

November 4, 2025

Via E-File

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

RE: Application of Aqua Pennsylvania, Inc. – Greenville Water Authority
Docket No. A-2024-3049015

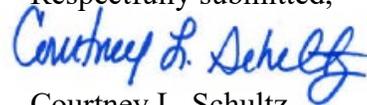
Dear Secretary Homsher:

This firm represents Aqua Pennsylvania, Inc. (“Aqua”) in the above-captioned matter. Enclosed for filing, please find the Joint Petition for Approval of Unanimous Settlement of Aqua, the Commission’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and Intervenors the Borough of Greenville (the “Borough”) and the Municipal Authority of the Borough of Greenville (“GWA”).

Please note that the filing contains a placeholder for “Exhibit E”, the Joint Statement in Support of the settlement from Intervenors the Borough and GWA. With the prior approval of Judge Dunderdale, the Intervenors’ counsel, James Douglas, will file Exhibit E separately with the Commission, as soon as the technical issues that are preventing him from accessing his computer files and email are restored.

As evidenced in the enclosed Certificate of Service, copies of the above documents have been served on the presiding Administrative Law Judge and counsel for the parties and intervenors. Please do not hesitate to contact me if you have any questions.

Respectfully submitted,



Courtney L. Schultz

Encls.

cc: ALJ Katrina Dunderdale
All Parties Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge Katrina Dunderdale, Presiding

Application of Aqua Pennsylvania, Inc.	:	Docket No. A-2024-3049015
Pursuant to Sections 1102, 1329, and 507 of	:	
the Public Utility Code, for Approval of the	:	
Acquisition by Aqua of the Water System	:	
Assets of the Municipal Authority of the	:	
Borough of Greenville Situated within the	:	
Borough of Greenville, Hempfield Township,	:	
Sugar Grove Township and West Salem	:	
Township, Mercer County, Pennsylvania	:	

CERTIFICATE OF SERVICE

I, Courtney L. Schultz, hereby certify that a true and correct copy of the Joint Petition for Approval of Unanimous Settlement in connection with the above-referenced docket was served on the following individuals on this 4th day of November, 2025, as indicated below.

VIA ELECTRONIC MAIL

PA PUC (via E-Filing)

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105

OAL

ALJ Katrina Dunderdale
Pennsylvania Public Utility Commission
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222
kdunderdal@pa.gov
mwarnar@pa.gov

AQUA

Alexander R. Stahl, Esq.
762 W. Lancaster Ave.
Bryn Mawr, PA 19010
astahl@aquaamerica.com

I&E

Carrie B. Wright, Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
carwright@pa.gov

OCA

Katherine Kennedy, Assistant Consumer Advocate
Harrison Breitman, Assistant Consumer Advocate
Office of Consumer Advocate
OCAGreenville1329@paoca.org
kkennedy@paoca.org
hbreitman@paoca.org

OSBA

Rebecca Lyttle, Assistant Small Business Advocate
Office of Small Business Advocate
relyttle@pa.gov

INTERVENORS

James E. Douglas, Esq.

jedouglas@douglasjoseph.com

*Counsel for Municipal Authority of the
Borough of Greenville and Greenville Borough*

/s/ Courtney L. Schultz

Saul Ewing LLP

Courtney L. Schultz, Esq.

Kruti B. Patel, Esq.

1735 Market Street, Suite 3400

Philadelphia, PA 19102

(215) 972-7717

Courtney.schultz@saul.com

Kruti.patel@saul.com

Counsel for Aqua Pennsylvania, Inc.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania, Inc.	:	Docket No. A-2024-3049015
Pursuant to Sections 1102, 1329, and 507 of	:	
the Public Utility Code, for Approval of the	:	
Acquisition by Aqua of the Water System	:	
Assets of the Municipal Authority of the	:	
Borough of Greenville Situated within the	:	
Borough of Greenville, Hempfield Township,	:	
Sugar Grove Township and West Salem	:	
Township, Mercer County, Pennsylvania	:	

JOINT PETITION FOR APPROVAL OF UNANIMOUS SETTLEMENT

TO ADMINISTRATIVE LAW JUDGE KATRINA DUNDERDALE:

This Joint Petition for Approval of Unanimous Settlement (“Joint Petition”) is made and entered into by and between Aqua Pennsylvania, Inc. (“Aqua” or the “Company”), the Pennsylvania Public Utility Commission’s (“Commission” or “PUC”) Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Municipal Authority of the Borough of Greenville (“GWA”), and the Borough of Greenville (“Borough”) parties and intervenors to the above-captioned proceeding (hereinafter collectively referred to as “Joint Petitioners”) for the purpose of settling the above-referenced proceeding under the terms and conditions set forth below. Joint Petitioners request that the Commission approve this Joint Petition.

I. BACKGROUND AND PROCEDURAL HISTORY

1. This proceeding concerns the Application of Aqua, filed with the Commission on April 25, 2025, pursuant to Sections 1102, 1329, and 507 of the Public Utility Code (“Code”), 66 Pa. C.S. §§ 1102, 1329, and 507.

2. The Application asked the Commission to issue an order and certificates of public convenience pursuant to Section 1102 of the Code approving Aqua's acquisition of the water system assets of the GWA and to allow Aqua to begin to provide water service in the Requested Territory, as outlined in the map attached to the Application as Exhibit A and which includes the Borough, Hempfield Township ("Hempfield"), Sugar Grove Township ("Sugar Grove") and West Salem Township ("West Salem"), in Mercer County, Pennsylvania.

3. The Application also asked that the Commission include in its order approving the acquisition, a determination that the ratemaking rate base of the assets being acquired by Aqua is \$18,000,000, pursuant to Section 1329(c)(2) of the Code.

4. Additionally, the Application asked that the Commission approve, to the extent necessary, assignment of contracts between Aqua and the GWA pursuant to Section 507 of the Code ("Assigned Contracts"), including:

- a. The Asset Purchase Agreement ("APA") between the GWA and Aqua dated September 26, 2023;
- b. Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated June 4, 1952;
- c. Easement Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated October 15, 1985; and
- d. Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated 1944.

5. Lastly, the Application asked that the Commission provide such other approvals, certificates, registrations and relief, if any, under the Code as may be required.

6. The Commission's Bureau of Technical Utility Services ("TUS"), I&E, OCA, and OSBA were served with copies of the Application on April 25, 2025.

7. Thereafter, in response to information requests from TUS, the Company filed and served supplemental information, including updates to its Application and Direct Testimony, on June 13, 2025 and additional supplemental information on June 23, 2025 and June 25, 2025.

8. By letter dated June 30, 2025, the Commission conditionally accepted the Application for filing. In compliance with the conditional acceptance letter, Aqua provided individualized notice of the proposed acquisition to its water customers and the GWA provided individualized notice of the proposed acquisition to its water customers. Aqua also published a notice of the filing of the Application in a newspaper of general circulation.

9. Following confirmation of the required notifications, the Commission, by letter dated August 11, 2025, acknowledged its final acceptance of the Application and advised that notice of the filing of the Application would be published in the Pennsylvania Bulletin on August 23, 2025, with a protest deadline of September 8, 2025.

10. OSBA filed a Notice of Intervention and Public Statement on June 5, 2025. OCA filed a Protest and Public Statement on June 9, 2025. I&E filed a Notice of Appearance on June 10, 2025. The GWA and the Borough each filed a Petition to Intervene on July 2, 2025.

