



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

September 11, 2025

Docket No. A-2025-3056563

Utility Code 230073

ERIN K FURE ESQUIRE
PENNSYLVANIA AMERICAN WATER COMPANY
852 WESLEY DRIVE
MECHANICSBURG PA 17055
ERIN.FURE@AMWATER.COM

RE: Application of Pennsylvania-American Water Company – Wastewater Division for approval of the right to: (1) acquire certain wastewater system assets from Sutersville-Sewickley Municipal Sewage Authority; and (2) begin to offer, render, furnish or supply wastewater service to the public in the Borough of Sutersville and portions of Sewickley Township, Westmoreland County, Pennsylvania at Docket No. A-2025-3056563

Dear Attorney Fure:

On July 29, 2025, Pennsylvania-American Water Company – Wastewater Division (PAWC-WD) filed the above-referenced document (Application) with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, please respond with the information requested in the attached document.

Please forward the information to the Secretary of the Commission at the address listed below **within ten (10) business days** from the date of this letter. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response. The overnight address for hard-copy or confidential responses is:

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

Please note your answers must be verified per 52 Pa. Code § 1.36. Accordingly, you must provide the following statement with your responses:

I, [print name of appropriate company representative], hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature _____

Title _____

Date _____

Please contact the below staff person if any problems should arise that prevent a full response within ten business days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the review, please send a copy of the response to Matthew T. Lamb, P.E. in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at mlamb@pa.gov. Thank you in advance for your cooperation

Sincerely,



Matthew L. Homsher
Secretary

Enclosure: TUS Data Request Set 1

cc: Darryl Lawrence, Office of Consumer Advocate (w/enclosure), ra-oca@paoca.org
Melanie El Atieh, Office of Consumer Advocate (w/enclosure), melatieh@paoca.org
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
Rebecca Lyttle, Office of Small Business Advocate (w/enclosure), relyttle@pa.gov
Allison Kaster, Bureau of Investigation & Enforcement (w/enclosure), akaster@pa.gov

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Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

- A-1. In the Application’s Section 25, PAWC-WD indicated that it will adopt the Sutersville-Sewickley Municipal Sewage Authority’s (SSMSA’s) existing rates for wastewater service at the time of closing, which will be equal to PAWC-WD’s effective Rate Zone 2 rates. Also, the Application’s Appendix A.1 included a copy of an Asset Purchase Agreement (APA) by and between PAWC-WD and SSMSA for the purchase and acquisition of certain wastewater system assets (Wastewater System) from SSMSA by PAWC-WD. The APA’s Article 6.4, Rates, indicated that SSMSA will adopt PAWC-WD’s Rate Zone 2 rates, which shall become effective on the closing date and that these rates are reflected in the APA’s Schedule 6.4. The APA’s Schedule 6.4 indicated that SSMSA will adopt rates at closing that include a treatment (i.e., usage) rate of \$16.68 per 1,000 gallons and monthly flat rates of \$80 and \$112 for metered and unmetered customers, respectively. However, the rates in APA’s Schedule 6.4 do not appear to match the Rate Zone 2 rates included in PAWC-WD’s *pro forma* wastewater tariff (Pro Forma Tariff), provided as the Application’s Appendix B. The Pro Forma Tariff indicated different service charge and usage rates for metered residential and non-residential customers, a usage rate of \$1.668 per 100 gallons for certain metered bulk customers, and monthly flat rates of \$86 and \$104 for certain metered and unmetered customers, respectively. Please provide responses to the following:
- a. Explain the apparent discrepancy between the monthly flat rates presented in the APA’s Schedule 6.4 and the Pro Forma Tariff;
 - b. Provide either a revised APA Schedule 6.4 and/or a revised Pro Forma Tariff with matching rates; and
 - c. Provide a copy of the *pro forma* rate resolution that SSMSA will adopt prior to closing to become effective on the closing date.
- A-2. Please state whether the proposed monthly flat rate for metered customers in the APA’s Schedule 6.4 includes any usage allowance (i.e., usage that is not subject to separate usage charges) and clarify the amount of usage included in this usage allowance.
- A-3. PAWC-WD’s proof of revenue filed on July 31, 2024, at Docket No. R-2023-3043190, Wastewater CSS Operations, Page 33, Rate Zones 4 and 6 did not identify the proposed metered rates in the APA’s Schedule 6.4 as a current or proposed rate for customers other than bulk customers or unmetered customers. Please explain the terms and conditions under which the proposed metered rates in the APA’s Schedule 6.4 would be used to calculate charges for non-bulk customers instead of PAWC-WD’s Rate Zone 2 monthly service charge rates and usage rates for residential and non-residential customers , and

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identify the rules and regulations in PAWC-WD's effective tariff that allow PAWC-WD to calculate Rate Zone 2 rates in this manner.

