settlement. *See* 52 Pa. Code §5.231. Settlements lessen the time and expense that the parties must expend litigating a case and, at the same time, conserve previous administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See* 52 Pa. Code §69.401. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-0049165 (Order entered October 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

As an initial matter, no existing customer of Corner Water filed a protest or objection to this proposed transaction. This suggests that the people who are most familiar with the present service of Corner Water believe that the acquisition is in their best interest. Similarly, no existing customer of PAWC filed a protest or objection to this proposed transaction, which also suggests that they believe that the acquisition is in their best interest. Additionally, the fact that the Settlement resolves all issues raised by all parties is, in and of itself, strong evidence that the Settlement is reasonable and in the public interest. The Joint Petitioners, their counsel and experts, have considerable experience in acquisition proceedings. Their knowledge, experience and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong base upon which to build a consensus on the issues. The Joint Petitioners, their counsel and experts fully explored the issues in this case.

The Settlement reflects a carefully balanced compromise of the interests of the Joint Petitioners and satisfies the various requirements of the Public Utility Code (hereinafter referred to as the "Code"). For these reasons and the reasons set forth below, the Settlement is in the public interest and should be approved without modification or reservation.

A. APPROVAL AND COMPLETION OF THE TRANSACTION

1. The transaction produces net benefits for the public at large

The transaction between Corner Water and PAWC delivers clear net benefits to the public, transforming a struggling small utility into part of a robust, modern system. Corner Water, a family-owned operation with three aging employees, serves 605 customers but faces unsustainable costs from regulatory compliance and outdated infrastructure. PAWC's acquisition ensures:

i. Enhanced Service Quality: PAWC's advanced Clarion plant replaces Corner Water's costly, non-compliant softening system, delivering safer, cleaner water.

ii. Stable Rates: PAWC's scale absorbs rising costs, preventing steep rate hikes that Corner Water's customers would otherwise face, and allowing Corner Water's existing customers to benefit from sharing future infrastructure investment costs with PAWC's existing customer base.

iii. Reliable Operations: PAWC's resources and staff ensure infrastructure upgrades and consistent service, unlike Corner Water's limited capacity.

iv. Community Stability: Sustainable water services support Clarion County's economy and public safety, including fire services.

v. Seamless Integration: PAWC's size ensures Corner Water's 605 customers are absorbed without disrupting operations.

By rescuing Corner Water from financial and regulatory collapse, PAWC guarantees reliable, affordable water for customers and the broader community. The PUC should approve this transaction for its undeniable public benefits.

2. The transaction produces net benefits for Corner Water

The transaction between Corner Water and PAWC delivers significant net benefits to Corner Water, transforming a struggling small utility into a sustainable part of a robust system. Corner Water, with three aging employees and no successors, faces mounting challenges: costly regulatory compliance, deficient wells cited by DEP on July 10, 2024, and an outdated infrastructure straining its limited finances. The sale to PAWC ensures:

i. Financial Relief: PAWC's acquisition eliminates Corner Water's burden of funding costly well upgrades and compliance measures.

ii. Operational Sustainability: Integration into PAWC's modern Clarion system ensuring long-term operational viability.

iii. Regulatory Compliance: PAWC's resources resolve DEP violations, such as abandoning deficient wells, freeing Corner Water from ongoing regulatory pressures.

iv. Preserved Legacy: The sale allows Corner Water, a family-owned utility since 1982, to secure its customers' future under PAWC's capable management, honoring its 43-year history.

v. Effortless Transition: PAWC's scale ensures Corner Water's 605 customers are seamlessly integrated, allowing the utility to exit without operational disruptions.

By transferring its assets to PAWC, Corner Water avoids financial collapse and secures a sustainable future for its customers, making the transaction a clear win for the utility. The PUC should approve this deal for its direct benefits to Corner Water.

3. **The transaction produces net benefits for Corner Water customers**

The transaction between Corner Water and PAWC delivers substantial net benefits to Corner Water's 605 customers, ensuring they receive reliable, high-quality water service without the burdens of a struggling small utility. The sale to PAWC provides:

i. Improved Water Quality: PAWC's modern Clarion plant replaces Corner Water's inefficient, salt-heavy softening system, delivering safer, cleaner water to 355 residential, 83 commercial, 5 industrial, 2 public fire service, and 160 mobile home park customers.

ii. Affordable Rates: PAWC's scale spreads costs, preventing the steep rate hikes Corner Water's customers would face to cover infrastructure and compliance expenses.

iii. Reliable Service: PAWC's robust staff and resources ensure consistent water delivery and swift infrastructure upgrades, avoiding disruptions from Corner Water's limited capacity.

iv. Enhanced Safety and Compliance: Integration into PAWC's system resolves DEP violations by abandoning deficient wells, safeguarding customer health and service reliability.

v. Long-Term Stability: Customers gain access to PAWC's sustainable, well-funded operations, ensuring dependable water services for years to come.

By transitioning to PAWC, Corner Water's customers escape the risks of service interruptions and unaffordable rates, gaining superior service and peace of mind. The PUC should approve this transaction for its clear benefits to Corner Water's customers.

4. The transaction produces net benefits for PAWC

The transaction between Corner Water and PAWC delivers meaningful net benefits to PAWC, strengthening its position as a leading water utility while seamlessly expanding its service footprint. The transaction offers the following benefits to PAWC:

i. Expanded Customer Base: Adding Corner Water's 355 residential, 83 commercial, 5 industrial, 2 public fire service, and 160 mobile home park customers enhances PAWC's regional presence in Clarion County without straining its robust operations.

ii. Operational Efficiency: Integrating Corner Water's system into PAWC's modern Clarion plant eliminates the need for Corner Water's costly, inefficient softening system, streamlining operations and optimizing resource use.

iii. Regulatory Compliance Ease: PAWC's expertise and resources swiftly resolve Corner Water's DEP violations, such as abandoning deficient wells, reinforcing PAWC's reputation for regulatory excellence.

iv. Economies of Scale: PAWC's vast infrastructure and financial capacity absorb Corner Water's customers effortlessly, spreading costs across a larger base and boosting overall efficiency.

v. Community Goodwill: By rescuing a struggling utility and ensuring reliable, high-quality service, PAWC strengthens its standing as a trusted provider, fostering goodwill in Clarion County.

This transaction allows PAWC to grow strategically, enhance operational efficiency, and uphold its commitment to reliable service, all while integrating Corner Water's customers without disruption. The PUC should approve this deal for its clear benefits to PAWC.

5. **The transaction produces net benefits for PAWC's existing customers**

The transaction between Corner Water and PAWC delivers meaningful net benefits to PAWC's existing water and wastewater customers, such as:

i. Stable Service Quality: Integrating Corner Water's 605 customers into PAWC's modern Clarion regional system leverages existing infrastructure, ensuring no strain on the high-quality water delivery PAWC's customers already enjoy.

ii. Cost Efficiency: PAWC's scale allows it to absorb Corner Water's operational needs without significant cost increases, maintaining affordable rates for existing customers by spreading expenses across a larger base.

iii. Enhanced System Reliability: PAWC's resources resolve Corner Water's compliance issues, such as abandoning deficient wells, preventing regional disruptions that could indirectly affect PAWC's broader network and customers.

iv. Strengthened Infrastructure: The seamless integration of Corner Water's system reinforces PAWC's robust operations, ensuring long-term reliability for existing customers without diverting resources from their service needs.

v. Community Resilience: By stabilizing water services in Clarion County, PAWC supports regional economic and public safety benefits, indirectly enhancing the service environment for its existing customers.