11. By Notice dated August 12, 2025, the Commission scheduled a Call-In Telephonic Prehearing Conference for September 10, 2025, with Administrative Law Judge Katrina Dunderdale presiding. Judge Dunderdale issued a Prehearing Conference Order on August 13, 2025, in advance of the Prehearing Conference.

12. The Call-In Telephonic Prehearing Conference was convened as scheduled on September 10, 2025. Aqua, I&E, OCA, OSBA, GWA and the Borough participated in the Prehearing Conference. A litigation schedule was adopted providing, inter alia, for evidentiary

hearings on October 9 and 10, 2025, and memorialized in a Prehearing Order, dated September 22, 2025.

13. Two Public Input Hearings were held on September 18, 2025. Three witnesses offered testimony at the Public Input Hearings.

14. On October 7, 2025, the Joint Petitioners filed a Joint Motion for Cancellation of Hearings and a Joint Stipulation for Admission of Evidence. That same day, Judge Dunderdale issued the Second Interim Order cancelling the evidentiary hearings.

15. On October 10, 2025, by her Third Interim Order, Judge Dunderdale accepted the Joint Stipulation and entered the into the evidentiary record the listed exhibits, including: the written testimony of Aqua, GWA, I&E, OCA, and OSBA, along with Aqua's Amended Application, exhibits, workpapers and responses to TUS information requests for additional information.

16. On October 10, 2025, Judge Dunderdale also issued a Briefing Order.

17. The Joint Petitioners now submit this Joint Petition for Settlement.

II. TERMS AND CONDITIONS OF SETTLEMENT

18. Joint Petitioners agree to the following terms and conditions in settlement of this proceeding as it relates to Aqua's acquisition of the water system assets ("Acquired Assets") of the GWA (the "Transaction"):

(a) General.

(i) The Joint Petitioners agree that the Application, as amended (the "Amended Application"), should be approved, including the issuance of certificates for filing pursuant to 66 Pa. C.S. § 507 for all municipal contracts that Aqua has included in the Amended Application, subject to the terms and conditions of this Settlement that are specified below.¹

¹ The OCA does not join in this paragraph but does not oppose Aqua's request.

(b) **Closing.**

(i) If Aqua and GWA decide to close on the Transaction in accordance with their respective contractual rights and obligations under the APA, the closing of the Transaction (“Closing”) will not take place sooner than the date of the existence of a final, unappealable order of the Commission approving the Amended Application.

(c) **Purchase Price and Ratemaking Rate Base of the Acquired Assets.**

(i) The Joint Petitioners agree that the ratemaking rate base of the Acquired Assets, pursuant to 66 Pa. C.S. § 1329, that are the subject of the Amended Application will be \$17,500,000.

(ii) Any goodwill resulting from this Transaction that is included on the balance sheet of Aqua shall be excluded from its rate base and any debt or equity issued to finance the goodwill shall be excluded from the ratemaking capital structure for ratemaking purposes.

(iii) The difference between the purchase price and the allowed rate base will not be recovered in rate base nor via amortization from Aqua’s existing customers or from GWA’s current customers.

(d) **Rate Gradualism**

(i) In the first base rate case that includes the Acquired Assets, Aqua will propose a rate gradualism plan for all the GWA customers to pay their full cost of service over time and will propose to limit the base rate increase for the residential and commercial customers located within the acquired service territory to not more than a 28% rate increase over their existing rates.

(ii) The current average monthly bill of a GWA residential customer is assumed and approximately \$52.65 per month. The current GWA rates are reflected in the pro forma tariff supplement included as Appendix A to the Amended Application. Aqua’s largest tariff area, Rate Zone 1, has an assumed average bill of \$90.67, which also serves as the value for the current monthly weighted, average bill for Aqua residential customers. The current average monthly bill of a GWA commercial customer is approximately \$158.63 per month.

(iii) The Joint Petitioners acknowledge that, absent this settlement, if this proceeding were fully litigated, the record evidence demonstrates that GWA residential customers would likely experience an increase of at least \$38.02 (\$90.67- \$52.65) per month or 72.21% as the Company has proposed by and through its Amended Application and supporting materials; commercial customers would likely experience an increase of at least \$114.55 per month or 72.21% increase.

(iv) Consistent with the rate increase limitation in Paragraph 18(d)(i), above, the current average bill for GWA’s residential customers is \$52.65 per month at

3,050 gallons; in the first base rate case to include the Acquired Assets, Aqua will propose a rate increase that will increase the average bill for GWA's customers not to exceed an average bill of \$67.39 per month at 3,050 gallons. Consistent with the rate increase limitation in Paragraph 18(d)(i), above, the current average bill for GWA's commercial customers is \$158.63 per month at 12,414 gallons; in the first base rate case to include the Acquired Assets, Aqua will propose a rate increase that will increase the average bill for GWA's commercial customers not to exceed an average bill of \$203.05 per month at 12,414 gallons.

(v) Aqua's pro-forma tariff, as included in the Amended Application, including all rates, rules and regulations regarding conditions of Aqua's water service, shall be permitted to become effective immediately upon Closing.

(vi) All Joint Petitioners reserve the right to challenge any rates proposed by Aqua in any future base rate cases, except that OCA and OSBA agree not to challenge Aqua's proposal to the extent consistent with Paragraphs 18(d)(i) through 18(d)(iv) above in the first base rate case that includes the GWA system. The Joint Petitioners may agree to rates other than those proposed above for the GWA customers in the context of a settlement of a base rate case.²

(e) Customer Assistance Programs.

(i) Aqua agrees to contribute a total of \$50,000 to its Hardship Fund over a two-year period. This funding commitment is in addition to Aqua's funding commitments to the Hardship Fund in the 2024 base rate case settlement, at Docket No. R-2024-3047822, and in Aqua's Beaver Falls Application, at Docket No. A-2022-303138.

(ii) Immediately after Closing, the GWA residential customers will become eligible for all Aqua payment options and customer programs.

(iii) Within ten (10) days following Closing, Aqua will send a welcome letter to the GWA customers that includes information about payment options, low-income customer assistance programs, and any other customer service information; including but not limited to, information about the OSBA.

(iv) The welcome letter shall include notice language referring customers to Aqua's website (including the link) where a customer can find the rate impact range consistent with Aqua's commitment in the 2024 base rate case settlement, paragraph 92, at Docket No. R-2024-3047822. Aqua will also provide the OCA and the OSBA with a copy of the draft welcome letter prior to sending the same to customers in the service territory; the OCA and the OSBA will provide any suggestions to Aqua within three (3) business days of receipt; and Aqua, in good faith, will consider incorporation of said suggestions.

(v) Aqua will include a bill insert to GWA commercial customers within three (3) months of Closing that will inform the GWA commercial customers that

² I&E does not join in this paragraph.

the OSBA (i) is an independent state agency that represents the interests of small business consumers in regulated utility matters before the Commission, (ii) works directly with small businesses to assist with any questions or concerns they may be experiencing with their utility services, and (iii) may be contacted by viewing their website at www.osba.pa.gov.

(vi) Every six (6) months, Aqua will track the number of GWA customers that are (i) potentially eligible to enroll in Aqua's CAP, (ii) enrolled in Aqua's CAP, (3) commercial customers who had a late payment fee applied to their bill, and (4) commercial customers who were shut off due to lack of payment. Aqua will provide and present this information on a timely basis at the regularly held meetings of the Aqua Assistance Collaborative ("AAC") and provide said reports to the OSBA and the OCA. Aqua will also present this information in its next base rate case filing in a format showing the potential eligibility and enrollment data broken down by six-month increments starting from the time of Closing through and until the time of the filing of the base rate case. Potential eligibility will be based on U.S. Census data.

