



Teresa K. Harrold
Director, Corporate Counsel
852 Wesley Drive | Mechanicsburg, PA 17055
Phone: 717-550-1562
teresa.harrold@amwater.com

July 17, 2025

Matthew L. Homsher, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania-American Water Company – Wastewater Division Section 1329 Application
for the Acquisition of the Elizabeth Borough Municipal Authority Wastewater System
Docket Nos. A-2025-3052983, *et al.***

Dear Secretary Homsher:

Enclosed for filing with the Pennsylvania Public Utility Commission is Pennsylvania-American Water Company's Reply to the Post Hearing Brief and Objection to Settlement Filed by Forward Township, in the above-referenced proceeding.

A copy of the filing has been served on the parties as indicated on the enclosed Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa K. Harrold", written over a horizontal line.

Teresa K. Harrold

Enclosures

cc: The Honorable Erin L. Gannon, Administrative Law Judge w/Encs.
The Honorable Steven K. Haas, Administrative Law Judge w/Encs.
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**ADMINISTRATIVE LAW JUDGES
ERIN L. GANNON AND STEVEN K. HAAS**

Pennsylvania-American Water Company – :
Wastewater Division Section 1329 Application : Docket Nos. A-2025-3052983, *et al.*
for the Acquisition of the Elizabeth Borough :
Municipal Authority Wastewater System :

**PENNSYLVANIA-AMERICAN WATER COMPANY’S
REPLY TO THE POST HEARING BRIEF AND OBJECTION
TO SETTLEMENT FILED BY FORWARD TOWNSHIP**

Teresa K. Harrold, Esq. (PA ID 311082)
Director, Corporate Counsel
American Water
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone: 717-550-1562
E-mail: teresa.harrold@amwater.com

Counsel for *Pennsylvania-American
Water Company*

Dated: July 17, 2025

TABLE OF CONTENTS

- I. STATEMENT OF THE CASE..... 1
 - A. PROCEDURAL HISTORY..... 2
 - B. OVERVIEW OF THE TRANSACTION 2
 - 1. THE SYSTEM..... 2
 - 2. PAWC’S WATER AND WASTEWATER OPERATIONS..... 4
 - 3. CHRONOLOGY OF THE TRANSACTION 5
 - 4. THE APA..... 5
 - 5. THE APPLICATION..... 7
- II. LEGAL STANDARDS 7
 - A. BURDEN OF PROOF 7
 - B. SECTION 1103 OF THE CODE..... 9
 - C. SECTION 1329 OF THE CODE..... 10
 - D. SECTION 507 OF THE CODE..... 10
 - E. SETTLEMENTS..... 11
- III. REPLIES TO OBJECTIONS 11
 - A. THE COMMISSION LACKS JURISDICTION TO ADJUDICATE SOME OF FORWARD’S CLAIMS AND TO GRANT SOME OF ITS REQUESTED RELIEF . 12
 - B. PAWC AND EBMA PROVIDED THE REQUIRED NOTICE OF THE FILING OF THE APPLICATION AND OF THE PUBLIC INPUT HEARING 14
 - C. SECTION 1102/1103 ISSUES: THE SETTLEMENT EASILY PASSES THE AFFIRMATIVE BENEFIT TEST 16
 - 1. THE SETTLEMENT PROMOTES THE GENERAL ASSEMBLY’S POLICY GOALS WHEN IT ENACTED SECTION 1329..... 18
 - 2. THE SETTLEMENT IS CONSISTENT WITH THE COMMISSION’S POLICY PROMOTING REGIONALIZATION AND CONSOLIDATION..... 18
 - 3. THE SETTLEMENT PROMOTES THE PEOPLE’S RIGHT TO A CLEAN ENVIRONMENT 19
 - 4. APPROVAL OF THE SETTLEMENT IS CONSISTENT WITH THE COMMISSION’S ROLE AS TRUSTEE OF THE NATURAL RESOURCES OF THE COMMONWEALTH 21
 - 5. THE SETTLEMENT BENEFITS THE PUBLIC BECAUSE EBMA AND OTHER MUNICIPAL CORPORATIONS WILL RECEIVE THE PROCEEDS OF THE SALE, AND THESE FUNDS WILL BE USED TO BENEFIT THE PUBLIC..... 22

6.	THE SETTLEMENT BENEFITS THE PUBLIC BECAUSE IT MAKES PAWC A LARGER, FINANCIALLY STRONGER PUBLIC UTILITY	23
7.	THE SETTLEMENT AFFIRMATIVELY BENEFITS THE PUBLIC BECAUSE IT HAS BENEFITS FOR PAWC’S WASTEWATER CUSTOMERS	24
8.	THE SETTLEMENT AFFIRMATIVELY BENEFITS THE PUBLIC BECAUSE IT HAS BENEFITS FOR EBMA’S EXISTING CUSTOMERS.....	25
9.	THE SETTLEMENT BENEFITS THE PUBLIC BECAUSE OF ITS RATE IMPACTS	27
D.	SECTION 1329 ISSUES: THE ALJS SHOULD NOT MODIFY THE SETTLEMENT’S RATE BASE FOR RATEMAKING PURPOSES	30
IV.	CONCLUSION AND REQUEST FOR RELIEF.....	33

TABLE OF AUTHORITIES

	Page(s)
Pennsylvania Court Cases	
<i>Byer v. Peoples Natural Gas Co.</i> , 380 A.2d 383 (Pa. Super. 1977).....	13
<i>Carnahan v. Slippery Rock Twp. Zoning Hearing Bd.</i> , 305 A.3d 211 (Pa. Cmwlth. 2023)	21
<i>Cicero v. Pa. Pub. Util. Comm’n</i> , 300 A.3d 1106 (Pa. Cmwlth. 2023), <i>alloc. granted</i> , Nos. 568-570 MAL 2023 (Pa. Jun. 14, 2024)	10, 20
<i>City of York v. Pa. Pub. Util. Comm’n</i> , 295 A.2d 825 (Pa. 1972).....	9, 24
<i>Comm. v. Butler Cnty. Mushroom Farm</i> , 454 A.2d 1 (Pa. 1982).....	12
<i>Del. Riverkeeper Network v. Sunoco Pipeline L.P.</i> , 179 A.3d 670 (Pa. Cmwlth. 2018)	21
<i>Feingold v. Bell Tel. Co. of Pa.</i> , 383 A.2d 791 (Pa. 1977).....	12, 13
<i>Green v. Milk Control Comm’n</i> , 16 A.2d 9 (Pa. 1940).....	12
<i>Hess v. Pa. Pub. Util. Comm’n</i> , 107 A.3d 246 (Pa. Cmwlth. 2014)	10
<i>Hurley v. Hurley</i> , 754 A.2d 1283 (Pa. Super. 2000).....	8
<i>McCloskey v. Pa. Pub. Util. Comm’n</i> , 195 A.3d 1055 (Pa. Cmwlth. 2018), <i>alloc. denied</i> , 207 A.3d 290 (Pa. 2019).....	9-10, 14
<i>Middletown Tp. v. Pa. Pub. Util. Comm’n</i> , 482 A.2d 674 (Pa. Cmwlth. 1984)	10
<i>Norfolk & Western Ry. Co. v. Pa. Pub. Util. Comm’n</i> , 413 A.2d 1037 (Pa. 1980).....	8
<i>Pennsylvania Env’l Defense Foundation v. Cmwlth.</i> , 161 A.3d 911 (Pa. 2017).....	21

<i>Popowsky v. Pa. Pub. Util. Comm’n</i> , 937 A.2d 1040 (Pa. 2007)	9, 10
<i>Riedel v. County of Allegheny</i> , 633 A.2d 1325 (Pa. 1993)	8
<i>Robinson Township v. Commonwealth</i> 83 A.3d 901 (Pa. 2013)	21
<i>Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm’n</i> , 578 A.2d 600 (Pa. Cmwlth. 1990), <i>alloc. denied</i> , 602 A.2d 863 (Pa. 1992)	8
<i>Se-Ling Hosiery, Inc. v. Margulies</i> , 70 A.2d 854 (Pa. 1950)	8
<i>Seaboard Tank Lines v. Pa. Pub. Util. Comm’n</i> , 502 A.2d 762 (Pa. Cmwlth. 1985)	9
<i>South Hills Movers, Inc. v. Pa. Pub. Util. Comm’n</i> , 601 A.2d 1308 (Pa. Cmwlth. 1992)	9
<i>Warminster Twp. Mun. Auth. v. Pa. Pub. Util. Comm’n</i> , 138 A.2d 240 (Pa. Super. 1985)	9