This transaction ensures PAWC's existing customers continue to enjoy reliable, high-quality water service with no adverse impacts, while benefiting from the company's strengthened regional presence. The PUC should approve this deal for its clear benefits to PAWC's current customer base.

6. Summary: The transaction affirmatively benefits the public in a substantial way

The transaction between Corner Water Supply and PAWC delivers transformative and far-reaching benefits to the public, ensuring a sustainable, safe, and reliable water supply for Clarion County's residents, businesses, and communities. In essence, this transaction is a beacon of progress for Clarion County, rescuing a faltering utility and delivering a cascade of public benefits: safer water, stable rates, reliable service, and a sustainable future. By addressing Corner Water's critical challenges and leveraging PAWC's capabilities, the deal ensures that the public—residents, businesses, and communities alike—enjoys enhanced access to an essential resource. The PUC should approve this transaction, as it affirmatively promotes the public interest in a substantial and enduring way.

B. APPROVAL AND COMPLETION OF THE APPLICATION FOR SETTLEMENT.

The Commission is respectfully implored to ratify the application for the plenary settlement of the asset transfer from Corner Water to PAWC, as it irrefutably evinces PAWC's juridical, technical, and fiscal robustness to undertake Corner Water's operations, whilst concomitantly advancing the service, accommodation, convenience, and safety of the public with prodigious efficacy. This transaction represents a cardinal milestone in securing perdurable, superlative water services for the denizens and enterprises of the Commonwealth, efficaciously ameliorating the manifold deficiencies of a diminutive, beleaguered utility through the judicious harnessing of PAWC's demonstrated and formidable proficiencies.

Pursuant to Section 1103 of the Code, 66 Pa. C.S. § 1103(a), the Commission may issue a certificate of public convenience ("Certificate") upon a finding that "the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public." A Certificate is required for any public utility to acquire property used or useful in the public service. 66 Pa. C.S. § 1102(a)(3). A Certificate is also required for "any public utility to begin to offer, render, furnish or supply within this Commonwealth service of a different nature or to a different territory" than that previously authorized by the Commission. 66 Pa. C.S. § 1102(a)(1).

An applicant for a Certificate must demonstrate that it is technically, financially, and legally fit to own and operate the acquired public utility assets. *Seaboard Tank Lines v. Pa. Pub. Util. Comm'n*, 502 A.2d 762, 764 (Pa. Cmwlth. 1985); *Warminster Twp. Mun. Auth. v. Pa. Pub. Util. Comm'n*, 138 A.2d 240, 243 (Pa. Super. 1985). A currently certificated

public utility is rebuttably presumed to be fit. *See, e.g., South Hills Movers, Inc. v. Pa. Pub. Util. Comm'n*, 601 A.2d 1308, 1310 (Pa. Cmwlth. 1992).

In addition, a Certificate is to be granted, “only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.” 66 Pa. C.S. § 1103(a). An applicant for a Certificate must demonstrate that the transaction will “affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.” *City of York v. Pa. Pub. Util. Comm'n*, 295 A.2d 825, 828 (1972). This standard is known as the affirmative public benefits test. *Popowsky v. Pa. Pub. Util. Comm'n*, 937 A.2d 1040, 1052-1053 (Pa. 2007).

In determining whether an acquisition passes the affirmative public benefits test, the Commission is to weigh all factors for and against the acquisition. *McCloskey v. Pa. Pub. Util. Comm'n*, 195 A.3d 1055 (Pa. Cmwlth. 2018) *alloc. denied*, No. 703 MAL 2018 (Pa. Apr. 23, 2019). The Commission is to consider the acquisition’s impact on all affected parties, not merely a particular group or a particular geographic area. *Middletown Tp. v. Pa. Pub. Util. Comm'n*, 482 A.2d 674, 683 (Pa. Cmwlth. 1984). Nevertheless, for an acquisition to pass the affirmative public benefits test, it is not necessary that every customer benefit from the acquisition, *Popowsky*, 937 A.2d at 1061, nor must the acquisition be absolutely necessary. *Hess v. Pa. Pub. Util. Comm'n*, 107 A.3d 246, 262 (Pa. Cmwlth. 2014).

The affirmative public benefits test is a “net benefits assessment.” This requires a showing that, on net, the public is better off because of the transaction than it would have

been in the absence of the transaction. *Cicero v. Pa. Pub. Util. Comm'n*, 300 A.3d 1106 (Pa. Cmwlth. 2023), *alloc. granted*, Nos. 568-570 MAL 2023 (Pa. Jun. 14, 2024).

In granting a Certificate, the Commission may impose such conditions as it deems just and reasonable. 66 Pa. C.S. § 1103(a).

1. PAWC's Legal, Technical, and Financial Fitness

PAWC, as a currently certificated public utility, is rebuttably presumed to be fit. No party has challenged PAWC's fitness in this proceeding. PAWC's proven track record as a leading water utility, combined with its legal compliance, technical expertise, and financial stability, establishes its fitness to acquire and manage Corner Water's system. The PUC can trust PAWC to uphold its obligations to Corner Water's customers while enhancing service delivery.

2. Affirmative Promotion of Service, Accommodation, Convenience, and Safety

The transaction goes beyond mere operational continuity—it affirmatively promotes the public's service, accommodation, convenience, and safety in substantial and transformative ways, ensuring a brighter future for Clarion County's communities.

Pointedly, approval is necessary and proper for the service, accommodation, convenience, or safety of the public in satisfaction of Sub-section (a) of Section 1103. See, 66 Pa. C.S. § 1103(a). The Parties have collectively demonstrated that the transaction satisfies the affirmative public benefits test when the lists of factors "in favor of" approval clearly outweigh the scale left vacant of factors "against" approval when the negotiated terms of Settlement dictate the way.

i. Enhanced Service Quality: Corner Water's customers currently rely on an inefficient water softening system that is costly to operate and non-compliant with DEP's preference for secondary filtration to address high iron residuals. PAWC's acquisition integrates these 605 customers into its advanced regional system, delivering cleaner, safer water that meets modern regulatory standards with ease. This upgrade significantly improves service quality, ensuring that residents, businesses, and public services, like for example, fire hydrants, receive reliable, high-quality water without the risks posed by Corner Water's outdated infrastructure.

ii. Improved Accommodation: PAWC's robust resources – ample staff, technical expertise, and financial capacity – enable it to accommodate the diverse needs of Corner Water's customer base, including residential, commercial, industrial, and mobile home park communities. Unlike Corner Water, which struggles with a three-person team (two nearing retirement and no successors), PAWC can proactively maintain and upgrade infrastructure, ensuring consistent service tailored to each customer type. This enhanced accommodation fosters equitable access to water services across Clarion County.