- A-4. The Application's Appendix A.2 included a copy of the Amended and Restated Intermunicipal Sewage Service Agreement (Elizabeth Agreement) by and between SSMSA and Elizabeth Township dated May 9, 2025. The Elizabeth Agreement's Article 2, Definitions, indicated that the definition for Equivalent Dwelling Unit (EDU) was to be defined by the current resolution of Elizabeth Township. Additionally, the APA's Article 4.1(v) indicated that SSMSA will provide PAWC-WD a complete listing of its customers that includes relevant billing information, such as metering and EDU information. Please provide responses to the following:
- a. Provide a copy of Elizabeth Township's current resolution that defines EDU as it applies to the Elizabeth Agreement;
 - b. Provide SSMSA's definition of an EDU as specified in its current rules and regulations along with the total number of EDUs assigned by SSMSA for the Wastewater System by customer class;
 - c. Explain any discrepancies, if any, between Elizabeth Township's and PAWC-WD's definition of an EDU;
 - d. Explain any discrepancies, if any, between SSMSA's and PAWC-WD's definition of EDU; and
 - e. State whether PAWC-WD will utilize SSMSA's current EDU allocation for each customer to determine monthly flat rates or service charge rates.
- A-5. Please clarify whether PAWC-WD's proposed service charges and flat rates will be calculated using customer EDU allocations and, if so, identify the rules and regulations in PAWC-WD's effective tariff that allow PAWC-WD to calculate Rate Zone 2 rates to be calculated using customer EDU allocations.
- A-6. The Application's Appendix L.2 included a copy of a Land Use Planning letter dated July 22, 2025, sent by PAWC-WD to the Borough of Sutersville. However, the Application does not appear to include a response from the Borough of Sutersville to the Land Use Planning letter. Please provide responses to the following:
- a. Provide a copy of the response to the Land Use Planning letter from the Borough of Sutersville; or

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- b. Provide a statement that the Application does or does not meet all the applicable requirements or mandates of any adopted comprehensive plans and applicable zoning designations, including any necessary amendments, of the Borough of Sutersville.
- A-7. The Application’s Appendix M included a copy of a map (Requested Territory Map) entitled “Proposed Service Territory – Sutersville-Sewickley Sewer System” dated July 16, 2025. However, the Application did not identify the location or route of the Wastewater System nor the elevations of major facilities and the service area. Pursuant to 52 Pa. Code §§ 3.501(a)(2)(ii) and (iv), please provide a copy of a map of suitable scale that identifies the location or route of the Wastewater System including the elevation of major facilities and the service area.
- A-8. Please provide a breakdown of the estimated pipe sizes, material types, and lengths of the Wastewater System mains and service laterals, and descriptions and quantities for related land, facilities and appurtenances (e.g., real estate parcels, pump stations, manholes, residential grinder pumps identified in the Application’s Appendix O.1 Page 5, etc.).
- A-9. The Application’s Appendix N included a copy of the Borough of Sutersville and portions of Sewickley Township Official Act 537 Sewage Facilities Plan Update (Act 537 Plan Update) prepared by Gannett Fleming, Inc. dated March 2006. The Act 537 Plan Update indicated that the Official Act 537 Sewage Facilities Plan (2001 Act 537 Plan) was approved by the Borough of Sutersville and Sewickley Township in July 2001, and by Pennsylvania Department of Environmental Protection (DEP) via letter dated October 1, 2002. Please provide a complete copy of the 2001 Act 537 Plan including all appendices and maps along with the associated DEP approval letter.
- A-10. The Application’s Appendix H included a copy of a *Pro Forma* Balance Sheet (Pro Forma Balance Sheet) for SSMSA and PAWC-WD for the 12 months ending December 31, 2024. The Pro Forma Balance Sheet’s SSMSA Capitalization and Liabilities column did not include an amount for contributions in aid of construction. However, the Act 537 Plan Update indicated that SSMSA received a PENNVEST grant of \$2,746,452 and a Community Development Block Grant from Westmoreland County of \$500,000. Please provide responses to the following:
 - a. Explain the apparent discrepancy between the Pro Forma Balance Sheet indicating there have been no contributions in aid of construction and the Act 537 Plan Update that indicated the Wastewater System was constructed with contributions; and
 - b. Provide a revised Pro Forma Balance Sheet that includes the current estimated amount of contributions in aid of construction.