Pennsylvania Public Utility Commission Cases

<i>Application of Aqua Pennsylvania Wastewater, Inc. for Approval of the Acquisition of the Wastewater Assets of Willistown Township</i> , Docket No. A- 2021-3027268 (Opinion and Order entered Jul. 8, 2022)	13-14
<i>Application of Aqua Pennsylvania Wastewater, Inc. for Approval of the Acquisition of the Wastewater System Assets of the City of Beaver Falls</i> , Docket No. A-2022-3033138 (Opinion and Order entered Jun. 18, 2025)	17-18, 30
<i>Application of PPL Electric Utilities Corporation for Approval of the Siting and Construction of the Pennsylvania Portion of the Proposed Susquehanna- Roseland 500 kV Transmission Line</i> , Docket No. A-2009-2082652 (Opinion and Order entered May 28, 2009)	15
<i>Application of 52 Pa. Code § 3.501 to Certificated Water and Wastewater Utility Acquisitions, Mergers and Transfers</i> , Docket No. L-2020-3017232 (Final Rulemaking Order entered Oct. 25, 2024)	23-24
<i>Implementation of Section 1329 of the Public Utility Code</i> , Docket No. M-2016- 2543193 (Final Supplemental Implementation Order entered Feb. 28, 2019)	14

<i>Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.</i> , 74 Pa. P.U.C. 767 (1991)	11
<i>Pub. Util. Comm'n v. York Water Co.</i> , Docket No. R-00049165 (Order entered Oct. 4, 2004)	11
<i>Valuation of Acquired Municipal Water & Wastewater Systems – Act 12 of 2016 Implementation</i> (Final Supplemental Implementation Order entered Jul. 2, 2024)	14

State Statutes

53 Pa. C.S. §§ 5601-5623	12
53 Pa. C.S. § 5607(d)(9)	12
53 Pa. C.S. § 5612(a.1)(1)	13
53 Pa. C.S. § 5612(a.1)(2)	13
66 Pa. C.S. § 332(a)	7
66 Pa. C.S. § 507.....	1, 10, 11
66 Pa. C.S. § 1102	1, 16
66 Pa. C.S. § 1102(a)	1
66 Pa. C.S. § 1102(a)(1).....	9
66 Pa. C.S. § 1102(a)(3).....	9
66 Pa. C.S. § 1103	1, 16
66 Pa. C.S. § 1103(a)	9, 10
66 Pa. C.S. §§ 1301.....	5
66 Pa. C.S. § 1311(c)	9
66 Pa. C.S. § 1329.....	<i>passim</i>
66 Pa. C.S. § 1329(a)	31
66 Pa. C.S. § 1329(c)(2).....	30
66 Pa. C.S. § 1329(g).....	31

66 Pa. C.S. §§ 1501.....5

Federal Regulations

40 CFR § 261.4(a)(1).....6

State Regulations

52 Pa. Code § 5.23111

52 Pa. Code § 5.243(e).....12

52 Pa. Code § 69.40111

52 Pa. Code § 69.71118

AND NOW COMES Pennsylvania-American Water Company (“PAWC” or the “Company”) to file this Reply (“Reply to Objections”) to the Post Hearing Brief and Objection to Settlement (“Objections”) filed by Forward Township (“Forward”). The Objections ask that the Honorable Administrative Law Judges Erin L. Gannon and Steven K. Haas (the “ALJs”) disapprove the Joint Petition for Approval of Non-Unanimous Settlement of All Issues (the “Petition for Settlement”) filed by PAWC, the Elizabeth Borough Municipal Authority (“EBMA”), the Office of Consumer Advocate (“OCA”) and the Bureau of Investigation and Enforcement (“I&E”) (singularly, a “Joint Petitioner” and collectively the “Joint Petitioners”).¹ In the alternative, Forward asks that the ALJs modify the Petition for Settlement by adopting the OCA’s litigation position as the System’s rate base for ratemaking purposes.

For the reasons set forth below, PAWC respectfully requests that the ALJs deny and dismiss the Objections. PAWC continues to request that the ALJs recommend approval of, and that the Commission approve, the Settlement (as hereinafter defined), including all terms and conditions thereof, without modification.

I. STATEMENT OF THE CASE

This case involves the application (as amended, the “Application”) filed by PAWC pursuant to Sections 507, 1102(a), 1103 and 1329 of the Pennsylvania Public Utility Code (the “Code”), 66 Pa. C.S. §§ 507, 1102(a), 1103 and 1329, requesting (among other things) that the Commission issue Certificates of Public Convenience (“Certificates”) for PAWC’s acquisition of the wastewater collection and treatment system (the “System”) owned and operated by EBMA (the “Transaction”) and to set the fair market value of the acquisition for rate base ratemaking purposes.

¹ The Office of Small Business Advocate (“OSBA”) does not oppose the Petition for Settlement.

For ease of reference, the Application as amended by the Joint Petition for Settlement is referred to herein as the “Settlement.”

A. PROCEDURAL HISTORY

PAWC incorporates by reference Section II of the Joint Petition for Settlement, summarizing the procedural history of this case. By way of update:

- The Joint Petition for Settlement was filed on June 27, 2025;
- By correspondence dated July 3, 2025, the OSBA notified the Commission that it does not oppose the Petition for Settlement; and
- Forward filed the Objections on July 8, 2025.

B. OVERVIEW OF THE TRANSACTION

1. THE SYSTEM

Elizabeth Borough is located along the banks of the Monongahela River in Allegheny County, about 15 miles upstream of Pittsburgh. EBMA St. No. 1 p. 4. EBMA owns and operates the System, which is a combined sewer collection and conveyance network serving Elizabeth Borough, together with a 1.2 million gallons per day wastewater treatment plant. EBMA St. No. 1 p. 2. The System directly serves Elizabeth Borough. In addition, Forward, Elizabeth Township and Lincoln Borough receive treatment service pursuant to bulk service agreements between EBMA and each municipality. The sewer collection and conveyance systems in Forward, Elizabeth Township and Lincoln Borough are owned by those respective municipalities and are not part of the Transaction. PAWC St. No. 2 p. 3.

As of December 31, 2024, the System furnished wastewater service to approximately 672 direct customers and about 1,504 indirect customers. PAWC St. No. 1 p. 18; I&E St. No. 2 p. 5. The wastewater treatment plant is operated by two individuals. EBMA St. No. 1-R p. 3. EBMA currently contracts with a third party service to provide a licensed operator for the System. *Id.* EBMA also has an administrative staff of one person. EBMA St. No. 1 p. 10.

The treatment plant and its equipment are over 30 years old and are at the end of their useful lives. PAWC St. No. 2 p. 4. The System's conveyance, treatment and disposal capacity are not adequate to meet present and future customer demands through 2028. PAWC St. No. 2 pp. 8-9.

The System is not in compliance with Pennsylvania Department of Environmental Protection ("DEP") requirements. OCA St. No. 1 p. 6. The System's treatment works are in hydraulic and organic overload, resulting in numerous combined sewer overflow events that occur annually at the System's five combined sewer outfall/regulator structures. In 2022 alone, there were 268 untreated sewage discharges in the Monongahela River. PAWC St. No. 1 p. 9. For the five years ending 2023, EBMA reported an average of 242 sewer overflow events per year where untreated sewage was discharged into the Monongahela River. PAWC St. No. 2 p. 9. These discharges occur upstream of several drinking water intakes, including PAWC's Pittsburgh drinking water system intake. PAWC St. No. 1 p. 19.

In each of the last three annual inspections conducted by the Allegheny County Health Department ("ACHD"), EBMA has been cited for exceeding permitted effluent limits for fecal coliform bacteria and for missing/damaged air diffusers in the aeration basins. In 2023, the ACHD found there was no certified operator in responsible charge for the facility as required by DEP regulations. PAWC St. No. 2 p. 20.

A Long-Term Control Plan ("LTCP") was developed for the System in 2004. DEP found the plan inadequate and did not approve it. In 2012, DEP required EBMA to address technical issues and re-submit the plan. In 2014, DEP and the ACHD required EBMA to submit a System Characterization, Monitoring and Modeling Report for the LTCP. This report was submitted in November 2014. The LTCP was conditionally approved in January 2015. In July 2017, EBMA

submitted a revised LTCP. Further revisions were made in March 2018. DEP approved the revised LTCP in July, 2018. PAWC St. No. 2 p. 19.

The approved LTCP aimed to meet the CSO Policy performance standards set by the U.S. Environmental Protection Agency (“EPA”) by limiting CSO discharges to an average of four per year during heavy precipitation events on a system-wide annual average basis. PAWC St. No. 1 p. 9, PAWC St. No. 2 p.19.

EBMA has been unable to complete its LTCP. OCA St. No. 1 p. 8; EBMA St. No. 1 p. 9. In December 2020, EBMA’s engineer asked DEP to reset the compliance deadlines in the LTCP, but DEP has not responded in writing. EBMA failed to comply with the proposed reset schedule. PAWC St. No. 2 p. 19.