iii. Increased Convenience: The transaction eliminates the operational uncertainties facing Corner Water, such as potential service disruptions due to aging infrastructure or regulatory non-compliance. PAWC's integration of Corner Water's system into its reliable Clarion plant ensures seamless water delivery, sparing customers the inconvenience of outages or quality issues. Additionally, PAWC's customer service

infrastructure provides greater accessibility and responsiveness, enhancing convenience for all users.

iv. Substantial Safety Benefits: Public safety is significantly bolstered by this transaction. Corner Water's deficient wells, cited by DEP on July 10, 2024, pose health and reliability risks that the utility cannot afford to address. PAWC's plan to abandon these wells and connect customers to its compliant Clarion system, as approved by DEP, eliminates these risks, ensuring safe drinking water. Furthermore, reliable water supply for public fire services enhances community safety, protecting lives and property in Elk and Paint Townships.

v. Rate Stability and Affordability: Without this transaction, Corner Water's customers face steep rate increases to cover mounting costs for regulatory compliance and infrastructure repairs—burdens its limited revenue cannot sustain. PAWC's economies of scale allow it to absorb these costs, preventing drastic rate hikes and ensuring affordability for residential, commercial, and other customers. This financial relief is a direct public benefit, preserving access to an essential resource without undue economic strain.

vi. Long-Term Community Resilience: By rescuing Corner Water from financial and operational collapse, PAWC ensures the long-term sustainability of water services in Clarion County. This stability supports local businesses, sustains property values, and maintains public safety infrastructure, benefiting the broader public beyond Corner Water's immediate customers. The transaction prevents the ripple effects of potential service failures, fostering economic and social resilience across the region.

vii. No Adverse Impact on PAWC's Operations: PAWC's vast operational and financial capacity ensures that absorbing Corner Water's 605 customers will not strain its systems or compromise service to its existing customer base. This seamless integration maximizes public benefits without trade-offs, as PAWC's existing customers continue to enjoy reliable service while Corner Water's customers gain access to superior infrastructure. For all the above reasons, the Application, as modified by the Settlement, is in the public interest and should be approved.

viii. Tariff: The Application requested that the Commission approve the *pro forma* tariff attached to the Application as Exhibit A. The Settlement reiterates that request. *Settlement ¶ 10-11.*

In the Application, PAWC represented that it would adopt Corner Water's existing rates for water service at the time of Closing. As a result, the Transaction will have no immediate impact on the rates for service to Corner Water's existing customers.

Immediately after Closing, Corner Water's customers will be subject to PAWC's prevailing water tariff on file with, and approved by, the Commission with respect to miscellaneous fees and charges, as well as non-rate related terms and conditions of service. *Settlement ¶ 10-11.*

Rates to Corner Water's existing customers will not increase until PAWC files a base rate case that includes the System.

These provisions are reasonable and in the public interest. They ensure that rates will remain stable for Corner Water's existing customers. For all the above reasons,

the Application, as modified by the Settlement, is in the public interest and should be approved.

ix. Distribution System Improvement Charge: PAWC has a distribution system improvement charge (“DSIC”) for its water system. The Settlement provides that the DSIC provisions of PAWC’s effective date of new rates established by a final order in the first base rate case in which the System is included. Additionally, PAWC will not seek to recover investments in the System in its DSIC until PAWC applies the DSIC to System customers. *Settlement* ¶ 12. These provisions are in the public interest because they protect PAWC’s existing customers from paying for investments in the System before System customers become subject to the DSIC. They are also in the public interest because they ensure that the System will become subject to the DSIC promptly. For all the above reasons, the Application, as modified by the Settlement, is in the public interest and should be approved.

x. Rates:

As discussed above, PAWC will adopt Corner Water’s existing rates at closing. As a result, the Transaction will have no immediate impact on the rates for service to Corner Water’s existing customers.

xi. Low Income Program Outreach

Paragraphs 16 and 17 of the Settlement manifestly serve the public interest by ensuring equitable, affordable, and sustainable water services for customers. These provisions—mandating a bill insert and welcome letter detailing PAWC’s low-income programs, payment options, and water efficiency resources—promote accessibility and

financial relief for residential, commercial, and mobile home park customers. Tracking enrollment in these programs ensures accountability, while no-fee payment locations and clear communication ease the transition from Corner Water's strained operations. By fostering affordability, convenience, and sustainability, these measures unequivocally advance the public interest, warranting the Commission's prompt approval.

xii. Commercial Payment Arrangements

Paragraph 18 of the settlement agreement between Corner Water and PAWC resolutely serves the public interest by ensuring equitable and flexible financial relief for Corner Water's commercial customers, thereby bolstering economic stability and accessibility to essential water services local areas. This provision, effective upon the transaction's closing date, establishes eligibility for these customers to participate in PAWC's formal program for commercial payment arrangements, offering a standard six-month payment plan with discretionary extensions on a case-by-case basis, underpinned by a written internal policy. By addressing the financial challenges faced by commercial entities transitioning from Corner Water's strained operations—burdened by regulatory noncompliance and infrastructure costs—this measure promotes affordability, business continuity, and community resilience. The provision's structured yet adaptable approach, coupled with PAWC's commitment to a formalized policy, ensures transparency and accessibility, unequivocally advancing the public interest and meriting the Commission's swift approval.

xiii. System Enhancement Commitment

Paragraphs 4 through 9 of the Settlement decisively serve the public interest by ensuring a swift, reliable, and secure integration of Corner Water's customers into PAWC's advanced regional water system, addressing the deficiencies of a struggling utility. These provisions – mandating interconnection within 18 months of DEP's permit, meter replacement within 5 years, SCADA monitoring, security upgrades within 15 months, uninterrupted power to critical infrastructure within 12 months, and exploration of PENNVEST funding for over \$4.3 million in upgrades – enhance service quality, safety, and sustainability. By replacing Corner Water's outdated infrastructure, resolving DEP-cited well deficiencies, and ensuring continuous monitoring and power, PAWC guarantees safe, reliable water for customers. The pursuit of cost-effective funding mitigates rate impacts, promoting affordability. These measures fortify the water system, ensuring long-term community resilience and meriting the Commission's prompt approval.

xiv. Closing

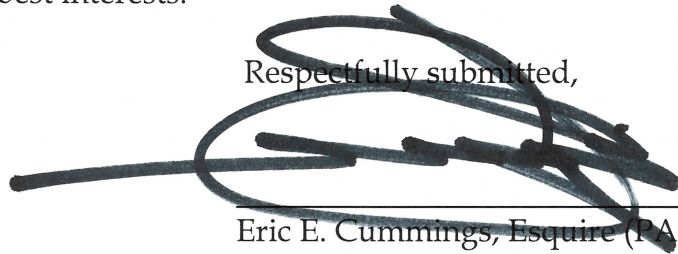
Paragraphs 2 and 3 of the Settlement decisively serve the public interest by ensuring transparency, regulatory accountability, and continuity of water services for Corner Water's customers. These provisions mandate that the transaction's closing, per the Asset Purchase Agreement, awaits a final, unappealable PUC order, with PAWC and Corner Water promptly filing a joint letter to confirm the closing date or, if the transaction is abandoned, separate letters explaining the decision and affirming Corner Water's commitment to continued service. This structured process safeguards the public by

guaranteeing regulatory oversight, preventing premature or unapproved changes to service provision, and ensuring clarity on operational responsibility. By maintaining service continuity – whether through PAWC’s integration or Corner Water’s ongoing operations – these measures protect the reliability and accessibility of water services for residential, commercial, and public fire service customers, meriting the Commission’s swift approval.