(f) Other Issues.

(i) In the first base rate case filed after Closing of the Transaction in which Aqua makes a claim for the Acquired Assets in rate base, Aqua will file a cost of service study that removes all costs and revenues associated with the operation of the GWA system.

(ii) Aqua will not include System-related investments in its Distribution System Improvement Charge ("DSIC") until Aqua collects a DSIC from GWA customers. Aqua shall be permitted to collect a DSIC from GWA customers upon (i) Aqua's filing of an amended water Long-Term Infrastructure Improvement Plan ("Amended LTIIIP") including the System, which does not re-prioritize other existing commitments in other service areas, (ii) the Commission's approval of the Amended LTIIIP, as may be modified in the discretion of the Commission, and (iii) Aqua's filing of a compliance tariff supplement which incorporates the System and all other systems included in the Amended LTIIIP into Aqua's DSIC tariff, including all customer safeguards applicable thereto, no later than the next quarterly DSIC filing after Commission approval of the Amended LTIIIP. The Amended LTIIIP shall be filed within 180 days of Closing.

(iii) The Joint Petitioners acknowledge that the Application includes a request that Aqua be permitted to claim transaction and closing costs associated with the acquisition of the Acquired Assets. The Joint Petitioners agree that they will not contest these requests in this proceeding, but they reserve their rights to litigate their positions fully in future rate cases when this issue is ripe for review. In a future rate case when these costs are claimed, Aqua agrees that it will clearly set out and identify all transaction and closing costs associated with the Transaction. The Joint Petitioners' assent to this term should not be construed to operate as their preapproval of Aqua's request.

(iv) The inclusion of outside legal fees, if any, in Aqua's transaction and closing costs under the APA shall be separately identified in Aqua's next base rate case,

and all parties thereto shall have the right to challenge the reasonableness, prudence, and basis for such fees.

(v) Any claim made by Aqua to recover transaction and closing costs associated with the Transaction will not include costs incurred by GWA.

(vi) Aqua should not be permitted to include easement land rights into its rate base until it acquires the easements.

19. The Joint Petition is consistent with the Commission's policy favoring negotiated settlements and is in the public interest. It reduces administrative burden by resolving the issues present in the Amended Application, after thorough discovery; and recognizes, through the participation of Aqua, OCA, OSBA, I&E, GWA, and the Borough the concerns of customers and the entities that are parties to the acquisition of the GWA Water System. The statements of Aqua I&E, OCA, OSBA, and GWA and the Borough in support of the Joint Petition and setting forth their respective bases on why the settlement is consistent with the Code are attached as **Exhibits A through E**.

III. PROPOSED FINDINGS OF FACT

20. As a consequence of the Settlement terms and conditions set forth in Section II above and supported by the Amended Application, exhibits and testimony admitted into the record, the Joint Petitioners request that Judge Dunderdale and the Commission make the following findings of fact and such other findings and conclusions as may be required or appropriate.

Aqua and the GWA

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

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

APA

23. Aqua and the GWA are parties to an APA, dated as of September 26, 2023. *Id.* at ¶ 21.

24. The negotiated purchase price for the Acquired Assets is eighteen million dollars (\$18,000,000) and is based on arm's length negotiations. Aqua and the GWA are not affiliated with each other. *Id.* at ¶ 21-22.

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

Assets Subject to Transfer

26. The water system assets to be transferred are the "Acquired Assets" and have the meaning specified in Section 2.01 of the APA. The Acquired Assets include the assets, properties

and rights of the GWA used in the system and all water treatment, transportation, and distribution facilities, and all pipes, services, valves, hydrants, pumping stations, reservoirs, dams, storage tanks, improvements, fixtures, manholes, and pipelines and any billing and collections related assets necessary to run the system. *Id.* at ¶ 24.

27. Acquired Assets also include the three Assigned Contracts identified on Schedule 4.15 of the APA to which the GWA is a party. Aqua will be taking assignment of the three Assigned Contracts. *Id.* at ¶ 25; Application Exhibits F1, F2, and F3.

28. The Acquired Assets also include all Authorizations and Permits of, or held by, the GWA (to the extent transferrable to Aqua under applicable law), including all Authorizations and Permits, which are environmental permits, other operating permits, and those items listed or described on Schedule 4.14 of the APA. *Id.* at ¶ 26.

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

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

Rates

31. The GWA bills customers a monthly service fee and a consumption charge per 1,000 gallons based on water usage as follows: customers with a 5/8” or 5/8 x 3/4” meter are charged \$22.59, customers with a 3/4” meter are charged \$37.64, customers with a 1” meter are charged \$60.23, customers with a 1 1/2” meter are charged \$127.03, customers with a 2” meter are charged \$201.37, customers with a 3” meter are charged \$403.65, customers with a 4” meter

are charged \$586.59, customers with a 6” meter are charged \$1,540.48. The GWA also charged a DEP Safe Drinking Water Fee of \$0.30. GWA also has a bulk filling rate of \$9.94 per 1,000 gallons, with a \$25 minimum and a \$5 service fee per load. *Id.* at ¶ 36.

32. Aqua will implement the GWA’s water rates in effect at Closing, as reflected on Schedule 7.04(a) of the APA. The GWA presently bills on a monthly basis to its customers. Aqua will continue to bill the GWA customers on a monthly basis. A schedule of rates tariff page implementing monthly rates for the GWA customers post-Closing was included with the Amended Application, at Exhibit G. Aqua will not be implementing the DEP Safe Drinking Water Fee. *Id.* at ¶ 35-36.

33. Aqua projects annual revenue of \$2,177,623 from the GWA customers based on the GWA’s current rate schedule and annual operating and maintenance expenses of \$1,405,465 based on GWA’s operating expenses presented in the 2023 financial statements, as adjusted by Aqua. *Id.* at ¶¶ 42-43.

34. Aqua will implement its *Rules and Regulations* to govern the provision of water service in the Requested Territory, as those Rules and Regulations are in effect from time to time for Aqua. *Id.* at ¶ 37.

Proof of Compliance

35. Aqua will operate and manage the GWA water system as a standalone distribution system, but within Aqua’s footprint, from its Western Division Office in Sharon, Pennsylvania with operations and management support from Aqua PA’s Southeastern Division Office in Bryn Mawr, Pennsylvania. The system is approximately 14 miles from Aqua’s Western Division Office. Jessica Micco was the Certified Water Operator for the System; however, Ms. Micco has since left

the GWA's employment, and Aqua will assign a new Certified Water Operator for the System. *Id.* at ¶ 44; Exhibit L to Application.

36. A list of violations issued to the GWA is attached to the Amended Application as Exhibit O. Compliance was achieved by the GWA for each of these events. *Id.* at ¶ 46.

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

Fitness

38. *Legal Fitness.* Aqua is a certificated provider of water service in the Commonwealth, with no pending legal proceedings that would suggest that Aqua is not able to provide safe and adequate service to customers. Amended Application, ¶ 53, Updated Aqua St. No. 1, at 8.

39. *Financial Fitness.* Aqua is a Class A water utility with total net utility plant assets of \$5.2 billion and annual revenues of \$680 million, as of 2024. As of December 31, 2024, Aqua had operating income of approximately \$360 million and net income of \$254 million, and its cash flows from operations equaled approximately \$255 million. Updated Aqua St. No. 1, at 8.