2. PAWC’S WATER AND WASTEWATER OPERATIONS

PAWC, a subsidiary of American Water Works Company, Inc. (“American Water”), is the largest investor-owned public utility corporation furnishing water and wastewater service in the Commonwealth of Pennsylvania. PAWC St. No. 1 pp. 16, 25-26. As of December 31, 2024, PAWC furnished wastewater service to approximately 114,915 direct and bulk customers in Pennsylvania. As of December 31, 2024, PAWC furnished water service to approximately 687,608 customers in Pennsylvania. PAWC St. No. 1 p. 18.

After closing on the acquisition (“Closing”), the System will become an operating district in PAWC’s Southwest Area operations. Current PAWC employees in the McKeesport wastewater operation will be available to assist staff at the EBMA wastewater operation, as needed. PAWC St. No. 2 pp. 10-11. PAWC currently provides water service to much of EBMA’s service territory. PAWC St. No. 2 p. 10. Employees in the water and wastewater departments will support each other when appropriate and necessary, particularly in emergency situations. In addition, all operations and employees within PAWC and within the broader American Water footprint have

access to each other when circumstances require or when a specialized skill or experience is needed to support local issues. PAWC St. No. 2 pp. 11-12.

3. CHRONOLOGY OF THE TRANSACTION

EBMA decided to sell the System, *inter alia*, to eliminate existing debt, avoid significant future costs, and ensure that customers receive efficient and reasonable wastewater service. EBMA used a bid process to sell the System. PAWC received a Request for Proposals in November, 2021 and submitted a bid on July 12, 2022. PAWC was the highest bidder for the System. EBMA and PAWC negotiated the Asset Purchase Agreement, which was signed in January 2023. PAWC St. No. 1 pp. 9, 11-12; EBMA St. No. 1 pp. 4-8. PAWC and EBMA subsequently signed the First Amendment to Asset Purchase Agreement, which was dated July 5, 2023 (the Asset Purchase Agreement, as amended, is referred to here as the “APA”).

EBMA held three public meetings to address, evaluate and approve the Transaction. These meetings were held at venues within Elizabeth Borough. The meetings provided an opportunity for public comment, but no member of the public commented. PAWC St. No. 1 p. 12; EBMA St. No. 1 p. 8.

4. THE APA

The APA sets forth the terms and conditions pursuant to which EBMA will sell, and PAWC will purchase, substantially all assets, properties and rights that EBMA owns and uses in connection with the System. PAWC St. No. 1 p. 12. The consideration for the purchase of the System is \$28,000,000, subject to certain adjustments. As of Closing, EBMA will fund a missing easement escrow fund in the amount of \$2,000 for each missing easement. PAWC St. No. 1 p. 13. In addition, since EBMA plans to dissolve at or shortly after Closing, EBMA will place \$1,120,000 in escrow to cover any claims or damages of any PAWC Indemnified Party for up to two years after Closing. PAWC St. No. 1 p. 14.

System assets that will not be transferred to PAWC include the non-moving structural portion of the DUPERON® FLEXRAKE® FPFS Full Penetration Fine Screen unit consisting of the base, vertical supports, and back/side plates. PAWC St. No. 1 p. 13. This asset will be leased to PAWC. In lieu of payment, PAWC will monitor, operate, maintain, repair, replace and manage the Retained Asset after Closing. OCA St. No. 1 pp. 11-14.

PAWC and EBMA will jointly submit a request to DEP and the EPA to confirm that the wastewater treatment plant will continue to be classified as a Publicly Owned Treatment Works for purposes of the “domestic sewage exclusion” in 40 CFR § 261.4(a)(1) and the Resource Conservation and Recovery Act of 1976. PAWC St. No. 2 p. 4. “Absent this classification, the treatment residuals (sewage sludge) produced from the sewage treatment plant under PAWC’s ownership would be classified as hazardous waste.” OCA St. No. 1 p. 12. PAWC conservatively estimated that qualifying as a Publicly Owned Treatment Works will save PAWC – and its ratepayers – approximately \$50,000 per year during the term of the lease. PAWC St. No. 2-R p. 7.

Upon Closing, PAWC will begin rendering wastewater service to EBMA’s current customers and EBMA will permanently discontinue providing wastewater service to the public. PAWC St. No. 1 p. 13. EBMA plans to dissolve at or shortly after Closing. PAWC St. No. 1 p. 14; EBMA St. No. 1 p. 3. As a result, some of the proceeds of the sale will go to Elizabeth Borough by operation of law, helping it avoid becoming a financially distressed municipality. PAWC St. No. 1 pp. 9; EBMA St. No. 1 pp. 3, 6. Elizabeth Borough will use those proceeds to stabilize its finances, avoiding additional cuts to public services and facilitating improvements in its infrastructure – all while avoiding increases in real estate taxes. EBMA St. No. 1 p. 6. In addition, pursuant to an agreement between EBMA, Elizabeth Borough, and Elizabeth Township,

\$3.5 million will be paid to Elizabeth Township, which will permit Elizabeth Township to make similar positive changes within its Township. Forward Cross-Examination Exhibit 4.

5. THE APPLICATION

PAWC and EBMA elected to use the process in 66 Pa. C.S. § 1329 to determine the fair market value of the System and the ratemaking rate base of its assets. As required by Section 1329, PAWC and EBMA jointly retained the services of an engineer (LSSE Civil Engineers and Surveyors) to complete an engineer’s assessment of the System. PAWC Exhibit MK-1 Appendix A-15-a.

PAWC’s utility valuation expert (“UVE”) completed an appraisal, the “Fair Market Appraisal Report as of January 24, 2023 for Pennsylvania-American Water Company Finalized on July 13, 2024.” This appraisal was performed by Jerome C. Weinert, Principal and Director of Weinert Appraisal and Depreciation Services, LLC (“WADS Consultants”). WADS Consultants is a registered UVE with the Commission. PAWC St. No. 4 p. 1. This appraisal valued the System at \$28,741,014. PAWC St. No. 4 p. 3.

EBMA’s UVE appraisal, “Elizabeth Borough Municipal Authority Wastewater System Assets Fair Market Value Appraisal at March 31, 2023,” was completed by Harold Walker, III of Gannett Fleming Valuation and Rate Consultants, LLC (“Gannett Fleming”). EBMA St. No. 2 p. 2. Gannett Fleming is a UVE registered with the Commission. EBMA St. No. 2 p. 3. This appraisal valued the System at \$28,136,195. EBMA St. No. 2 p. 12.

II. LEGAL STANDARDS

A. BURDEN OF PROOF

The party seeking affirmative relief from the Commission has the burden of proof in this proceeding. 66 Pa. C.S. § 332(a). In this case, the Joint Petitioners bear the burden of proof. 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 determines which party must come forward with evidence to support a particular proposition. This burden may shift between the parties during the course of a trial. If the party with the burden of production fails to introduce sufficient evidence, the opposing party is entitled to receive a favorable ruling. Once the party with the initial burden of production introduces sufficient evidence to make out a *prima facie* case, the burden of production shifts to the opposing party. If the opposing party introduces evidence sufficient to balance the evidence introduced by the party having the initial burden of production, the burden then shifts back to the party who had the initial burden to introduce more evidence favorable to its position. 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. “[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. 1993). To establish a sufficient case and satisfy their burden of proof, the Joint Petitioners must show, by a preponderance of the evidence, that they are entitled to the relief they are seeking. *Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm’n*, 578 A.2d 600 (Pa. Cmwlth. 1990), *alloc. denied*, 602 A.2d 863 (Pa. 1992). That is, their evidence must be more convincing, by even the smallest amount, than that presented by any opposing party. *Se-Ling Hosiery, Inc. v. Margulies*, 70 A.2d 854 (Pa. 1950). Additionally, 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).

B. SECTION 1103 OF THE CODE

Pursuant to Section 1103(a) of the Code, 66 Pa. C.S. § 1103(a), the Commission may issue a 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 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). A Certificate is also required for any public utility or an affiliated interest of a public utility to transfer to any person or corporation, by any method, any tangible or intangible property used and useful in the public service. 66 Pa. C.S. § 1102(a)(3).

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. Cmwlt. 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. Cmwlt. 1992).

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 (Pa. 1972). This standard is known as the affirmative public benefit 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 benefit 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*, 207 A.3d 290 (Pa. 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 benefit 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 benefit test is a “net benefit 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).

C. SECTION 1329 OF THE CODE

Section 1329 created a voluntary procedure for valuing a water or wastewater system being sold by a municipality or municipal authority to a public utility or other entity. In that procedure, the buyer and the seller each obtain an appraisal of the system by a Commission-approved UVE. The ratemaking rate base of the selling utility is the lesser of: (1) the purchase price agreed to by the parties, or (2) the fair market value of the selling utility (defined as the average of the two UVEs' appraisals). The ratemaking rate base of the selling utility is then incorporated into the rate base of the acquiring public utility during the acquiring public utility's next base rate case.