III. CONCLUSION

The transaction between Corner Water and PAWC constitutes a consummate triumph for all vested parties, firmly anchored in PAWC’s manifest juridical, technical, and pecuniary fitness to assimilate Corner Water’s operations. It resolutely advances the public’s service, accommodation, convenience, and safety with consummate vigor by delivering pristine water, stabilized tariffs, unfaltering service, and fortified safety, whilst ensuring the enduring resilience of the service-residents’ community. The Commission is hereby entreated to authorize the Application and Settlement, as it incontrovertibly secures a perdurable future for service-residents’ water services and unequivocally champions the public’s best interests.

Respectfully submitted,



Eric E. Cummings, Esquire (PA ID No. 206194)
The Cummings Law Firm, LLC
207 E. Market Street
Clearfield, PA 16830
Telephone: (814) 205-4061
E-mail: eecummings@clfdlaw.com

Counsel for *Corner Water*
Dated: June 16, 2025

APPENDIX G. Statement in Support of Office of Consumer Advocate

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

	:	
In re: Joint Application of Pennsylvania-	:	
American Water Company and Corner Water	:	
Supply and Service Corporation Pursuant to	:	
Section 1102 of the Public Utility Code, for	:	
approval of (1) the transfer to Pennsylvania-	:	Docket Nos. A-2025-3052745
American Water Company, by sale, of all	:	A-2025-3052747
property of Corner Water Supply and Service	:	
Corporation used and useful in the public	:	
service; (2) the right of Pennsylvania-	:	
American Water Company to begin to offer,	:	
render, furnish and supply water service to the	:	
public in portions of Elk and Paint Townships	:	
in Clarion County, Pennsylvania, and (3) the	:	
abandonment by Corner Water Supply and	:	
Service Corporation of all water service	:	

THE OFFICE OF CONSUMER ADVOCATE’S
STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF SETTLEMENT OF ALL ISSUES

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Settlement of All Issues (Settlement), respectfully requests that the terms and conditions of the Settlement be approved without modification by the Pennsylvania Public Utility Commission (Commission) as it is supported by substantial evidence and in the public interest.

I. PROCEDURAL BACKGROUND

On December 31, 2024, Pennsylvania American Water Company (PAWC) and Corner Water Supply and Service Corporation (Corner Water) (collectively, the Joint Applicants) filed an application with the Commission to request approval pursuant to Sections 1101, 1102, and 1103

of the Public Utility Code (Application). Specifically, in the Application the Joint Applicants are requesting: (1) the transfer, by sale, of all assets, property, and rights of Corner Water owned and used in connection with its water system to PAWC; (2) the right of PAWC to begin to offer, render, furnish and supply water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania, currently served by Corner; and (3) the abandonment by Corner Water of all water service to the public.

Corner Water serves approximately 605 customers, of which 355 are residential, 83 are commercial, 5 are industrial, 2 are public fire service, and 160 customers categorized as “other” (customers in two Mobile Home Park Communities). PAWC provides water service to approximately 686,789 customers throughout the Commonwealth.

In accordance with the Commission’s Secretarial Letter dated January 2, 2025, PAWC served copies of the Application on local municipalities included in the proposed service area, neighboring water or wastewater utilities, municipal corporations or authorities whose service area abuts or is within one mile of the proposed service area, the OCA, Office of Small Business Advocate (OSBA), and the Department of Environmental Protection’s central and regional offices. Also, in accordance with the January 2, 2025 Secretarial Letter, PAWC published notice of the Application once a week for two consecutive weeks in the Clarion News, which is a newspaper having a general circulation in the area involved and filed proof of publication with the Commission on February 3, 2025.

The Joint Application was published in the *Pennsylvania Bulletin* on January 18, 2025, and the Commission set a 16-day deadline from the publication of the notice, or by February 3, 2025. 55 Pa.B. 650.

On January 29, 2025, the OSBA filed an Amended Protest, Amended Public Statement,

and Amended Notice of Intervention.

On February 13, 2025, the OALJ issued a Notice setting the date and time for the prehearing conference in this matter for February 19, 2025, at 11:00 A.M.

On February 14, 2025, the OCA filed a Notice of Intervention and separately filed a Protest Nunc Pro Tunc and Public Statement.

On February 19, 2025, ALJ DeVoe conducted a prehearing conference, during which the parties requested that no litigation schedule be set and, instead, the parties would reconvene in approximately 45 days, during which time the parties would engage in formal discovery and begin settlement negotiations. That day, ALJ DeVoe issued the Telephonic Status Conference Notice, scheduling a status conference for April 8, 2025.

By Interim Order issued February 21, 2025, the ALJ consolidated the proceedings and ordered that the OCA's Protest be considered as having been timely filed.

On February 21, 2025, PAWC and Corner Water jointly filed a Petition for Protective Order. On February 25, 2025, ALJ DeVoe granted the Joint Applicant's Petition for Protective Order.

On April 8, 2025, the parties attended the Telephonic Status Conference and informed the ALJ that the parties were making progress toward settlement but requested that a litigation schedule be set. Also on April 8, 2025, an In-Person Evidentiary Hearing Notice was issued scheduling an evidentiary hearing for July 23 and 24, 2025. On April 9, 2025, ALJ DeVoe issued a Prehearing Order establishing a litigation schedule.

On April 28, 2025, PAWC and Corner Water each submitted written direct testimony. PAWC submitted PAWC Statement No. 1 (Tracy Baer), PAWC Statement No. 2 (Jed A. Fiscus),

and PAWC Statement No. 3 (Stacey Gress); and Corner Water submitted Corner Water Statement No. 1 (Thomas Weaver).

On May 13, 2025, counsel for the Joint Applicants informed ALJ DeVoe that the parties reached a full, unanimous settlement and requested to suspend the litigation schedule and to allow the Joint Petitioners to submit a Joint Petition for Settlement and Joint Stipulation of Fact within thirty days. On May 14, 2025, ALJ DeVoe granted the request to suspend the litigation schedule and directed the Joint Petitioners to submit a fully executed Joint Petition for Settlement and Joint Stipulation of Fact. On May 16, 2025, ALJ DeVoe clarified that documents should be submitted by close of business on Monday, June 16, 2025.