40. Aqua has an A- rating from Standard and Poor's Rating Service and has approximately \$2.209 billion in outstanding long-term debt at a weighted average interest rate of approximately 4.30%. In addition to Aqua's access to long-term debt, Aqua has short-term credit facility of \$100 million and has access to equity capital as a subsidiary of Essential. *Id.*

41. The Transaction will be funded using existing short-term credit lines. The short-term credit funding will be converted to a mix of long-term debt and equity capital shortly after closing. The Transaction is not expected to have any effect on Aqua's corporate credit rating. *Id.* at 9.

42. *Technical and Managerial Fitness.* Aqua will provide management, customer service, regulatory compliance, engineering, financial and ancillary services, seamlessly, from its Western Area office in Sharon, Pennsylvania, with management support from Aqua's headquarters in Southeastern Pennsylvania. Aqua St. No. 3, at 9-13.

43. The Transaction will easily fold into Aqua's existing water operations. Aqua is technically/managerially fit. Additionally, Aqua has recently acquired the Greenville Sanitary Authority system. By acquiring both the water and wastewater systems, Aqua will be able to coordinate projects where feasible between water and wastewater infrastructure. Aqua St. No. 3, at 9.

Benefits of the Transaction and Settlement

44. Aqua has the technical, regulatory, financial and legal fitness to operate the Acquired Assets of the GWA, and to maintain the operations and make improvements to meet continuing and future customer needs. Amended Application, ¶ 53, Updated Aqua St. No. 1, at 12.

45. The GWA customers will have access to income-based discount programs and funds, which they currently do not have access to, such as the Customer Assistance Program and Hardship Funds. Aqua St. No. 5, at 5-6; Aqua St. No. 5-R, at 3-4. Aqua has agreed to contribute a total of \$50,000 to its Hardship Fund over a two-year period as a part of the Settlement.

46. The GWA water treatment plant ("WTP") has faced challenges in securing qualified and skilled laborers, which has impacted the efficiency of the WTP's operations. Aqua's extensive resources will support the GWA team in enhancing their skills and optimizing the WTP's performance. GWA St. No. 1, at 5-6.

47. The GWA System has approximately 70 utility owed lead service lines ("LSL") and more than 1,500 unknown customer service lines that need to be identified. The System would

come under Aqua's comprehensive Lead Service Line Replacement Program, which would allow for the replacement of customer and company owned LSLs through no direct cost to the customer. Aqua St. No. 3, at 7-8; Aqua St. No. 2-R, at 3-4.

48. The Transaction will also address several operational deficiencies that have not historically been addressed by the GWA, including: (i) lack of redundancy of operators and access to training; (ii) limited or lacking process control testing; (iii) laboratory sample system management; (iv) minimal emergency preparedness planning; (v) lacking safety and security equipment and training; (vi) hazardous chemical storage, labeling, and safety; (vii) inadequate Supervisory Control and Data Acquisition ("SCADA") and operator alarm systems; (viii) insufficient emergency/standby power generation; and (ix) non-use of asset management or compliance management software systems. Updated Aqua St. No. 2, at 17.

49. A net public benefits impact of \$188,041 is expected to be realized from this Transaction. The proceeds, after the repayment and satisfaction of all obligations, will offset much of the initial revenue deficiency associated with this Transaction by approximately 86.64%. Updated Aqua St. No. 1, at 16.

50. The Transaction will also provide a general public benefit to the residents of Greenville related to the increased tax revenues that Aqua will pay following the Closing of the Transaction. GWA St. No. 2, at 3-4.

51. The acquisition of the GWA System will be an approximate 0.60% increase in Aqua's customer base. Amended Application, ¶ 53; Updated Aqua St. No. 1, at 17.

52. The Borough will receive the benefit of sale proceeds of \$18,000,000.

Section 1329 Considerations

53. Aqua and the GWA agreed to use the process presented in Section 1329 of the Code to determine the fair market value of the Acquired Assets and the ratemaking rate base. Amended Application, ¶ 54.

54. Aqua engaged the services of Gannett Fleming Valuation and Rate Consultants, LLC (“Gannett”) to provide a fair market value appraisal of the Acquired Assets and the ratemaking rate base in accordance with the Uniform Standards of Professional Appraisal Practice (“USPAP”), utilizing the cost, market, and income approaches. The GWA engaged the services of ScottMadden, Inc. (“ScottMadden”). Both firms were pre-certified as authorized UVEs. Amended Application, ¶ 55.

55. As required by Section 1329(d)(1)(i), copies of the Fair Market Value Appraisal Reports of Gannett and ScottMadden were attached as Amended Exhibit Q and Amended Exhibit R, respectively, to the Amended Application. Amended Application, ¶ 55, Exhibit Q and Exhibit R.

56. As required by Section 1329(d)(1)(ii), the purchase price agreed to by Aqua and the GWA was identified as \$18,000,000. Amended Application, ¶ 56.

57. The ratemaking rate base requested in the Amended Application, determined pursuant to Section 1329(c)(2) of the Code, was \$18,000,000, being the lesser of the purchase price of \$18,000,000 negotiated by Aqua and the GWA and the average of the fair market value appraisals which is \$27,016,292 – determined by \$33,497,679 presented in the appraisal of Gannett and \$20,534,906 presented in the appraisal of ScottMadden. *Id.* at ¶ 57.

58. As agreed by the Joint Petitioners, the ratemaking rate base for the GWA System shall be \$17,500,000, which is still less than the average of the two FMV appraisals.

59. As required by Section 1329(d)(1)(iv), transaction and closing costs were identified as approximately \$359,019. *Id.* at ¶ 59.

60. As required by Section 1329(d)(1)(v), a tariff containing a rate equal to the existing GWA rates at the time of acquisition was attached as Amended Exhibit G to the Amended Application. Amended Application, ¶ 60 and Exhibit G.

61. The UVEs were paid \$73,030 for the completed FMV Appraisal Reports. Documentation of the fees paid to Gannett and ScottMadden, including the valuation service agreements and all associated invoices, were attached to the Application as Exhibit T1 and Exhibit T2, respectively. Amended Application, ¶ 62.

62. The UVEs' fees did not exceed 5% of the fair market value of the selling utility. *Id.*

63. Gannett and ScottMadden filed verifications, stating that they have no affiliation with Aqua or GWA as specified in Section 1329 and that their Amended Appraisals determined fair market value in compliance with the most recent edition of USPAP, employing the cost, market and income approaches and that they complied with applicable jurisdictional exceptions, were attached to the Amended Application. Amended Application, ¶ 63, Exhibit U1 and Exhibit U2.

64. Aqua's contract with Gannett to undertake its FMV Appraisal was included in Exhibit T1 to the Amended Application. GWA's contract with ScottMadden to undertake its FMV Appraisal was included in Exhibit T2 to Amended Application. Amended Application, ¶ 62, Exhibit T1 and Exhibit T2.

65. Aqua will implement the GWA's water rates in effect at Closing. Amended Application, ¶ 35.

Section 507 Considerations

66. Aqua's Amended Application asks that the Commission, if necessary, issue certificates of filing pursuant to Section 507 of the Code, for its APA with the GWA and Assigned Contracts. Amended Application, ¶ 79.

IV. PROPOSED CONCLUSIONS OF LAW

67. The Commission has jurisdiction over the parties and the subject matter of this proceeding. 66 Pa. C.S. §§ 1102 and 1329.

68. The Code requires Commission approval in the form of a certificate of public convenience for a public utility to expand its service territory and to acquire property used or useful in the public service. 66 Pa.C.S. §§ 1102(a)(1) and 1102(a)(3).