D. SECTION 507 OF THE CODE

Section 507 of the Code, 66 Pa. C.S. § 507, requires that contracts between a public utility and a municipal corporation (except for contracts to furnish service at regular tariff rates) be filed

with the Commission at least 30 days before the effective date of the contract. The Commission approves the contract by issuing a certificate of filing, unless it decides to institute proceedings to determine whether there are any issues with the reasonableness, legality, or any other matter affecting the validity of the contract. Should the Commission initiate proceedings, the contract or agreement is not effective until the Commission grants its approval. 66 Pa. C.S. § 507. Code Section 507 is a filing requirement and does not require service of the filing on any potentially interested parties.

E. SETTLEMENTS

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 precious 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.

The Commission does not simply rubber stamp settlements. 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 and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

III. REPLIES TO OBJECTIONS

In its Statement in Support, PAWC explained that approving the Settlement is in the public interest, in part, because the Settlement is consistent with applicable law, including Code Sections 507, 1102 and 1329. PAWC's Statement in Support pp. 3, 14, and 20. In addition, the Settlement addresses the initial concerns of the Joint Petitioners in their respective testimonies. I&E's Statement in Support pp. 7, 16; OCA Statement in Support p. 7. PAWC respectfully submits that

the Joint Petitioners have together established a *prima facie* case for approval of the Settlement. Forward's Objections fail to rebut that *prima facie* case. Consequently, the Settlement, should be approved.

A. THE COMMISSION LACKS JURISDICTION TO ADJUDICATE SOME OF FORWARD'S CLAIMS AND TO GRANT SOME OF ITS REQUESTED RELIEF

In its Objections, Forward makes various arguments based on the Municipality Authorities Act (the "Act"), 53 Pa. C.S. §§ 5601-5623, including the following:

- EBMA violated the Act by failing to utilize funds properly, Objections pp. 2 and 15; and
- Forward is entitled to payment pursuant to the Act, Objections pp. 4 and 15.²

The ALJs should reject these arguments. Forward cites no authority for the proposition that the Commission has jurisdiction to enforce the Act or to adjudicate disputes arising under the Act. PAWC respectfully submits that the Commission lacks such jurisdiction.³

As an independent commission created by the General Assembly, the Commission only has such powers as expressly conferred or necessarily implied by statute. *Feingold v. Bell Tel. Co. of Pa.*, 383 A.2d 791, 794 (Pa. 1977); *Comm. v. Butler Cnty. Mushroom Farm*, 454 A.2d 1, 4 (Pa. 1982). *See also Green v. Milk Control Comm'n*, 16 A.2d 9 (Pa. 1940) ("[t]he power and authority to be exercised by administrative commissions must be conferred by legislative language clear and unmistakable. A doubtful power does not exist.").

Nothing in the Act or the Code gives the Commission authority to enforce the Act or to adjudicate disputes arising under it. Instead, the Act gives the courts of common pleas jurisdiction

² It should be noted that 52 Pa. Code § 5.243(e) prohibits a party from introducing evidence in rebuttal that should have been included in the party's case-in-chief. In this case, Forward introduced no Direct or Surrebuttal Testimony; the only evidence it introduced was Cross-Examination Exhibits 1 – 7. PAWC respectfully submits that any claims based on the Act should be denied for failing to present any evidence supporting that claim in Direct or Surrebuttal Testimony.

³ Similarly, Forward alleges conflicts of interest involving officials of EBMA and Elizabeth Borough. Objections pp. 7 and 8. The Commission has no authority to adjudicate such allegations.

to adjudicate such claims. *See, e.g.*, 53 Pa. C.S. § 5607(d)(9) (“[t]he court of common pleas shall have exclusive jurisdiction to determine questions involving rates or service.”). Forward cites 53 Pa. C.S. § 5612(a.1)(1) as the basis for its claim for an equitable share of the proceeds of the sale, but 53 Pa. C.S. § 5612(a.1)(2) clearly gives jurisdiction over such claims to the civil courts: “[a] ratepayer to an authority shall have a cause of action in the court of common pleas where the authority is located to seek the return of money expended in violation of [53 Pa. C.S. § 5612(a.1)(1)] from the recipient.”

Forward claims that, as a customer of EBMA, it has equity in the System. “Forward is entitled to recoup its equity as damages whether through this transaction, if approved, or otherwise and Forward demands the same.” Objections 15. *See also* Forward’s Requested Relief ¶ 4 (requesting that “Forward’s Equitable Share of Proceeds be Distributed to It.”). It is well settled that the Commission lacks authority to order a public utility to pay monetary damages. *See Byer v. Peoples Natural Gas Co.*, 380 A.2d 383 (Pa. Super. 1977); *Feingold, supra*. EBMA, however, is not a public utility. If the Commission lacks authority to order a public utility to pay damages, it certainly lacks authority to order a municipal authority to pay damages.

Finally, the Commission has held that it lacks jurisdiction over a seller’s disposition of the proceeds of a sale:

In response to the concerns raised by the Opposing Intervenors about the utilization of the sale proceeds, we emphasize that the Commission does not have jurisdictional authority to review the Township’s decision to sell the system or how the municipality will use the sale proceeds. *See Application of Aqua Pennsylvania Wastewater Inc. – Cheltenham Township*, Docket No. A-2019-3008491 (Order entered October 24, 2019) at 48 (“Our jurisdiction in implementing Section 1329 starts and stops at determining the acquiring utility’s ratemaking rate base value for the acquired system in accordance with the applicable statutory provisions. Section 1329 does not permit the Commission to undertake review of the selling utility’s use of the sale proceeds.”).

Application of Aqua Pennsylvania Wastewater, Inc. for Approval of the Acquisition of the Wastewater Assets of Willistown Township, Docket No. A-2021-3027268 (Opinion and Order entered Jul. 8, 2022) pp. 69-70 (note omitted). Forward already has pending litigation in civil court where it can properly raise its concerns with the Transaction that are outside the scope of the Commission’s jurisdiction. Objections p. 10 n. 6.

For all of the above reasons, the ALJs should deny and dismiss Forward’s Objections based on the Municipality Authorities Act, as well as Forward’s requests for damages and an “equitable share of the proceeds.”

B. PAWC AND EBMA PROVIDED THE REQUIRED NOTICE OF THE FILING OF THE APPLICATION AND OF THE PUBLIC INPUT HEARING

Forward contends that the Settlement should be disapproved because the residents of Forward did not receive personal notice of the Application or the public input hearing. Objections pp. 4 and 14.⁴ Forward cites no authority for the proposition that PAWC and/or EBMA were required to provide the residents of Forward with personal notice. There is no such requirement.

PAWC was required to give personal notice of the filing of the Application to the customers of PAWC and EBMA. *Implementation of Section 1329 of the Public Utility Code*, Docket No. M-2016-2543193 (Final Supplemental Implementation Order entered Feb. 28, 2019) pp. 32-33; *McCloskey, supra*; Secretarial Letter dated March 6, 2025. PAWC provided the required personal

⁴ On page 4, Forward’s Objections complain that there is no evidence that Forward’s ratepayers received personal notice of the application or “opportunity for public comment.” It is unclear whether the reference to “opportunity for public comment” was intended to refer to the three public meetings at which EBMA provided an opportunity for public comment. Considering that those meetings were held years before the Commission adopted a public hearing requirement for municipalities selling their water or wastewater systems using Section 1329, *Valuation of Acquired Municipal Water & Wastewater Systems – Act 12 of 2016 Implementation* (Final Supplemental Implementation Order entered Jul. 2, 2024) (“2024 FSIO”) pp. 50-53, PAWC respectfully submits that those public hearing requirements do not apply to this acquisition. Even if they do, the Final Supplemental Implementation Order only requires that notice be given to customers of the selling utility (in this case, to Forward as EBMA’s bulk customer), not to customers of the seller’s bulk customers.

notice to all customers of EBMA and PAWC during the conditional acceptance phase of the application process. PAWC St. No. 1-R p. 9. Forward is a bulk customer of EBMA and it admits that it received notice of the Application. Objections p. 4.

In addition to the notice provided by PAWC, EBMA separately mailed an explanatory letter to all customers of EBMA. PAWC St. No. 1-R p. 9.

The residents of Forward, however, are not customers of PAWC or EBMA; they are customers of Forward. There is no requirement that PAWC and/or EBMA provide personal notice of the filing of an Application to the customers of their customers.

The residents of Forward nevertheless received legally sufficient notice of the filing of the Application. Notice of the Application was published in the *Pennsylvania Bulletin*. “Publication of a notice in the *Pennsylvania Bulletin* is legally sufficient to establish constructive notice of a proceeding.” *Application of PPL Electric Utilities Corporation for Approval of the Siting and Construction of the Pennsylvania Portion of the Proposed Susquehanna-Roseland 500 kV Transmission Line*, Docket No. A-2009-2082652 (Opinion and Order entered May 28, 2009) p. 4. Notice of the Application’s filing was also published in the *Pittsburgh Post-Gazette* on March 20 and March 27, 2025. PAWC St. No. 1 p. 9.