II. LEGAL STANDARDS

The Commission’s policy promotes settlements. 52 Pa. Code §§ 5.231, 69.401. In order to approve a Settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. Philadelphia Electric Company*, 60 Pa. P.U.C. 1, 22 (1985); *Pa. PUC v. City of Bethlehem – Water Dept.*, Docket No. R-2020-3020256 (Order entered April 15, 2021) (*City of Bethlehem*) at 13 (citing *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered October 4, 2004); *Pa. PUC v. C. S. Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991) (*CS Water and Sewer*)). “It is the Commission’s duty to determine the public interest and to protect the rights of the public.” *Duquesne Light Co. v. Pa. PUC*, 715 A.2d 540, 546 (Pa. Cmwlth. Ct. 1998) (citations omitted). The Commission recognizes that settlements represent “a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.” *CS Water and Sewer*, 74 Pa. P.U.C. at 771.

Consistent with the Commission’s other statutory responsibilities, the Commission must determine the public interest with “due consideration to the interests of consumers.” 71 P.S. § 309-5 (2).

Proponents of an order bear the burden of proof. 66 Pa.C.S. § 332(a). Because the Joint Petitioners request that the Commission enter an order adopting the settlement without modification, they share the burden of proof to show that the terms and conditions of the settlement are in the public interest. 66 Pa.C.S. § 332(a); *City of Bethlehem* at 13. It is well-established that the “degree of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of the evidence.” *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. Ct. 1990) (*Lansberry*). For a Commission decision to be supported by substantial evidence, it must be supported by such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. *Dutchland Tours, Inc. v. Pa. PUC*, 337 A.2d 922, 925 (Pa. Cmwlth. 1975) (*Dutchland*). The evidence must be substantial and legally credible, not mere “suspicion” or a “scintilla” of evidence. *Lansberry*, 578 A.2d at 602.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

As explained below, the OCA submits that the Settlement is supported by substantial evidence, is in the public interest, and should be approved without modification.

A. Approval of the Application, Settlement ¶ 23

In paragraph 23, the parties agree that the Commission should grant the approvals sought in the Application.

The OCA submits that the terms and conditions of the proposed Settlement provide a reasonable resolution of the concerns raised in the OCA’s protest. Those concerns included whether the acquisition satisfies the criteria for approval under Section 1103(a) of the Public

Utility Code and *City of York v. Pa. PUC*, 295 A.2d 825, 828 (Pa. 1973) and whether conditions should be imposed to ensure the public interest standard is met. The OCA also identified areas where more support was needed to assess the reasonableness of the proposed transaction, including scrutinizing the claims made by the Joint Applicants about the benefits of the transaction, and sought clarity as to whether the Joint Application would result in an affirmative public benefit, and whether PAWC would seek an acquisition adjustment under Section 1327. OCA Protest at 11-13.

As the Settlement was reached prior to submission of testimony from the statutory advocates, the Settlement is supported by the Joint Stipulation of Facts (Joint Stipulation), responses to interrogatories that were issued by the Commission's Bureau of Technical Utility Services (TUS), and the written direct testimony submitted by witnesses on behalf of the Joint Petitioners. The additional information provided by the Joint Stipulation supplements the Company's filing and helps to complete the evidentiary record on which the Commission will evaluate the proposed transaction. With the benefit of this full record, the OCA supports PAWC's acquisition of Corner Water as modified and conditioned by the terms of Settlement discussed below.

As set forth in the Joint Stipulation, there are some ways in which service for Corner Water customers may improve under PAWC's ownership. For example, the integration of the System with PAWC's Clarion System creates opportunities for functional and operational consolidation and associated efficiencies and cost savings. Consolidating the System will reduce costs for equipment and materials and compliance monitoring. Joint Stipulation ¶ 26. The System's

customers will become customers of a large system and be able to share the costs of upgrading and operating the System with many other customers. Joint Stipulation ¶ 34.

Additionally, as regulated public utilities, PAWC and Corner Water each must have tariffs, and each must file annual reports and other Commission-required filings on a regular basis. If the Transaction is approved, water service to customers of Corner Water would be provided under the rules and regulations of PAWC's tariffs, and reporting requirements would be fulfilled by PAWC rather than separate reports being filed by PAWC and Corner Water. This will conserve resources of the Commission which will no longer need to review filings from two separate public utilities. Joint Stipulation ¶ 27.

Moreover, because the Transaction will expand PAWC's customer base, PAWC's customers will be able to share the costs of upgrading and operating PAWC's system with a larger number of customers. Joint Stipulation ¶ 37. PAWC's distribution system improvement charge (DSIC) will allow it to replace mains at a faster rate than Corner Water, which will help address the System's excessive non-revenue water rate (30%). Joint Stipulation ¶ 39.

PAWC offers more payment options, longer hours for customer service, and greater cyber-security protection than Corner Water. Joint Stipulation ¶ 41. The Transaction allows PAWC to acquire an additional system near its Clarion regional system at a very reasonable price per customer. Joint Stipulation ¶ 42. The Transaction would allow PAWC to gain approximately 605 additional water customers, most of which are current PAWC Paint-Elk sewer customers. Joint Stipulation ¶ 43. By adding more customers to the entire PAWC system, there are more customers to share future infrastructure investment costs. Joint Stipulation ¶ 44. PAWC has access to equity

markets and a line of credit through American Water Capital Corp. that Corner Water does not have. Joint Stipulation ¶ 32.

Additional support for finding the Settlement in the public interest is discussed below, in the context of specific terms of Settlement.

B. Closing, Settlement ¶¶ 24, 25

Paragraphs 24 and 25 of the Settlement state:

24. If PAWC and Corner Water decide to close on the Transaction in accordance with their respective contractual rights and obligations under the Asset Purchase Agreement (“APA”), as amended, the closing will not take place sooner than the date of the existence of a final, unappealable order of the Commission approving the Joint Application. If the closing occurs, promptly after the closing date, PAWC and Corner Water will file a joint letter in the docket evidencing that the closing occurred and the date it occurred and serve such letter on the statutory advocates.

25. If PAWC and Corner Water elect not to close on the Transaction, promptly after the date the decision was made not to close the Transaction, (a) PAWC will file a letter in this docket and serve it on the parties to this proceeding explaining the reasons why the Transaction would not be consummated notwithstanding the existence of a final, unappealable order of the Commission approving the Joint Application; and (b) Corner Water will file a letter in the docket stating its intention to continue to serve its customers.

The OCA submits that the paragraph 24 is in the public interest because the agreement to not close sooner than the date of the existence of a final, unappealable order will prevent the utility’s premature closing of a transaction that is not approved pursuant to a final, unappealable order and also prevent premature ratemaking claims related to a system in a rate case that is filed prior to the existence of a final, unappealable order approving the acquisition. This is consistent with the Commission’s decisions in the recent *PAWC 2023*¹ and *Aqua 2024*² rate cases. The OCA

¹ See *Pa. PUC v. Pa.-American Water Co.*, Docket Nos. R-2023-3043189 et al. (Order entered July 11, 2024) (*PAWC 2023*) at 38-40.