69. The burden of proving entitlement to a certificate is upon the applicant as it is the applicant that is seeking a proposed rule or order. 66 Pa.C.S. § 332. *Se-Ling Hosiery v. Margulies*, 70 A.3d 854 (Pa. 1950); *Samuel J. Lansberry, Inc. v. Pa. P.U.C.*, 578 A.2d 600 (Pa. Commw. Ct. 1990). The term "burden of proof" means a duty to establish a fact by a preponderance of the evidence. *Se-Ling Hosiery, supra*. The term "preponderance of the evidence" means that one party has presented evidence which is more convincing, by even the slightest degree, than the evidence presented by the opposing party. *Id.*

70. Any finding of fact necessary to support an adjudication of the Commission must be based upon substantial evidence, which is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. *Mill v. Comm.*, *Pa. P.U.C.*, 447 A.2d 1100 (Pa. Commw. Ct. 1982); *Edan Transportation Corp. v. Pa. P.U.C.*, 623 A.2d 6 (Pa. Commw. Ct. 1993); 2 Pa. C.S. § 704. 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. v. Pa. P.U.C.*, 413 A.2d 1037 (Pa. 1980);

Erie Resistor Corp. v. Unemployment Com. Bd. Of Review, 166 A.2d 96 (Pa. Super. 1960); *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Commw. Ct. 1984).

71. Commission policy promotes settlements. 52 Pa. Code § 5.231.

72. A settlement lessens the time and expense that the parties must expend litigating a case and, at the same time, conserves administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. 52 Pa. Code § 69.401.

73. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. P.U.C. v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. P.U.C. v. C.S. Water & Sewer Assocs.*, 74 Pa. PUC 767 (1991). The instant settlement is in the public interest.

74. A certificate of public convenience will be issued “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).

75. In *City of York v. Pa. P.U.C.*, 295 A.2d 825 (Pa. 1972), the Pennsylvania Supreme Court explained in the context of a utility merger that the issuance of a certificate of public convenience requires the Commission to find affirmatively that public benefit will result from the merger.

76. In *Popowsky v. Pa. P.U.C.*, 937 A.2d 1040 (Pa. 2007), the Pennsylvania Supreme Court addressed *City of York* and explained that the Commission is not required to secure legally binding commitments or to quantify benefits where this may be impractical, burdensome or impossible; rather, the Commission properly applies a preponderance of the evidence standard to

make factually-based determinations (including predictive ones informed by expert judgment) concerning certification matters.

77. In *McCloskey v. Pa. P.U.C.*, 195 A.3d 1055 (Pa. Commw. Ct. 2018), *petition for allowance of appeal denied* No. 703 MAL 2018 (April 23, 2019), the Commonwealth Court held that the Commission findings: (i) that Aqua, as the owner of numerous water and wastewater systems has sufficient operational expertise and ability to raise capital to support system operations; and (ii) that the Commission has a policy of consolidation/regionalization of water system assets that allows for increased maintenance, upgrade and expansion of public sewer and water facilities, are substantial evidence, consistent with *Popowsky*, to support a conclusion that there is a public benefit to a transaction. The Court held, further, that the Commission must address rate impact in a “general fashion” when deciding whether there is substantial public benefit for a Section 1329 acquisition.

78. In *Cicero v. Pennsylvania Pub. Util. Comm’n*, 300 A.3d 1106, 1119 (Pa. Commw. Ct. 2023), *reargument denied* (Sept. 26, 2023), *appeal granted*, 568 MAL 2023, 2024 WL 2988362 (Pa. June 14, 2024) (“*Cicero*”), the Commonwealth Court acknowledged that “[w]hile Pennsylvania courts have recognized that the Commission is not required to obtain legally binding commitments from acquiring utilities and that ‘aspirational statements’ are substantial evidence of an affirmative public benefit, under the preponderance of the evidence standard, that recognition must be considered in the context of those cases. *Popowsky*, 937 A.2d at 1055-57 & n.18; *City of York*, 295 A.2d at 829-30; *McCloskey*, 195 A.3d at 1065-66.” *See also id.* at 1120 (holding that “in every Section 1329 case, it must be shown that the affirmative public benefits that arise from and are specific to a transaction outweigh the harms of the transaction, such that approval of the

transaction will ‘affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.’”).

79. Additionally, the party receiving the assets and service obligation must be technically, legally, and financially fit. *Joint Application of Peoples Natural Gas Company LLC, Peoples TWP LLC, and Equitable Gas Company, LLC*, Docket No. A- 2013-2353647, 309 P.U.R.4th 213 (2013).

80. An existing provider of public utility service is presumed fit. *See Re Pennsylvania-American Water Company*, 85 PA PUC 548 (1995). The burden of proof to rebut the presumption is on Protestants. *Re Byerly*, 270 A. 2d 186 (Pa. 1970); *Morgan Drive-Away, Inc., v. Pa. P.U.C.*, 293 A.2d 895 (Pa. Commw. Ct. 1972).

81. Section 1329 of the Code, 66 Pa. C.S. § 1329, addresses the valuation of the assets of municipally or authority-owned water and wastewater systems that are acquired by investor-owned water and wastewater utilities or entities.

82. If the parties agree to the Section 1329 process, the acquiring public utility and the selling municipality each select a UVE from a list of experts established and maintained by the Commission. The selected UVEs perform independent fair market value appraisals of the system in compliance with USPAP, employing the cost, market and income approaches. 66 Pa. C.S. § 1329(a).

83. In regard to the ratemaking rate base, the General Assembly directed as follows for acquisitions proceeding under Section 1329:

(c) Ratemaking rate base. – The following apply:

(2) The ratemaking rate base of the selling utility shall be the lesser of the purchase price negotiated by the acquiring public utility or entity and selling utility or the fair market value of the selling utility.

84. Section 1329(g) of the Code defines “fair market value” as “[t]he average of the two utility valuation expert appraisals conducted under subsection (a)(2).”

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

86. The following contracts are accepted as valid pursuant to Section 507:

- a. The APA between Aqua and the GWA, dated September 26, 2023.
- b. Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated June 4, 1952.
- c. Easement Agreement between Bessemer & Lake Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated October 15, 1985.
- d. Erie Railroad Company and the Municipal Authority of the Borough of Greenville, dated 1944

V. OTHER MISCELLANEOUS PROVISIONS

87. This Joint Petition is proposed to settle the instant matter and is made without any admission against or prejudice to any positions that any Joint Petitioner might adopt during subsequent litigation in any case, including further litigation in this case if this Joint Petition is rejected by the Commission or withdrawn by any one of the Joint Petitioners as provided below. This Joint Petition is conditioned upon the Commission’s approval of all terms and conditions contained herein. Joint Petitioners agree that the Joint Petition does not expressly or implicitly represent approval of any specific claim or claims made in this proceeding, other than as set forth above, and agree not to contend otherwise in any subsequent proceeding. If the Commission should fail to grant such approval or should modify the terms and conditions herein, this Joint

Petition may be withdrawn by any Joint Petitioner upon written notice to the Commission and all parties within three (3) business days by any of the Joint Petitioners. In such event, the Joint Petition shall be of no force and effect.

88. In the event that the Commission does not approve the Joint Petition or any Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective right to fully litigate the case, including producing witnesses, conducting full cross-examination and presenting briefs and legal argument.