The residents of Forward also received legally sufficient notice of the public input hearing on the Application. The ALJs instructed PAWC to publish notice of the hearing in a newspaper for two consecutive weeks prior to the hearing, if feasible. PAWC published notice of the public input hearing in the *Pittsburgh Post-Gazette*, a newspaper of general circulation in the area served by EBMA, for two consecutive weeks prior to the hearing. In addition, as required by the ALJs, PAWC gave notice of the public input hearing through its website and social media posts (*e.g.*,

Facebook, LinkedIn, X (f/k/a Twitter) and Instagram). PAWC St. No. 1-R p. 8. *See also*, Proof of Publication of Notice of Public Input Hearing filed on June 4, 2025.

PAWC complied with all of the notice requirements for a Section 1329 Application and public input hearing. Consequently, the ALJs should deny and dismiss Forward's Objection that the residents of Forward did not receive adequate notice of the Application and public input hearing.

C. SECTION 1102/1103 ISSUES: THE SETTLEMENT EASILY PASSES THE AFFIRMATIVE BENEFIT TEST

Forward argues that the Settlement does not pass the affirmative public benefit test. According to Forward, the detriments outweigh the benefits of the Settlement. The ALJs should deny and dismiss this Objection.

As discussed in greater detail below, Forward's analysis ignores key parts of the Petition for Settlement. For example, Forward alleges that the Settlement will cause residential rates to rise by 105.0% for EBMA customers two years after Closing. Objections p. 5.⁵ Forward relies on the Application, overlooking the fact that the Petition for Settlement provides for gradual rate increases for EBMA customers. Petition for Settlement ¶ 22.b. (in the first base rate case that includes the System, PAWC will not propose a rate increase of more than 30% of EBMA's rates in effect at Closing, and in the second base rate case that includes the System, PAWC will not propose a rate increase of more than 60% of EBMA's rates in effect at Closing).

⁵ Forward claims that residential rates might rise as much as 137%. Objection p. 2. This figure includes one year of post-acquisition capital improvements. Forward Cross Examination Exhibit 1 (answer to Interrogatory 26, OCA-2-26 Attachment Page 1 of 8). In this proceeding, however, the Commission is not determining whether PAWC can recover any amount for post-acquisition capital improvements. That issue will be decided in a future base rate case. In PAWC's answer to OCA-2-26, PAWC's witness explained that this calculation is "a hypothetical depiction of what the impacts of this additional capital would have on rates and does not represent the Company's expectation of actual rate impacts to EBMA customers." PAWC's notice to customers estimated that the increase in EBMA's residential rates, as a direct result of the instant acquisition, would be 105.0%. PAWC St. No. 3 p. 11. In addition, pursuant to the Settlement, PAWC does not intend to propose a rate increase of 105% in either of its next two future base rate cases, so EBMA customers reasonably can expect a gradual increase in rates over time.

Additionally, Forward never mentions the Petition for Settlement’s provisions addressing PAWC’s Customer Assistance Programs (“CAPs”). Petition for Settlement ¶¶ 37-42 (*e.g.*, PAWC will contribute \$100,000 to its Hardship Fund as a one-time contribution or in installments over a five year period). The Petition for Settlement’s provisions concerning PAWC’s CAPs provide important public benefits that will result in additional savings for many low-income EBMA customers. By overlooking many provisions in the Petition for Settlement, Forward provides an incomplete and inaccurate picture of the benefits and detriments of the Settlement.

Additionally, Forward’s analysis is based on incorrect facts. For example, Forward asserts that “[t]he main difference between the [Petition for] Settlement and the Application are that the rate increases are slightly delayed *for two years.*” Objections p. 5 (emphasis added). This is incorrect. The Petition for Settlement explicitly provides for gradual rate increases *in the first two base rate cases in which the System is included.* Petition for Settlement ¶ 22.b. The Commission can take official notice of its own records, which indicate that PAWC does not file for a rate increase every year. At this point, it is impossible to predict when these two gradual rate increases will take effect.⁶

In its Statement in Support, PAWC listed eight significant affirmative public benefits of the Settlement. In addition, PAWC discussed the rate impacts of the Settlement. Forward’s Objections attempted to respond several points in PAWC’s Statement in Support. For the reasons discussed below, the ALJs should find that Forward failed to rebut the Joint Petitioners’ *prima facie* case that the Settlement is in the public interest.

⁶ Similarly, Forward suggests that the “the public opposes” the acquisition, based on the testimony of five witnesses at the public input hearing. Objections pp. 8 and 13. However, none of those witnesses knew about the Settlement at the time of the public input hearing.

1. THE SETTLEMENT PROMOTES THE GENERAL ASSEMBLY'S POLICY GOALS WHEN IT ENACTED SECTION 1329

In its Statement in Support, p. 4, PAWC argued that the Settlement benefits the public because it promotes the General Assembly's goals when it enacted Section 1329. "Section 1329 reflects a determination by the General Assembly that fair market value acquisitions of municipal water and wastewater systems further the public interest." *Application of Aqua Pennsylvania Wastewater, Inc. for Approval of the Acquisition of the Wastewater System Assets of the City of Beaver Falls*, Docket No. A-2022-3033138 (Opinion and Order entered Jun. 18, 2025) p. 79 ("*Beaver Falls*"). Forward's Objections did not address this argument.

2. THE SETTLEMENT IS CONSISTENT WITH THE COMMISSION'S POLICY PROMOTING REGIONALIZATION AND CONSOLIDATION

In its Statement in Support, pp. 4-5, PAWC argued that the Settlement benefits the public because it is consistent with the Commission's policy promoting regionalization and consolidation. 52 Pa. Code § 69.711. Forward contends that regionalization and consolidation are goals when they benefit the public. According to Forward, there are no public benefits here because rates will rise more if the Settlement is approved than if EBMA retains ownership.⁷ Objections pp. 2, 12-13.

Forward's Objections should be denied and dismissed because PAWC introduced evidence demonstrating that, in this case, regionalization and consolidation will benefit the public. Because EBMA's service territory is within PAWC's water footprint, approval of the Settlement will mean that customers receive one bill from one company for water and wastewater service. PAWC St. No. 1 p. 19. Additionally, synergies between the water and wastewater infrastructure networks

⁷ As stated above, the affirmative public benefit test is a net benefit assessment in which all the benefits of an acquisition are balanced against all the detriments of the acquisition. Forward errs by arguing that each benefit of the Settlement, in and of itself, must outweigh the detrimental impact (if any) of increased rates.

will benefit customers and the general public, such as by allowing better coordination of projects to improve efficiency. PAWC St. No. 2 p. 26, PAWC St. No. 1 p. 23. Systems located near one another can share equipment and staff, and can share cost savings from the additional purchasing power of a larger enterprise. PAWC St. No. 1-R p. 5. While these benefits may not cause customers' rates to decrease, they will help offset cost increases due to inflation and other factors.

3. THE SETTLEMENT PROMOTES THE PEOPLE'S RIGHT TO A CLEAN ENVIRONMENT

In its Statement in Support, pp. 5-8, PAWC argued that the Settlement would promote the people's right to a clean environment, consistent with the Environmental Rights Amendment ("ERA") of the Pennsylvania Constitution. PA. Const. Art. I § 27. The System has numerous environmental issues, including failure to implement an LTCP. If the Settlement is approved, PAWC would negotiate a Consent Order and Agreement to establish a new compliance schedule for the LTCP and would then assume responsibility for implementing the LTCP.

In response, Forward's primary argument is that the Settlement will not benefit the public because EBMA has the ability to operate the System in compliance with all governmental mandates (including by completing the LTCP). Objections p. 11. According to Forward, EBMA has chosen not to properly operate the System since entering into negotiations to sell the System. According to Forward, the System's environmental issues are intentionally self-inflicted in order to create a problem that justifies selling the System. Objections pp. 2, 7, 10, 12, 13.

Forward's argument is not supported by substantial evidence. There is little evidence in the record regarding the quality of EBMA's service prior to the time that EBMA requested bids in November, 2021. The evidence that is available contradicts Forward's assertion that the System's environmental issues are a recent development.

An LTCP was developed in 2004 but was not approved. An LTCP was conditionally approved in January 2015 and DEP approved a revised LTCP in 2018. In December 2020, EBMA's engineer asked DEP to reset the compliance deadlines in the LTCP, but EBMA failed to comply with even the proposed reset schedule. PAWC St. No. 2 p. 19.

EBMA has proven they are unable to rectify its environmental issues over a prolonged period of time. In the meantime, pollution continues to occur. For example, sewage discharges repeatedly occur in the Monongahela River upstream of several drinking water intakes, including PAWC's Pittsburgh drinking water system intake, endangering public health. PAWC St. No. 1 p. 19; PAWC St. No. 2-R pp. 4-5. This situation should not be surprising. EBMA has an administrative staff of one, contracts with a third party for a certified operator, and employs two facility employees. EBMA St. No. 1 p. 10. Expecting this staff to operate and maintain the System, address consumer inquiries, and design and implement a \$24 million project to rectify the System's environmental issues is unrealistic. PAWC St. No. 2-R p. 3.