² See *Pa. PUC v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.*, Docket Nos. R-2024-3047822 and R-2024-3047824 (Order entered February 6, 2025) (*Aqua 2024*) at 136-43.

submits that the remaining provisions of paragraphs 24 and 25 are in the public interest as they require notice to be filed in the docket of a final closing activity or of a decision by the Joint Applicants to not to close on the transaction, stating the reasons why, and a letter explaining Corner Water's obligation to continue to serve if the closing does not occur.

C. Environmental Quality and Reliability Improvement, Settlement ¶ 26

Pursuant to the Settlement Agreement, PAWC will address these environmental and service quality concerns by removing Corner Water's current customers from their current system and transition those customers to PAWC's regional system:

26. PAWC will interconnect and integrate the System into PAWC's Clarion regional water system as soon as reasonably possible following the closing date but no later than within eighteen (18) months following the date of the Pennsylvania Department of Environmental Protection's ("DEP") issuance of the permit for the interconnect construction.

Settlement ¶ 26.

Corner Water sources its water from two groundwater wells, which are impacted by high levels of iron and manganese. Joint Stipulation ¶ 31. The wells are at risk of potential source water contamination because they are prone to flooding during rain events and require upgrades such as new well heads and well pit covers. *Id.* Corner Water calculates that extensive work and capital investment is needed to make the wells floodproof. *Id.* Corner Water says its well production facilities also have significant deficiencies that could compromise the safety and quality of the drinker water it supplies to its customers. *Id.* at ¶ 29. Corner Water is constrained in its ability to source its water supply, so any interruption in service due to equipment malfunction or contamination could have an immediate and adverse impact on drinking water customers. *Id.* Additionally the Pennsylvania Department of Environmental Protection (DEP) issued four violations to Corner Water in the past five years, one of which is still outstanding. Joint Stipulation

¶ 28.

Interconnecting and integrating the Corner Water System into PAWC's Clarion regional water system is a public benefit because it promotes the availability of clean, potable water and adequate, safe, and reasonable water service and facilities. PA. CONST. art. I, § 27; 66 Pa. C.S. § 1501.

Indeed, integrating Corner Water's current customers into PAWC's Clarion regional system will eliminate the risks posed by vulnerable groundwater wells, aging plant equipment, and limited water sourcing options. Joint Stipulation ¶ 29. Integrating Corner Water's customers into the Clarion regional system will also improve service reliability by tying into a system that includes, "state-of-the-art surface water treatment plant, redundant pumping units and reliable floating storage of PAWC's nearby Clarion regional system." *Id.* at ¶ 28. PAWC will address the unresolved DEP violations, "PAWC will promptly address these issues and bring the System into compliance with applicable environmental laws and regulations." *Id.* at ¶ 26. Corner Water's customers will benefit from PAWC's nearby state certified microbiology lab which will provide bacteriological sampling and analysis to help ensure the water provided to customers will be safe. Application ¶ 21(f). The environmental and reliability improvements outlined in Settlement have no material detriments for PAWC's water customers, therefore it is reasonable and in the public interest for the Commission to approve these provisions in the Settlement.

C. System Infrastructure Improvements, Settlement ¶¶ 27-31

PAWC plans to spend \$4.3 million to make several infrastructure upgrades to the Corner Water system. Application ¶ 21(d). Within five (5) years of the closing date, PAWC will replace all meters within the System. Settlement ¶ 27. In conjunction with tying into PAWC's Clarion regional water system as discussed above, PAWC plans to install Supervisory Control and Data

Acquisition (SCADA) monitoring equipment to allow for continuous, remote monitoring of the water system. *Id.* at ¶ 28. No later than one year after the acquisition closes, PAWC will review Corner Water's security matters and within three months after its review, PAWC will implement necessary upgrades. *Id.* at ¶ 29. Also, within a year of closing, PAWC will ensure the Corner Water system has uninterrupted power to its critical infrastructure. *Id.* at ¶ 30. Corner Water currently has a generator at its plant facility, but it is not connected to the plant's electrical system and the generator appears to be old. Application ¶ 21(d). To help PAWC and Corner Water ratepayers achieve these upgrades at the least cost possible, as part of this Settlement, PAWC will investigate the feasibility of applying for a PENNVEST grant or loan for all eligible system improvements relating to the enhancements described in paragraphs 27 through 30 above and any other upgrade identified in the Company's tentative five-year plan for upgrades to the Corner Water system. Settlement ¶ 31. PAWC will further share information relating to its investigation of seeking PENNVEST with the OCA in its next rate case. *Id.*

If PAWC secures a low-interest loan or grant using PENNVEST to finance the upgrades listed above, it will benefit PAWC customers, because a lower interest rate means the total rate impact from these projects will be lower to all PAWC customers. As described in paragraphs above, the Corner Water system is sorely in need of upgrades, and as will be discussed below, Corner Water does not have a customer base large enough to support those upgrades through just and reasonable rates.

By acting on its five-year plan to address the system's need for improvement, the Settlement represents a compromise between the OCA's interest in ensuring all necessary system upgrades be installed as quickly as possible while providing PAWC with enough time to engage with the application process if it pursues financing through PENNVEST. The OCA believes that

the infrastructure improvements contained in this Settlement and PAWC's timeline and financing approach to be in the public interest and should be approved.

D. Distribution System Improvement Charge (DSIC), Settlement ¶ 34

Under the terms of the settlement, PAWC will propose to apply its DSIC tariff provisions to Corner Water customers no sooner than the effective date of new rates established by a final order in the first base rate case in which the System is included. Settlement ¶ 34. Additionally, PAWC will not seek to recover investments in the System in its DSIC until PAWC applies the DSIC to System customers. *Id.* This requirement protects PAWC's existing customers by helping to ensure that they will not pay for projects in the Corner Water service area through their DSIC rates until Corner Water customers are contributing toward the costs.

E. Rates, Settlement, Settlement ¶¶ 35-37

Corner Water and PAWC's current customers will not see their rates change as a result of this transaction. According to the Settlement, "PAWC will adopt Corner Water's existing Commission-approved base rates, which shall become effective at the time of the closing date." Settlement ¶ 35. The provision goes on to note that PAWC will be permitted to charge miscellaneous fees and charges in accordance with PAWC's tariff, but that "Base rates for the Corner Water customers will not change until the effective date of new rates established by a final order in the first base rate case in which the System is included." *Id.* This provision will protect Corner Water's current customer base against any potential rate shock as a result of this transaction. It furthermore provides some degree of stability against uncertainty of the kind of rate increase Corner Water would require in a future filing under current ownership.