89. Joint Petitioners will make reasonable, good faith efforts to obtain approval of the Joint Petition by the ALJ and the Commission without modification. If the ALJ in her Recommended Decision recommends that the Commission adopt the Joint Petition without modification as herein proposed, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their right to file Exceptions with respect to any modifications to the terms and conditions of this Joint Petition, or any additional matters. The Joint Petitioners reserve their right to file Reply Exceptions to any Exceptions which may be filed whether by a Joint Petitioner or other party to the proceeding.

90. In recognition of the foregoing, the Joint Petitioners respectfully request the following Proposed Ordering Paragraphs:

(a) The ALJ recommend approval of, and the Commission approve, this Joint Petition for Approval of Settlement.

(b) The Commission issue certificates of public convenience under Section 1102 of the Code:

(i) Authorizing Aqua to acquire, by purchase, the water system assets of the GWA; and

(ii) Authorizing Aqua to begin to offer, render, furnish and supply water service to the public in the Requested Territory;

- (c) Authorize Aqua to file tariff revisions, effective upon one day's notice, to:
 - (i) Include within its territory all the Requested Territory;
 - (ii) Adopt and apply the GWA's rates as Aqua's Base Rates within the Requested Territory;
 - (iii) Apply Aqua's *Rules and Regulations* within the Requested Territory;
 - (iv) Enter an Order approving this Amended Application and Aqua's acquisition of the Acquired Assets and, as a part of the Order include the ratemaking rate base of the GWA as \$17,500,000 pursuant to Section 1329(c)(2) of the Code;
 - (v) Approve the APA between Aqua and the GWA and the Assigned Contracts pursuant to Section 507 of the Code; and
 - (vi) Issue such other approvals, certificates, registration, and relief, if any, under the Code that may be required with respect to Aqua's acquisition of the Acquired Assets.
- (d) The Docket at A-2024-3049015 be marked as satisfied and closed consistent with this Joint Petition for Approval of Settlement.
- (e) The Commission grant such other relief that may be just, reasonable and appropriate under the circumstances.

IN WITNESS WHEREOF, the Joint Petitioners hereto have duly executed this Joint Petition for Approval of Unanimous Settlement as of the date indicated herein.

AQUA PENNSYLVANIA, INC.

By: /s/ Courtney L. Schultz
Courtney L. Schultz, Esq.
Kruti B. Patel, Esq.
Saul Ewing LLP
Counsel for Aqua Pennsylvania, Inc.

**OFFICE OF SMALL BUSINESS
ADVOCATE**

By: /s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
relyttle@pa.gov

**BUREAU OF INVESTIGATION AND
ENFORCEMENT**

By: /s/ Carrie B. Wright
Carrie B. Wright, Esq.
Deputy Chief Prosecutor
carwright@pa.gov

**BOROUGH OF GREENVILLE AND
MUNICIPAL AUTHORITY OF THE
BOROUGH OF GREENVILLE**

By: /s/ James Douglas
James E. Douglas, Esq.
jedouglas@douglasjoseph.com
*Counsel for Municipal Authority of the
Borough of Greenville and Greenville
Borough*

OFFICE OF CONSUMER ADVOCATE

By: /s/ Katie Kennedy
Katherine Kennedy, Esq.
Assistant Consumer Advocate
kkennedy@paoca.org
Harrison Breitman, Esq.
Assistant Consumer Advocate
Hbreitman@paoca.org

Date: November 4, 2025

EXHIBIT A

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania, Inc.	:	Docket No. A-2024-3049015
Pursuant to Sections 1102, 1329, and 507 of	:	
the Public Utility Code, for Approval of the	:	
Acquisition by Aqua of the Water System	:	
Assets of the Municipal Authority of the	:	
Borough Of Greenville Situated within the	:	
Borough of Greenville, Hempfield Township,	:	
Sugar Grove Township and West Salem	:	
Township, Mercer County, Pennsylvania	:	

**STATEMENT OF AQUA PENNSYLVANIA, INC. IN SUPPORT
OF JOINT PETITION FOR UNANIMOUS APPROVAL OF SETTLEMENT**

TO ADMINISTRATIVE LAW JUDGE KATRINA DUNDERDALE:

Aqua Pennsylvania, Inc. (“Aqua” or the “Company”), by and through its undersigned counsel, hereby submits the following statement in support of the Joint Petition for Approval of Settlement (“Joint Petition”) filed by Aqua, the Pennsylvania Public Utility Commission’s (“Commission” or “PUC”) Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Municipal Authority of the Borough of Greenville (“GWA”), and the Borough of Greenville (“Borough”) (collectively “Settling Parties”) with the Commission in the above-captioned proceeding.

I. Introduction & Procedural History¹

For the reasons stated herein and in the Joint Petition, Aqua believes that the settlement embodied in the Joint Petition (i) is fair and reasonable; (ii) allows Aqua to acquire and improve the GWA Water System and continue providing water service to portions of the Borough,

¹ Aqua incorporates the procedural history set forth in the Joint Petition as if set forth herein in full. Joint Petition, at ¶¶ 1-16.

Hempfield Township (“Hempfield”), Sugar Grove Township (“Sugar Grove”) and West Salem Township (“West Salem”), in Mercer County, Pennsylvania; and (iii) is in the public interest.

Aqua also believes that the settlement terms comply with and implement the Commission’s policy encouraging parties in contested proceedings to enter into settlements as discussed more fully below. Therefore, Aqua respectfully requests that Administrative Law Judge Katrina Dunderdale and the Commission approve the Joint Petition, without modification, and make the necessary approvals pursuant to Sections 1102, 1329, and 507 of the Public Utility Code (“Code”), 66 Pa. C.S. §§ 1102, 1329, and 507.

This proceeding concerns the Application of Aqua, filed with the Commission on April 25, 2025, pursuant to Sections 1102, 1329, and 507 of the Code, asking the Commission to (i) issue an order and certificates of public convenience pursuant to Section 1102 of the Code approving Aqua’s acquisition of the water system assets of the GWA and to allow Aqua to begin to provide water service in portions of the Borough, Hempfield, Sugar Grove, and West Salem, in Mercer County, Pennsylvania; (ii) determine the ratemaking rate base of the assets being acquired by Aqua to be \$18,000,000, pursuant to Section 1329(c)(2) of the Code; and (iii) approve the assignment of the Asset Purchase Agreement (“APA”) and other contracts pursuant to Section 507 of the Code.

II. Settlement is a Reasonable Alternative to Litigation

A. Legal Standards

As noted in the Joint Petition, it is the stated policy of the Commission to encourage parties to resolve contested proceedings through settlement.² Settlements lessen the time and expense of litigating a case and, thus, directly benefit all parties concerned. Additionally, by resolving a

² 52 Pa. Code § 5.231(a). The Commission, moreover, has stated that the results achieved from a negotiated settlement or stipulation in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401 (major rate cases – statement of policy, generally).

number of issues raised in this proceeding, this settlement will avoid the time, expense and uncertainty of litigation, and will conserve administrative hearing resources, which benefits all parties and is therefore in the public interest. The settlement has already eliminated the post-hearing briefing process. It also lessens the likelihood of possible appellate court review and provides regulatory certainty with respect to the issues raised in this proceeding, which benefits all parties.

Where the active parties in a proceeding have reached a settlement, the principal issue for Commission consideration is whether the agreement reached is in the public interest.³ Aqua submits that the resolution of issues as presented in the Joint Petition will further the public interest and that it has the requisite technical, financial and legal fitness to own and operate the GWA System and to provide water service in portions of the Borough, Hempfield Township, Sugar Grove Township, and West Salem Township.