There can be no question that EBMA has environmental issues that need to be addressed. These issues are not limited to the failure to implement the LTCP to eliminate sewage overflows. For example, in each of the last three annual inspections conducted by the ACHD, EBMA has been cited for exceeding permitted effluent limits for fecal coliform bacteria and for missing/damaged air diffusers in the aeration basins. PAWC St. No. 2 p. 20. Allowing these environmental issues to continue for the foreseeable future would be contrary to the people's right to a clean environment. Forward's Objection should be denied and dismissed.

This conclusion is reinforced by the *Cicero* decision. In *Cicero*, the Commonwealth Court disapproved a proposed acquisition, in part, because "the System is already providing and is capable of providing the same or similar benefits *without the acknowledged rate increase that will*

occur as a result of the acquisition.” *Cicero*, 300 A.3d at 1119. Here, the System is not providing, nor is it capable of providing, the same or similar benefits as PAWC will provide (*i.e.*, implementation of an LTCP and mitigation of pollution) without substantial rate increases. As discussed below, those rate increases will occur in the near term if the Settlement is disapproved, far exceeding the rate increases that will occur in the near term if the Settlement is approved. *See* Section III.C.9, *infra*. Under these circumstances, the ALJs and the Commission should approve the Settlement to protect the people’s constitutional rights.

4. APPROVAL OF THE SETTLEMENT IS CONSISTENT WITH THE COMMISSION’S ROLE AS TRUSTEE OF THE NATURAL RESOURCES OF THE COMMONWEALTH

In its Statement in Support, pp. 5-8, PAWC argued that approval of the Settlement would be consistent with the Commission’s role as trustee of the natural resources of the Commonwealth pursuant to the ERA. The Public Utility Commission, as an agency for the Commonwealth, is a trustee under Article I, Section 27, of the Constitution, and as such, it has a fiduciary duty to conserve and protect public natural resources for the benefit of all the people of the Commonwealth, present and future generations. *See, e.g., Robinson Township v. Commonwealth*, 83 A.3d 901 (Pa. 2013); *Carnahan v. Slippery Rock Twp. Zoning Hearing Bd.*, 305 A.3d 211, 226 (Pa. Cmwlth. 2023); *Del. Riverkeeper Network v. Sunoco Pipeline L.P.*, 179 A.3d 670, 677-78 (Pa. Cmwlth. 2018); *Pennsylvania Env’l Defense Foundation v. Cmwlth.*, 161 A.3d 911, 931 n.23 (Pa. 2017) (“*PEDF*”) (the Commonwealth’s obligations as trustee are vested in all Commonwealth agencies). As discussed above, Forward’s response is to argue that EBMA intentionally caused the problem. According to Forward, the Commission should disapprove the Settlement and leave EBMA to its own devices to solve the problem. Objections pp. 2, 7, 10, 12, 13.

Forward never explains why it is in the public interest to disapprove the Settlement, thereby keeping the System in the hands of an owner who has permitted significant environmental

problems to continue for decades. The public interest favors approving the proposed transfer of the System to PAWC, an owner who can and will address the System's environmental problems. PAWC also submits that the Commission has a constitutional obligation to act as a fiduciary for the people, who are beneficiaries of the trust created by the ERA. *See, e.g., PEDF*, 161 A.3d at 931 n.23. It is surprising that a municipal government would argue that an arm of state government should ignore its fiduciary duty under the Pennsylvania Constitution.

Additionally, Forward never reconciles the fundamental inconsistency in its Objections. On the one hand, Forward acknowledges that the System has environmental issues, which Forward claims were intentionally caused by EBMA. Objections pp. 7 (“[a]ny negative sewage events are a result of EBMA’s intentional inaction”) and 9 (“EBMA can run the facility and can complete the LTCP work; it has decided not to”). On the other hand, Forward argues “if it ain’t broke, don’t fix it.” Objections p. 7. Forward suggests that the System is providing reasonable and adequate service because it is operating and there are no public complaints of record regarding service issues. Objections pp. 2, 7, 11. To the contrary, the System’s long history of environmental issues demonstrates that the System is in fact broken and that the Commission, in its fiduciary role as trustee of the Commonwealth’s natural resources, should approve the Settlement to allow the System to be fixed and the environmental issues to be addressed.

5. THE SETTLEMENT BENEFITS THE PUBLIC BECAUSE EBMA AND OTHER MUNICIPAL CORPORATIONS WILL RECEIVE THE PROCEEDS OF THE SALE, AND THESE FUNDS WILL BE USED TO BENEFIT THE PUBLIC

In its Statement in Support, pp. 9-10, PAWC argued that the Settlement affirmatively benefits the public in a substantial way because it will result in substantial payments to EBMA,

Elizabeth Borough, and Elizabeth Township.⁸ Since these payments will be made to governmental entities, PAWC submits that it should be rebuttably presumed that these payments will be used to benefit the public rather than private interests.

Forward admits that the Settlement benefits EBMA and Elizabeth Borough (which will receive EBMA's remaining assets when EBMA is dissolved at or shortly after Closing). Objections pp. 3 and 8. Forward argues that the Commission should ignore the public benefits that flow from the payment of \$3.5 million to Elizabeth Township because that payment was intended "not to benefit the public, but to bribe Elizabeth Township in supporting this transaction." Objections p. 9. The ALJs should reject that argument. There was nothing inappropriate about the payment to Elizabeth Township; the payment was bargained-for consideration pursuant to a contract between consenting municipal entities. In determining whether the benefits of the Settlement outweigh the detriments, the Commission should consider the benefits that the public will enjoy because a portion of the sales proceeds were allocated to Elizabeth Township.

The fact that other municipal corporations (such as Forward) will not receive some of the proceeds of the sale is not a detriment of the Settlement. It just means that Forward will not receive a benefit that some other municipal corporations are receiving.

6. THE SETTLEMENT BENEFITS THE PUBLIC BECAUSE IT MAKES PAWC A LARGER, FINANCIALLY STRONGER PUBLIC UTILITY

In its Statement in Support, p. 10, PAWC argued that the Settlement affirmatively benefits the public in a substantial way because it benefits PAWC as the buyer of the System. The

⁸ Forward asserts "PAWC and EBMA claim that the agreement between EBMA, Elizabeth Borough and Elizabeth Township has no relevancy." Objections p. 10. That is incorrect. PAWC submits that the payment to Elizabeth Township is relevant for some issues in this proceeding, but not for others. It is relevant for determining whether the Settlement satisfies the affirmative public benefit test because some of the sale's proceeds will be used to benefit the public in Elizabeth Township. However, the payment to Elizabeth Township is not relevant for determining the System's rate base for ratemaking purposes because the System's rate base for ratemaking purposes must be determined using the methodology set forth in Section 1329 (unless the parties agree otherwise in a settlement).

Commission routinely considers a transaction’s impact on the buyer when determining whether an acquisition affirmatively benefits the public. For example, the Commission has stated that it reviews an application for a Certificate “to ensure that the viability of the acquiring public utility will not be impaired by the acquisition.” *Application of 52 Pa. Code § 3.501 to Certificated Water and Wastewater Utility Acquisitions, Mergers and Transfers*, Docket No. L-2020-3017232 (Final Rulemaking Order entered Oct. 25, 2024) p. 55.

The Settlement will not impair the continued viability of PAWC. PAWC does not anticipate that the acquisition of the System or investment commitments in the System will have a negative impact on PAWC’s cash flows, credit ratings, or access to capital. Therefore, the Settlement 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. PAWC St. No. 3 p. 5.

To the contrary, the Settlement will benefit PAWC, in part, by making it a larger, financially stronger public utility. PAWC’s Statement in Support, p. 10. Among other things, PAWC is growing its customer base by approximately 675 direct customers and 1,500 indirect customers. PAWC St. No. 1 p. 18. As the Supreme Court of Pennsylvania has noted, when an acquisition strengthens the acquiring utility, the real beneficiaries are the customers of that utility, *City of York, supra*, 295 A.2d at 829, which Forward fails to recognize in its Objections.

7. THE SETTLEMENT AFFIRMATIVELY BENEFITS THE PUBLIC BECAUSE IT HAS BENEFITS FOR PAWC’S WASTEWATER CUSTOMERS

In its Statement in Support, pp. 10-11, PAWC argued that the Settlement affirmatively benefits the public in a substantial way because it has benefits for PAWC’s wastewater customers. The Settlement expands PAWC’s wastewater customer base, allowing the costs of operating

PAWC's wastewater system to be shared among more customers. This helps keep rates stable for all PAWC wastewater customers. PAWC St. No. 1 p. 21.