Witness Tracy J. Baer testified on behalf of PAWC, "Corner Water's last rate increase was in 2016, and if the Transaction is not approved, Corner Water likely will have to seek a rate

increase on its own.” PAWC Statement No. 1 at 19. Thomas Weaver, President of Corner Water, testified that raising rates on Corner Water customers on its own to cover maintenance and regulatory compliance costs would have a “very significant” impact to its customers whereas, “a large service provider's ability to share costs and spread them between regions mitigates the potential for drastic rate increases. In contrast, Corner Water does not have the luxury of spreading and sharing costs during periods of time when regulatory demands and costs increase disproportionately to rates charged.” Corner Water Statement No. 1 at 5. As noted above, absent the sale of Corner Water, it is likely rates would need to be raised on customers by a significant margin to cover upgrading Corner’s deteriorating plant operations. Providing current Corner customers and PAWC customers assurance that their rates will not change upon the closing of this acquisition provides a sense of stability. As will be discussed below, PAWC is able to provide customer assistance programs to help Corner Water customers mitigate an increase in the future. This provision of the Settlement is therefore reasonable and in the public interest and should be approved.

F. Low-Income Program Outreach, Settlement ¶¶ 38, 39

Currently, Corner Water customers do not have access to programs to assist low-income customers to pay their monthly drinking water bills. Joint Stipulation ¶ 35. Under the Settlement, within the first billing cycle following the closing date, PAWC shall provide a bill insert to System customers regarding PAWC’s low-income programs (including but not limited to Bill Discount and Arrearage Management) and customer payment arrangement programs. The bill insert shall include, at a minimum, a description of the available low-income programs, eligibility requirements for participation in the programs, and PAWC’s, OCA’s and OSBA’s contact information. PAWC, OCA, and OSBA agree to discuss the specific language and placement of

contact information after the submission of this settlement but before the finalization of the bill insert. Settlement ¶ 38. Additionally, within the first 30 days of Closing, PAWC will provide a welcome letter to System customers that includes information about bill payment options; identifies locations where customers can pay in-person for no additional fee, which are reasonably proximate to the areas served by the System; and provides the information listed in the paragraph above about PAWC's low-income programs and customer payment arrangement programs. Settlement ¶ 39.

PAWC will track and report to the OCA the number of former Corner Water customers who signed up for PAWC's low-income program after six-months or at the next low-income collaborative meeting, whichever is sooner. *Id.* PAWC will track and report to OSBA the number of former Corner Water commercial customers who received a commercial payment arrangement after six-months or at the next low-income collaborative meeting, whichever is sooner. *Id.*

This marketing and outreach effort will let Corner water customers know these programs exist and are available to help make their drinking water bill more affordable. If income eligible customers of Corner Water remain unaware of these assistance programs as they transition into PAWC customers, it is not a public benefit. Corner customers should have an easier time enrolling in a payment assistance program because they are current PAWC customers for wastewater service and a degree of familiarity with PAWC's workings. Joint Stipulation ¶ 43. PAWC's commitment to timely provide this important information to Corner Water customers is in the public interest and therefore should be approved.

IV. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement of this application represent a fair and reasonable resolution of the issues raised by the OCA in this proceeding. Therefore, the OCA submits that the Settlement should be approved by the Commission without modification as being in the public interest.

Respectfully submitted,

/s/ Ryan Morden

Ryan Morden
Assistant Consumer Advocate
PA Bar ID # 335679
RMorden@paoca.org

Melanie Joy El Atieh
Deputy Consumer Advocate
PA Bar ID # 209323
MElAtieh@paoca.org

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

DATED: June 16, 2025

Counsel for:
Darryl A. Lawrence
Consumer Advocate

APPENDIX H. Statement in Support of the Office of Small Business Advocate

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Pennsylvania	:	Docket Nos. A-2025-3052745
American Water Company and Corner	:	A-2025-3052747
Water Supply and Service Corporation	:	
Pursuant to Section 1102 of the Public	:	
Utility Code, for approval of: (1) the	:	
transfer to Pennsylvania American Water	:	
Company, by sale, of all property of	:	
Corner Water Supply and Service	:	
Corporation used and useful in the public	:	
service; (2) the right of Pennsylvania-	:	
American Water Company to begin to	:	
offer, render, furnish and supply water	:	
service to the public in portions of Elk and	:	
Paint Townships in Clarion County,	:	
Pennsylvania; and (3) the abandonment	:	
by Corner Water Supply and Service	:	
Corporation of all water service	:	

**STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF SETTLEMENT
ON BEHALF OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE,

I. INTRODUCTION

The Office of the Small Business Advocate (“OSBA”) is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. The OSBA participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Approval of Settlement of All Issues (“*Settlement*”). The OSBA submits this statement in support of the *Settlement*.

II. BACKGROUND

As a signatory to the *Settlement*, the OSBA adopts the procedural history as set forth in Paragraphs 1-21 of the *Settlement*.

III. SETTLEMENT

The *Settlement* sets forth a comprehensive list of issues that were resolved through the negotiation process. The following issues were of particular significance to the OSBA when it concluded that the *Settlement* was in the best interests of Corner Water Supply and Service Corporation's ("Corner Water") small business customers.

A. GENERAL

1. Approval of the *Settlement*

The OSBA agrees that the Pennsylvania Public Utility Commission ("Commission") should approve the *Settlement*. More specifically, the OSBA concludes that the *Settlement* provides a reasonable result and a meaningful benefit to small business customers and that the Commission should:

- i. Grant Pennsylvania-American Water Company's ("PAWC") request for certificate of public convenience authority to (1) acquire Corner Water's water system assets (the "System") (the acquisition is referred to herein as the "Transaction"); and (2) to begin to offer, render, furnish or supply water service in the areas served by Corner Water.
- ii. Grant Corner Water's request for certificate of public convenience authority to abandon service to its customers subject to the condition that the closing of the Transaction occurs.

iii. Grant any other approvals or certificate of public convenience authority that are appropriate, customary, or necessary under the Public Utility Code to carry out the Transaction contemplated in the *Settlement* in a lawful manner.

2. Closing

The OSBA concludes that the below provides a reasonable result and a meaningful benefit to small business customers.

- i. The OSBA agrees that if PAWC and Corner Water decide to close on the Transaction in accordance with their respective contractual rights and obligations under the Asset Purchase Agreement (“APA”), as amended, the closing will not take place sooner than the date of the existence of a final, unappealable order of the Commission approving the *Settlement*. If the closing occurs, promptly after the closing date, PAWC and Corner Water will file a joint letter in the docket evidencing that the closing occurred and the date on which it occurred and serve such letter on the statutory advocates.
- ii. The OSBA agrees that if PAWC and Corner Water elect not to close on the Transaction, promptly after the date the decision was made not to close the Transaction, (a) PAWC will file a letter in this docket and serve it on the parties to this proceeding explaining the reasons why the Transaction would not be consummated notwithstanding the existence of a final, unappealable order of the Commission approving

the *Settlement*; and (b) Corner Water will file a letter in the docket stating its intention to continue to serve its customers.

3. System Enhancement Commitments

The OSBA concludes that the below provides a reasonable result and a meaningful benefit to small business customers.