Moreover, Aqua's Amended Application, as modified through the settlement, demonstrated through a preponderance of the evidence and substantial evidence that its acquisition of the GWA System will affirmatively promote the service, accommodation, convenience, or safety of the public in substantial ways, including that any hypothetical rate impact is offset by other positive benefits of the transaction.⁴ In addition to the benefits derived as a result of and as correlated to Aqua's fitness, there are numerous other substantial affirmative benefits that will

³ Pa. P.U.C. v. City of Lancaster - Bureau of Water, Docket No. R-2010-2179103, Opinion and Order entered July 14, 2011, citing Warner v. GTE North, Inc., Docket No. C-00902815, Opinion and Order entered April 1, 1996; and Pa. P.U.C. v. CS Water and Sewer Assoc., 74 Pa. P.U.C. 767 (1991). See also Pa. P.U.C. v. Philadelphia Electric Co., 60 Pa. P.U.C. 1 (1985).

⁴ See Joint Petition, at ¶¶ 74-80 citing City of York v. Pa. P.U.C., 295 A.2d 825 (Pa. 1972); Popowsky v. Pa. P.U.C., 937 A.2d 1040 (Pa. 2007); McCloskey v. Pa. P.U.C., 195 A.3d 1055 (Pa. Commw. Ct. 2018), petition for allowance of appeal denied No. 703 MAL 2018 (April 23, 2019); Cicero v. Pennsylvania Pub. Util. Comm'n, 300 A.3d 1106, 1119 (Pa. Commw. Ct. 2023), reargument denied (Sept. 26, 2023), appeal granted, 568 MAL 2023, 2024 WL 2988362 (Pa. June 14, 2024).

flow to customers of GWA, Aqua's existing customers, and the communities in the GWA's service territory as a result of the acquisition.

B. The terms of the settlement are in the public interest and should be approved.

As more specifically set forth below, the terms of the settlement in this proceeding demonstrate that Aqua's proposed acquisition of the GWA System will provide substantial public benefits to GWA's customers, Aqua's customers and the communities in and around the Borough.

1. Request for Relief – Approval of Proposed Application/Transaction

In addition to the many benefits identified below that are tied to the settlement terms in this proceeding are the numerous benefits that will be achieved by this Transaction as outlined in the Amended Application and supporting testimony, including the following:

(a) GWA Customers: expansive customer service offerings; bill payment assistance, such as deferred payment arrangements and access to Aqua's CAP and Aqua Aid; field work information and visibility; improvement of numerous operational and security deficiencies providing for enhanced operations and safety for employees, customers and the community, as well as protection of the environment; part of a larger scale, efficiently operated utility in the business of providing safe and reliable water service, leading to savings of at least an anticipated 5% in O&M expenses and at least \$188,041 in tangible net financial benefits.

(b) Aqua Customers: a 0.60% increase in Aqua's customer base, leading to lower incremental cost per customer for future infrastructure investments across the state; and continued decline of per customer revenue requirement with addition of GWA System and its customers.

Communities: The Borough was, until recently, an Act 47 community, this influx of \$18,000,000 will benefit the Borough, its residents (nearly all of whom are GWA customers), and

the surrounding communities; increase in tax revenues; and improvement of operational deficiencies at the water treatment plant will provide benefits for the environment.

The Joint Petition was achieved after a comprehensive review of Aqua's Amended Application to acquire the GWA system. Aqua responded to numerous discovery requests from the parties. The Settling Parties filed multiple rounds of testimony and exhibits, including direct, rebuttal, surrebuttal and rejoinder testimony. The Joint Petition is a carefully balanced compromise of the Settling Parties. The Settling Parties participated in numerous settlement discussions and formal negotiations, which ultimately led to the Joint Petition; each of the Settling Parties made significant concessions as compared to their litigated positions to achieve the settlement embodied in the Joint Petition. The fact that the Joint Petition is supported by parties representing a diversity of constituents and interests, in and of itself, provides substantial evidence that the Joint Petition is reasonable and in the public interest, particularly given the active role of the Settling Parties in this proceeding as well as the negotiations required to achieve the settlement.

2. Ratemaking Rate Base and Purchase Price

Paragraph 18(c) of the Joint Petition provides that the ratemaking rate base of the Acquired Assets that are the subject of the Amended Application will be \$17,500,000. Joint Petition ¶ 18(c). Further, any goodwill resulting from the Transaction that is included on the balance sheet of Aqua will be excluded from its rate base and any debt or equity issued to finance the goodwill will be excluded from the ratemaking capital structure for ratemaking purposes. *Id.* Lastly, the difference between the purchase price and the allowed rate base will not be recovered in rate base nor via amortization from Aqua's existing customers or from GWA's current customers. *Id.*

The ratemaking rate base determined in Aqua's Amended Application pursuant to Section 1329(c)(2) of the Code was determined to be \$18,000,000, being the lesser of the purchase price

of \$18,000,000 negotiated by Aqua and the GWA and the average of the fair market value appraisals which is \$27,016,292 – determined by \$33,497,679 presented in the appraisal of Gannett Fleming and \$20,534,906 presented in the appraisal of ScottMadden.

Pursuant to the Joint Petition, the ratemaking rate base for the GWA System will be \$500,000 less than the amount determined in Aqua’s Amended Application. This lower ratemaking rate base further mitigates any potential rate impact of the Transaction to GWA’s customers and Aqua’s customers thereby providing a public benefit. Therefore, this provision is in the public interest and should be approved.

3. Rate Gradualism

Paragraph 18(d) of the Joint Petition provides that in the first base rate case to include the Acquired Assets, Aqua will propose a rate gradualism plan for all the GWA customers to pay their full cost of service over time and will propose to limit the base rate increase for the residential and commercial customers located within the acquired service territory to not more than a 28% rate increase over their existing rates. Joint Petition, ¶ 18(d). Absent this settlement, the GWA residential customers could experience an increase of at \$34.04, or 64.66% per month, if the full cost of service necessary to serve those customers were allocated to them as shown in the analysis prepared in Appendix A of Amended Aqua St. No. 1, included with the Amended Application. The current average bill for GWA residential customers using an average of 3,050 gallons per month is \$52.65. Consistent with the terms of the Joint Petition, in the first base rate case to include the Acquired Assets, Aqua will propose a rate increase that will increase the average bill for GWA residential customers not to exceed an average bill of \$67.39 per month at 3,050 gallons. The rate gradualism condition mitigates what could otherwise be a higher rate impact, provides certainty regarding what will be proposed in the first post-acquisition rate increase, and therefore provides

a public benefit to GWA’s customers. Therefore, this provision is in the public interest and should be approved.

4. Cost of Service

Paragraph 18(f)(i) of the Joint Petition provides that in the first base rate case filed after Closing in which Aqua makes a claim for the Acquired Assets in rate base, Aqua will file a cost of service study (“COSS”) that removes all costs and revenues associated with the operation of the GWA system. Joint Petition, ¶ 18(f)(i). The COSS will provide a means for the parties to use the cost-of-service data to set rates for those customers that differ, as appropriate, from rates established for other water customers. This will help to mitigate the potential level of subsidy by Aqua’s other customers, applies the ratemaking principle of gradualism to rates set for GWA customers, and is in the public interest.