Forward's Objections focused on the Settlement's potential impact on rates for EBMA's wastewater customers. Objections p. 8. PAWC will respond to Forward's Objections below, in the subsection discussing the potential rate impact of the Settlement. *See* Section III.C.9.

8. THE SETTLEMENT AFFIRMATIVELY BENEFITS THE PUBLIC BECAUSE IT HAS BENEFITS FOR EBMA'S EXISTING CUSTOMERS

In its Statement in Support, p. 11, PAWC argued that the Settlement has numerous benefits for EBMA's customers. For example, EBMA's low-income customers will now have access to PAWC's CAPs. PAWC St. No. 1 p. 10. All EBMA customers will benefit by receiving service from a Commission-regulated public utility, which is statutorily required to provide reasonable and adequate service at just and reasonable rates. 66 Pa. C.S. §§ 1301, 1501. EBMA is not subject to Commission jurisdiction and its ratemaking decisions are not subject to an external review and approval process.

Forward primarily argues that the rate impacts of the Settlement for EBMA's customers outweigh the benefits of the Settlement for these customers. Objections pp. 7-8. PAWC will respond to this argument below, in the subsection discussing the potential rate impact of the Settlement. *See* Section III.C.9.

In addition, Forward argues "if it ain't broke, don't fix it." Objections p. 7. Forward argues that Forward is operating the System without any public complaints. Objections pp. 2, 7 ("EBMA is well positioned with ability, equity and rate collection to perform any work necessary for the system."). According to Forward, "EBMA is fit to operate and improve the system in compliance with all governmental mandates." Objections p. 11. Consequently, Forward contends that the sale to PAWC will not produce any benefits for EBMA's customers.

The ALJs should reject Forward's argument. First, as discussed above, Forward's Objections are self-contradictory. On the one hand, Forward argues that the System is providing reasonable and adequate service. On the other hand, Forward argues that the System has environmental challenges because EBMA has willfully failed to provide reasonable and adequate service in order to justify selling the System. Obviously, both statements cannot be true.

Second, Forward's assertion that EBMA is providing reasonable and adequate service is not supported by the evidence. In addition to all of the System's environmental challenges, in August 2023, the ACHD cited EBMA for not having a certified Operator in Responsible Charge on staff for the facility, as required by regulation. Having a properly certified operator on staff is one of the most basic responsibilities of a public sewage system owner. Operating a system without a certified Operator in Responsible Charge demonstrates a lack of technical fitness of the system owner. PAWC St. No. 2-R p. 3.

Third, the ALJs should reject the notion that the Settlement will not improve service to EBMA customers. Among other things, the Settlement will improve the operation of the System due to the strong staffing numbers and expertise that PAWC provides. PAWC will be better suited to engaging with System customers because it has a large team that is devoted to customer service, while EBMA has an administrative staff of one. When compared to the two facility employees EBMA currently employs, PAWC is better able to quickly solve multiple issues that threaten environmental compliance that can range from identifying broken sewers to treatment facilities breakdown. EBMA St. No. 1 p. 10.

Fourth, the Settlement will improve public safety because PAWC has a much better record of compliance with the requirements of Pennsylvania's "One Call" system. PAWC St. No. 2 p. 33.

Failure to comply with the requirements of the “One Call” system can lead to strikes of utility lines, causing property damage, personal injury and death.

For all of the above reasons, the ALJs should find that Forward’s Objections do not rebut the Joint Petitioners’ *prima facie* case that the Settlement provides benefits to EBMA’s customers.

9. THE SETTLEMENT BENEFITS THE PUBLIC BECAUSE OF ITS RATE IMPACTS

In its Objections, Forward contends that the Settlement should be disapproved because its detriments outweigh its benefits. Forward’s only identified detriment is that rates could increase for existing customers of EBMA and PAWC if the Settlement is approved. Objections pp. 2, 6, 7-8, 11-12.

PAWC respectfully submits that future rate increases due to the ratemaking rate base provisions of Section 1329 should not be considered a detriment in determining whether an acquisition passes the affirmative public benefits test. When enacting the new ratemaking rate base methodology of Section 1329, the General Assembly must have determined that the rate increases resulting from the new valuation methodology were acceptable as a matter of public policy. Since the only identified “detriment” of the Settlement is not really a detriment, the Settlement’s benefits clearly outweigh its detriments and the Settlement should be approved.

Even if the rate increases resulting from the Settlement are considered a “detriment,” the Settlement should be approved. As discussed above, Forward’s Objections overlook many significant provisions in the Petition for Settlement. For example, Forward contends that rates will increase more if the Settlement is approved than if it is disapproved. Objections pp. 2, 7-8. This is not true.

If the Settlement is disapproved, and therefore, PAWC is unable to acquire the System, EBMA will have no choice but to raise rates from \$60.61 per month to approximately \$114.23 per

month (an increase of approximately 88.5%). EBMA St. No. 1 pp. 9-10, Forward Cross Examination Exhibit 2 (answer to Interrogatory 10). This increase would be necessary for EBMA to implement the LTCP. In enacting this increase, EBMA would not be subject to Commission oversight.

In contrast, if the Settlement is approved, rates for EBMA's customers would not increase immediately; PAWC would adopt EBMA's existing rates at Closing. PAWC St. No. 3 p. 9. While ratemaking principles would dictate that EBMA's rates should increase over time to reach parity with PAWC's other combined sewer system ("CSS") customers, PAWC's CSS customers currently pay approximately \$98.36 per month, which is far less than EBMA predicts its rates would need to be if the Settlement is disapproved. PAWC St. No. 3 p. 10. In other words, even if PAWC were to increase EBMA customers' rates to match the current rates of its other CSS customers, their monthly bills would still be lower by approximately \$15.87 than EBMA's projected rates under its continued System ownership.

In addition, the Settlement builds gradualism into EBMA customers' future rate increases. In the first base rate case in which the System is included, PAWC would not propose a rate increase for EBMA's customers of more than 30% of EBMA's rates in effect at Closing. Petition for Settlement ¶ 22.b. PAWC's proposal would be subject to review and adjudication by the Commission. In the second base rate case in which the System is included, PAWC would not propose a rate increase for EBMA's customers of more than 60% of EBMA's rates in effect at Closing. *Id.* PAWC's proposal again would be subject to review and adjudication by the Commission. Thus, if the Settlement is disapproved, it is likely that rates for EBMA's customers would be substantially higher in the near term than they would be after the second base rate case in which the System is included in PAWC's base rates, if the Settlement is approved. Clearly,

approval of the Settlement would benefit EBMA's existing customers, compared to disapproval of the Settlement.

In addition, the Settlement would reduce the rate impact of the acquisition for all present and future PAWC customers by reducing the amount that PAWC would place into rate base as a result of the acquisition (\$27,138,703 rather than \$28,000,000). Petition for Settlement ¶ 24. The Settlement would further protect all present and future PAWC customers by requiring that PAWC investigate the possibility of obtaining low-interest financing from the Pennsylvania Infrastructure Investment Authority ("PENNVEST") to complete the LTCP and other System upgrades. *Id.* ¶ 44.

PAWC originally estimated that the acquisition could increase rates for PAWC's existing wastewater customers by 1.1% (approximately \$1.21 per month). PAWC St. No. 3 p. 12. The Settlement protects existing PAWC customers by prohibiting PAWC from including System-related investments in its Distribution System Improvement Charge ("DSIC") until PAWC collects the DSIC from EBMA's current customers. Petition for Settlement ¶ 29. This provision ensures that PAWC's existing customers will not fully fund improvements in the System.

PAWC originally estimated that the acquisition could increase rates for PAWC's existing water customers by 0.2% (approximately 16 cents per month). PAWC St. No. 3 p. 13. To limit the rate impact of the acquisition for PAWC's existing water customers, the Settlement provides that, in the first base rate case that includes the System, PAWC will limit any shift of a revenue requirement pursuant to 66 Pa. C.S. § 1311(c) to no more than is needed to achieve the proposed rates for EBMA's customers described in the Settlement. Petition for Settlement ¶ 24.

Considering all of the above, the combined benefits of the Settlement clearly outweigh the single rate-related detriment alleged by Forward. Consequently, the Settlement passes the

affirmative public benefit test. The Settlement complies with law, is in the public interest, and should be approved.

D. SECTION 1329 ISSUES: THE ALJS SHOULD NOT MODIFY THE SETTLEMENT'S RATE BASE FOR RATEMAKING PURPOSES

The Petition for Settlement addresses a number of Section 1329 issues, including the DSIC, claims for allowance for funds used during construction and deferred depreciation, and transaction and closing costs. Petition for Settlement ¶¶ 28, 29, 31. The only Section 1329 issue that Forward's Objections address is the System's rate base for ratemaking purposes. Objections pp. 3, 15-16.