- i. The OSBA agrees that PAWC will interconnect and integrate the System into PAWC's Clarion regional water system as soon as reasonably possible following the closing date but no later than within eighteen (18) months following the date of the Pennsylvania Department of Environmental Protection's ("DEP") issuance of the permit for the interconnect construction.
- ii. The OSBA agrees that within five (5) years of the closing date, PAWC will replace all meters within the System.
- iii. The OSBA agrees that as part of its integration of the System with PAWC's Clarion regional water system, PAWC will install SCADA improvements to allow for continuous, remote monitoring of the System. The timeframe for the installation of SCADA improvements will correspond with the timeframe for the integration and tie-in of the System to PAWC's Clarion regional water system.
- iv. The OSBA agrees that as soon as reasonably possible following the closing date but no later than twelve (12) months following closing date, PAWC will complete a thorough review of the System's security matters. Necessary upgrades identified in the review to improve safety

and security will be implemented as soon as reasonably possible but no later than three (3) months from the date the necessary upgrades were identified.

- v. The OSBA agrees that as soon as reasonably possible following the closing date but no later than twelve (12) months following closing date, PAWC will ensure uninterrupted power is available to critical infrastructure within the System.
- vi. The OSBA agrees that PAWC will investigate the feasibility of applying for a PENNVEST grant or loan for all eligible system improvements relating to the enhancements and any other upgrade identified in the Company's tentative five-year plan for upgrades to the Corner Water system totaling over four million, three hundred thousand (\$4,300,000.00) dollars (*see*, PAWC's Attachment A-8-a to TUS Set 1 in this proceeding) and will agree to share information relating to such investigation in its next rate case.

4. Tariff

The OSBA concludes that the below provides a reasonable result and a meaningful benefit to small business customers.

- i. The OSBA agrees that the *pro forma* water tariff supplement attached as Appendix D to the Settlement should be permitted to become effective immediately upon the closing date.
- ii. The OSBA agrees that in addition, PAWC should be authorized to implement on customer bills for the formerly Corner Water customers

all other miscellaneous fees and charges (for example, a turn on fee at time-of-service reconnection), and that the rules and regulations regarding conditions of PAWC's water service, as reflected in PAWC's prevailing water tariff, are effective at and after the closing date.

5. Distribution System Improvement Charge ("DSIC")

The OSBA agrees and concludes that it is a reasonable result and a meaningful benefit to small business customers that the DSIC provisions of PAWC's effective water tariff will apply to the former Corner Water customers in the System no sooner than the effective date of new rates established by a final order in the first base rate case in which the System is included.

Additionally, PAWC will not seek to recover investments in the System in its DSIC until PAWC applies the DSIC to System customers.

6. Rates

The OSBA concludes that the below provides a reasonable result and a meaningful benefit to small business customers.

- i. The OSBA agrees that PAWC will adopt Corner Water's existing Commission-approved base rates, which shall become effective at the time of the closing date. The Transaction will have no immediate effect on the base rates for water service to be charged to PAWC's and Corner Water's existing customers, except for the miscellaneous fees and charges that are permitted to be charged to the former Corner Water customers in accordance with PAWC's tariff. Base rates for the Corner Water customers will not change until the effective date of new

rates established by a final order in the first base rate case in which the System is included.

- ii. The OSBA agrees that except as explicitly agreed upon in this *Settlement*, nothing contained herein or in the Commission's approval of the *Settlement* shall preclude any Joint Petitioner from asserting any position or raising any issue in other PAWC proceedings. This includes, but is not limited to, the rights of the OCA and the OSBA to address and make other proposals for System rate base and rates in PAWC's future rate cases, appeals, and remands.
- iii. The OSBA agrees that any claim by PAWC to recover Transaction and closing costs associated with the acquisition of the System will not include costs incurred by Corner Water. The OCA and the OSBA reserve their rights to challenge the reasonableness, prudence, and basis for PAWC's Transaction and closing cost claims in the rate filing where they are claimed.

7. Low Income Program Outreach

The OSBA concludes that the below provides a reasonable result and a meaningful benefit to small business customers.

- i. The OSBA agrees that within the first billing cycle following the closing date, PAWC shall provide a bill insert to System customers regarding PAWC's low-income programs (including but not limited to Bill Discount and Arrearage Management) and customer payment arrangement programs. The bill insert shall include, at a minimum, a

description of the available low-income programs, eligibility requirements for participation in the programs, and PAWC's, OCA's and OSBA's contact information. PAWC, OCA, and OSBA agree to discuss the specific language and placement of contact information after the submission of the *Settlement* but before the finalization of the bill insert.

- ii. The OSBA agrees that within the first thirty (30) days of the closing date, PAWC shall provide a welcome letter to System customers that includes information about bill payment options; identifies locations where customers can pay in-person for no additional fee, which are reasonably proximate to the areas served by the System; provides the information about the Company's low-income programs and customer payment arrangement programs; and identifies resources promoting water efficiency. PAWC will track and report to the OCA the number of formerly Corner Water customers who signed up for PAWC's low-income program after six-months or at the next low-income collaborative meeting, whichever is sooner. PAWC will track and report to the OSBA the number of formerly Corner Water commercial customers who received a commercial payment arrangement after six-months or at the next low-income collaborative meeting, whichever is sooner.

8. Commercial Payment Arrangements

The OSBA agrees and concludes that it is a reasonable result and provides a meaningful benefit to small business customers that effective on the closing date, the System's commercial customers will be eligible to seek participation in PAWC's formal program for payment arrangements for commercial customers. The formal program offers a standard six (6) month payment plan to payment-troubled commercial customers, which can be extended on a case-by-case basis by PAWC in its discretion. PAWC will maintain a written internal policy of this formal program for payment arrangements for commercial customers going forward.

9. Procedural Conditions

- i. The OSBA agrees that the *Settlement* is conditioned upon the Commission's approval of the terms and conditions contained in the *Settlement* without modification. If the Commission modifies the *Settlement*, any Petitioner may elect to withdraw from the *Settlement* and may proceed with litigation and, in such event, the *Settlement* shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission, and served upon all Joint Petitioners within five (5) business days after the entry of an Order modifying the *Settlement*. The Joint Petitioners acknowledge and agree that the *Settlement*, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding.
- ii. The OSBA agrees that this *Settlement* is proposed by the Joint Petitioners to settle all issues in the instant proceedings. If the Commission does not approve the *Settlement* and the proceedings

continue, the Joint Petitioners reserve their respective procedural rights, including the right to present additional testimony and to conduct full cross-examination, briefing and argument. The Settlement is made without any admission against, or prejudice to, any position which any Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

- iii. The OSBA agrees that the Joint Petitioners acknowledge that the *Settlement* reflects a compromise of competing positions and does not necessarily reflect any Petitioner's position with respect to any issues raised in these proceedings. This *Settlement* may not be cited as precedent in any future proceeding, except to the extent required to implement this *Settlement*.
- iv. The OSBA agrees that if the ALJ recommends approval of the *Settlement* without modification, the Joint Petitioners agree to not file Exceptions as it relates to such recommended approval.

III. CONCLUSION

For the reasons set forth in the *Settlement*, as well as the additional factors that are enumerated in this statement, the OSBA supports the proposed *Settlement* and respectfully requests that the ALJ and the Commission approve the *Settlement* in its entirety.

Respectfully submitted,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: June 16, 2025