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- A-11. The APA's Schedule 4.1(j), Assigned Contracts, indicated the assignment of an Intermunicipal Agreement by and between SSMSA and the Municipal Authority of Westmoreland County Water Usage Agreement (Water Usage Agreement) is contemplated as part of PAWC-WD's acquisition of the Wastewater System. However, the Application does not appear to include a copy of the Water Usage Agreement. Additionally, the Application's Footnote No. 1 indicated that although the APA lists that the Water Usage Agreement will be an assigned contract, it is anticipated that the contract will be terminated as of January 1, 2026. Please provide responses to the following:
- a. Provide an executed copy of the Water Usage Agreement along with all associated appendices;
 - b. Clarify whether PAWC-WD is requesting the Commission issue a Certificate of Filing for the Assignment of the Water Usage Agreement pursuant to 66 Pa.C.S. § 507 as an amendment to the Application; and
 - c. Explain how PAWC-WD intends to obtain the water usage data necessary to determine wastewater usage charges for SSMSA customers after termination of the Water Usage Agreement.
- A-12. Please state how customers of SSMSA currently receive water service and identify the entities providing water service to SSMSA customers.
- A-13. In the Application's Section 23.a., PAWC-WD indicated that it has a tentative 5-year plan for upgrades to the Wastewater System for an investment of over \$760,000. Please provide a description of the upgrades along with the associated projected cost, by major plant account and year.
- A-14. Please indicate the anticipated source of funds for the estimated \$760,000 in system improvements PAWC-WD is projecting it will invest in the Wastewater System over the next five years.
- A-15. In the Application's Appendix F, PAWC-WD provided a copy of SSMSA's Income Statement (SSMSA Income Statement) for the 12 months ending December 31, 2024. The SSMSA Income Statement appears to indicate that SSMSA is operating the Wastewater System at a net loss of \$70,000. In the Application's Appendix P, PAWC-WD provided a copy of its estimated annual revenues and expenses for the requested service territory for year one that is projected to have a net loss of \$83,000. Pursuant to 52 Pa. Code § 3.501(a)(5)(i), a detailed explanation of the source of funds to be used to subsidize the estimated losses in support of future viability shall be provided if the operating income reflects a loss. Please provide responses to the following:

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- a. Provide a detailed explanation of the source of funds to be used to subsidize the estimated losses in support of future viability; and
 - b. Explain how this acquisition is in the interest of PAWC-WD's existing customers based on PAWC-WD's projected net loss for the Wastewater System.
- A-16. In the Application's Section 23.f., PAWC-WD indicated that it intends to retain for a limited time immediately following the close of the acquisition the contract operator of the Wastewater System, D&B Environmental. Please provide a projected schedule for PAWC-WD to assume the daily operation of the Wastewater System from D&B Environmental.
- A-17. Please provide a copy of the current SSMSA-approved wastewater rates, rules and regulations along with the associated approval resolutions and/or ordinances, and specifically identify any applicable tapping or reserved capacity fees.
- A-18. 53 Pa.C.S. § 5607(d)(24)(ii) requires municipal authorities to have available for public inspection a detailed itemization of all calculations showing the maximum fees allowable for each part of the tapping fee and the manner in which the fees were determined (Tapping Fee Study). Please provide a copy of SSMSA's most recent Tapping Fee Study.
- A-19. Please indicate if the Borough of Sutersville or Sewickley Township have a mandatory wastewater connection ordinance and, if applicable, whether all properties in the requested territory are in compliance with the ordinance(s).
- A-20. Please provide a copy of SSMSA's most recent Chapter 94 Municipal Wasteload Management Report submitted to DEP.
- A-21. In the Application's Section 23.b., PAWC-WD indicated that the wastewater collected in the Wastewater System will ultimately be treated by PAWC-WD's McKeesport wastewater treatment plant (McKeesport WWTP). Please provide a copy of PAWC-WD's most recent Chapter 94 Municipal Wasteload Management Report for the PAWC-WD McKeesport WWTP and collection system submitted to DEP.
- A-22. Please provide the permitted treatment capacity and maximum monthly flow for the PAWC-WD McKeesport WWTP.
- A-23. Please confirm that PAWC-WD can provide adequate wastewater collection, treatment, and disposal capacity to meet present and future customer demands.
- A-24. Please quantify the average monthly wastewater usage for SSMSA customers for the preceding twelve (12) months.

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- A-25. Please provide an estimate of the number of customer connections, by customer class, anticipated to connect to the SSMSA System within the next five years along with the projected wastewater flows.
- A-26. Please provide a copy of the certified operator's certificate for the operator PAWC-WD intends to assign to the SSMSA System.
- A-27. Please provide copies of SSMSA's two most recent annual financial statements filed with the Department of Community and Economic Development.