Pursuant to Section 1329, the System's rate base for ratemaking purposes is the lesser of: (1) the purchase price agreed-to by the parties or (2) the average of the two UVE appraisals. 66 Pa. C.S. § 1329(c)(2). In this case, the purchase price (\$28,000,000, PAWC St. No. 1 p. 14) is lower than the average of the two appraisals ($\$28,741,014 + \$28,136,195 = \$56,877,209 / 2 = \$28,438,605$). PAWC St. No. 4 p. 1, EBMA St. No. 2 p. 12. In the Settlement, the Joint Petitioners agreed to a rate base for ratemaking purposes of \$27,138,703. Petition for Settlement ¶ 25. The Commission can approve a settlement that establishes a rate base for ratemaking purposes that deviates from the valuation methodology in Section 1329. *Beaver Falls*, p. 85.

Forward's Objections ask the ALJs to modify the Settlement's proposed rate base for ratemaking purposes. Forward recommends that the ALJs use the purchase price minus \$3.5 million (the amount that EBMA agreed to pay to Elizabeth Township). Objections p. 16. According to Forward, by agreeing to this payment, "EBMA admits at the very least that the fair market value is \$3.5 million less than the purchase price." *Id.* See also Objections p. 3 ("[t]he payout demonstrates an inflation of value").

The ALJs should reject this proposal. There is no logical reason to find that the value of the System somehow depends on how EBMA uses the proceeds of the sale. Moreover, the Settlement's ratemaking rate base is a reasonable compromise of the Joint Petitioners' litigation positions. Petition for Settlement ¶ 47. The proposal is within the range of likely outcomes if this matter had been fully litigated (the ratemaking rate base proposed in the Settlement is I&E's litigation position, which is lower than PAWC's litigation position but higher than the OCA's litigation position).

Moreover, the Settlement as a whole is a carefully crafted compromise. The ALJs should not jeopardize a Settlement that is in the public interest by modifying one provision in it. Such a modification of the Settlement could cause one or more Joint Petitioners to withdraw from the Settlement and reinstate the instant litigation, as allowed by the Settlement. Petition for Settlement ¶ 45.

In the alternative, Forward proposes that the ALJs modify the Settlement by adopting OCA witness David J. Garrett's valuation of the System (approximately \$22.1 million) as the System's rate base for ratemaking purposes. Objections pp. 3 and 15-16. The ALJs should reject this proposal. As previously stated, the ALJs should not jeopardize a Settlement that is in the public interest by modifying the Settlement to reduce the System's agreed-upon ratemaking rate base by 18.6% ($\$27,138,703 - \$22,100,000 = \$5,038,703$; $\$5,038,703$ is 18.6% of $\$27,138,703$). Such a modification of the Settlement could cause one or more Joint Petitioners to withdraw from the Settlement and reinstate the instant litigation, as allowed by Paragraph 45 of the Petition for Settlement.

Additionally, the ALJs should not adopt Forward's recommendation because Mr. Garrett's valuation of the System is deeply flawed. Section 1329 provides that the buyer and the seller must

each retain a UVE. Each UVE must complete an independent appraisal employing the cost, market and income approaches, based on the Uniform Standards of Professional Appraisal Practice (“USPAP”). 66 Pa. C.S. § 1329(a). The average of these appraisals is the fair market value of the System. 66 Pa. C.S. § 1329(g).

Apparently, Mr. Garrett believes this valuation procedure is simply a “check the box” requirement for preparing an application that can then be completely disregarded in the litigation process. Mr. Garrett, who is not qualified as an appraiser of utility property, claims that there is no standard for proposing adjustments to UVE appraisals. OCA St. No. 2SR pp. 1, 4. He contends that the purpose of Section 1329 is to establish the ratemaking rate base of the System, and ratemaking rate base is depreciated original cost. OCA St. No. 2SR p. 5.

The ALJs should reject Mr. Garrett’s position.

What’s the point of forcing a municipality (or a municipal authority) and a public utility to incur the cost of hiring an expert to complete a report in compliance with USPAP – a cost that will be passed on to taxpayers and ratepayers – if a non-expert can recommend changes in the appraisal based on factors that have nothing to do with USPAP?

PAWC St. No. 4-R p. 3.

Mr. Garrett began by making adjustments in the appraisal completed by the seller’s UVE. Many of these adjustments were inappropriate. In his Rebuttal Testimony, EBMA witness Harold Walker, III testified that many of Mr. Garrett’s proposed adjustments were not based on a fair market value standard and violated Section 1329. *See, e.g.*, EBMA St. No. 2-R pp. 2, 6, 26. He also testified that some of Mr. Garrett’s proposed adjustments had been rejected by the Commission in prior cases. *Id.*, pp. 13, 15, 23. In addition, Mr. Walker noted that Mr. Garrett recommended a cost approach that is different from the approach he recommended in several previous cases. *Id.*, p. 14. Finally, Mr. Walker testified that Mr. Garrett improperly undervalued the System by failing to include the System’s indirect customers. *Id.*, p. 4.

Mr. Garrett also adjusted the appraisal of the buyer's UVE. However, he did not make adjustments based on the contents of this appraisal. He simply modified this appraisal to produce the same results as the adjusted seller's appraisal in terms of the cost, market and income approaches, as well as the overall result. *Compare* OCA St. No. 2 Figure 3 with Figure 4. Consequently, there was no need for him to average the adjusted UVE appraisals.

Certainly there is some standard for proposing adjustments in a UVE's appraisal. At a minimum, adjustments to a UVE's appraisal must be based on that UVE's appraisal. It is not appropriate to adjust a buyer's UVE appraisal simply to mirror the adjusted results of the seller's UVE appraisal. Mr. Garrett's approach defeats the General Assembly's purpose in requiring that two appraisals be independently prepared and then averaged.

Significantly, in this case, the buyer's UVE and the seller's UVE reached very similar appraisal results: \$28,741,014 and \$28,136,195, respectively. The similarity of results lends credibility to the results of these appraisals. Mr. Garrett's result of \$22,094,309 is quite different from the results reached by the two UVEs (approximately 22.3% lower than the average of the two UVE appraisals). This difference immediately raises questions about the credibility of the result.

For all of the above reasons, the ALJs should reject Forward's recommendation that the Settlement be modified to use the rate base for ratemaking purposes proposed by OCA witness David J. Garrett.

IV. CONCLUSION AND REQUEST FOR RELIEF

WHEREFORE, for all the reasons stated above and in PAWC's Statement in Support, PAWC respectfully requests that the Honorable Administrative Law Judges Erin L. Gannon and Steven K. Haas:

- (1) deny and dismiss the Objections of Forward Township;
- (2) recommend that the Commission approve the Settlement, including all terms and conditions thereof, without modification; and
- (3) enter an order consistent with the Petition for Settlement (including the Proposed Ordering Paragraphs) and the specific paragraphs set forth in the Petition for Settlement’s “Request for Relief.”

Respectfully submitted,



Teresa K. Harrold, Esq. (PA ID 311082)
Director, Corporate Counsel
American Water
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone: 717-550-1562
E-mail: teresa.harrold@amwater.com

Counsel for *Pennsylvania-American
Water Company*

Date: July 17, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania-American Water Company – :
Wastewater Division Section 1329 Application for :
the Acquisition of the Elizabeth Borough Municipal : **Docket No. A-2025-3052983, et al.**
Authority Wastewater System :
:

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of Pennsylvania-American Water Company's Reply to the Post Hearing Brief and Objection to Settlement Filed by Forward Township, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA E-MAIL

Christy M. Appleby, Esq.
Senior Assistant Consumer Advocate
Katie M. Kennedy, Esq.
Assistant Consumer Advocate
PA Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
cappleby@paoca.org; kkennedy@paoca.org

Michael A. Podskoch, Jr., Esq.
Prosecutor
PA Public Utility Commission
Bureau of Investigation and Enforcement
400 North Street
Harrisburg, PA 17120
mpodskoch@pa.gov

Joseph R. Dalfonso, Esq.
Gary J. Matta, Esq.
Dodaro, Dalfonso, Matta & Cambest, P.C.
1900 Main Street, Suite 207
Canonsburg, PA 15317
jdalfonso@ddmclaw.com
gmatta@ddmclaw.com

Dated: July 17, 2025

Steven C. Gray, Esq.
Senior Attorney
Rebecca Lyttle, Esq.
Assistant Small Business Advocate
PA Office of Small Business Advocate
Forum Place, 555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov; relyttle@pa.gov

Maurice A. Nernberg, Esq.
David M. Nernberg, Esq.
Maurice A. Nernberg & Associates
301 Smithfield Street
Pittsburgh, PA 15222
man@nernberg.com; dmn@nernberg.com

David P. Zambito, Esq.
Jonathan P. Nase, Esq.
Cozen O'Connor
17 North Second Street, Suite 1401
Harrisburg, PA 17101
dzambito@cozen.com
jnase@cozen.com



Teresa K. Harrold, Esq. (PA ID 311082)
Director, Corporate Counsel
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Phone: (717) 550-1562
E-mail: teresa.harrold@amwater.com