5. Distribution System Improvement Charge (“DSIC”)

Paragraph 18(f)(ii) of the Joint Petition provides that Aqua will not include System-related investments in its DSIC until Aqua collects a DSIC from GWA customers. Joint Petition, ¶ 18(f)(ii). Aqua shall be permitted to collect a DSIC from GWA customers upon (i) Aqua’s filing of an amended water Long-Term Infrastructure Improvement Plan (“Amended LTIIP”) including the System, which does not re-prioritize other existing commitments in other service areas, (ii) the Commission’s approval of the Amended LTIIP, as may be modified in the discretion of the Commission, and (iii) Aqua’s filing of a compliance tariff supplement which incorporates the System and all other systems included in the Amended LTIIP into Aqua’s DSIC tariff, including all customer safeguards applicable thereto, no later than the next quarterly DSIC filing after Commission approval of the Amended LTIIP. The Amended LTIIP shall be filed within 180 days of Closing. *Id.* This provision protects both GWA’s customers and Aqua’s existing customers by

ensuring that projects are appropriately included and prioritized in future LTIP filings, and that GWA customers are not charged the DSIC until such time as the project that will benefit them are included in the Amended LTIP. Therefore, this provision is in the public interest and should be approved.

6. Closing Date

Paragraph 18(b) of the Joint Petition provides that if Aqua and the GWA decide to close on the acquisition, the Closing will not take place sooner than the date of the existence of a final, unappealable order of the Commission approving the Amended Application. Joint Petition ¶ 18(b). Paragraph 18(b) is reasonable and provides the additional public benefit because it avoids any confusion or additional litigation concerning the timing of the Closing of the Transaction, including further litigation in a base rate case or other proceeding. Therefore, this provision is in the public interest and should be approved.

7. Transaction and Closing Costs

Paragraph 18(f)(iii) of the Joint Petition acknowledges that the Amended Application includes a request that Aqua be permitted to claim transaction and closing costs associated with the acquisition of the Acquired Assets. Joint Petition, ¶ 18(f)(iii). The Settling Parties agree that they will not contest these requests in this proceeding, but they reserve their rights to litigate their positions fully in future rate cases when this issue is ripe for review. *Id.* In a future rate case when these costs are claimed, Aqua agrees that it will clearly set out and identify all transaction and closing costs associated with the Transaction. *Id.* Further, Paragraph 18(f)(iv) of the Joint Petition provides that in Aqua's transaction and closing costs under the APA shall be separately identified in Aqua's next base rate case, and all parties thereto shall have the right to challenge the reasonableness, prudence, and basis for such fees. *Id.* at ¶ 18(f)(iv). Lastly, Paragraph 18(f)(v) of

the Joint Petition provides that any claim made by Aqua to recover transaction and closing costs associated with the Transaction will not include costs incurred by GWA. *Id.* at ¶ 18(f)(v). These terms are consistent with Section 1329 of the Code and are therefore in the public interest.

8. Low-Income/Customer Assistance Programs

Paragraph 18(e) of the Joint Petition provides several provisions that address customer assistance for GWA customers, including:

- Aqua will contribute \$50,000 to its Hardship Fund over a two-year period. This funding commitment is in addition to Aqua’s funding commitments to the Hardship Fund in the 2024 base rate case settlement, at Docket No. R-2024-3047822, and in Aqua’s Beaver Falls Application, at Docket No. A-2022-303138.
- Immediately after Closing, the GWA residential customers will become eligible for all Aqua payment options and customer programs.
- Within 10 days following Closing, Aqua will send a welcome letter to the GWA customers that includes information about payment options, low-income customer assistance programs, and any other customer service information; including but not limited to, information about the OSBA.
- The welcome letter shall include notice language referring customers to Aqua’s website (including the link) where a customer can find the rate impact range consistent with Aqua’s commitment in the 2024 base rate case settlement, paragraph 92, at Docket No. R-2024-3047822. Aqua will also provide the OCA and the OSBA with a copy of the draft welcome letter prior to sending the same to customers in the service territory; the OCA and the OSBA will provide any suggestions to Aqua within three (3) business days of receipt; and Aqua, in good faith, will consider incorporation of said suggestions.
- Aqua will include a bill insert to GWA commercial customers within three (3) months of Closing that will inform the GWA commercial customers that the OSBA (i) is an independent state agency that represents the interests of small business consumers in regulated utility matters before the Commission, (ii) works directly with small businesses to assist with any questions or concerns they may be experiencing with their utility services, and (iii) may be contacted by viewing their website at www.osba.pa.gov.
- Every six (6) months, Aqua will track the number of GWA customers that are (i) potentially eligible to enroll in Aqua’s CAP, (ii) enrolled in Aqua’s CAP, (3) commercial customers who had a late payment fee applied to their bill, and (4) commercial customers who were shut off due to lack of payment. Aqua will provide and present this information on a timely basis at the regularly held meetings

of the Aqua Assistance Collaborative (“AAC”) and provide said reports to the OSBA and the OCA. Aqua will also present this information in its next base rate case filing in a format showing the potential eligibility and enrollment data broken down by six-month increments starting from the time of Closing through and until the time of the filing of the base rate case. Potential eligibility will be based on U.S. Census data.

Joint Petition, ¶ 18(e). The GWA customers will have access to these income-based discount programs and funds, which they currently do not have access to, and the tracking and reporting mechanisms further provides insights and means to enhance access to, or enrollment in, such programs, which are a public benefit to GWA’s customers. Therefore, these provisions are in the public interest and should be approved.

9. Easements

Paragraph 18(f)(vi) of the Joint Petition provides that Aqua should not be permitted to include easement land rights in its rate base until it acquires the easements. Joint Petition, ¶ 18(f)(vi). This provision ensures ratepayers are protected from paying for easements before they are acquired in rates and is therefore in the public interest.

10. Other Necessary Approvals

Paragraph 18(a) of the Joint Petition provides for the approval of the Amended Application, including certificates of filing pursuant to Section 507 of the Code for all municipal contracts included in the Amended Application, as well as the APA, subject to the terms and conditions of the settlement. Joint Petition ¶ 18(a). This condition is in the public interest when considered in totality with the Settlement and should be approved.

11. Standard Settlement Conditions

The Joint Petition also includes the standard settlement conditions for approval, and is conditioned upon approval without modification, with all Settling Parties reserving their respective rights should the Commission modify the settlement. Joint Petition, at ¶¶ 87-90. The Joint Petition

also includes Proposed Findings of Fact (*Id.* at ¶¶ 20 -66), Conclusions of Law (*Id.* at ¶¶ 67-86), and Requested Relief/Proposed Ordering Paragraphs (*Id.* at ¶ 90). Aqua believes that the conditions are in the public interest and should be approved.

III. Conclusion

The Joint Petition is the product of arms' length negotiations between the Settling Parties. This settlement contains significant positive results and will provide a public benefit, as stated above. All of the positive results of this settlement are achieved without requiring briefing and time consuming and expensive litigation.

For all of the foregoing reasons, Aqua supports the Joint Petition and respectfully requests that Administrative Law Judge Katrina Dunderdale and the Commission approve it in its entirety and without modification, and in connection therewith issue the relief requested therein.

Respectfully submitted,

AQUA PENNSYLVANIA, INC.

By: 

Courtney L. Schultz, Esq.
Kruti B. Patel, Esquire
Saul Ewing LLP
1735 Market Street, Suite 3400
Philadelphia, PA 19103
Courtney.schultz@saul.com
Kruti.patel@saul.com
Counsel for Aqua Pennsylvania, Inc.

Dated: November 4, 2025

EXHIBIT B

Section 1329 Application of Aqua :
Pennsylvania, Inc. for the Acquisition of the :
Water System Assets of the Municipal :
Authority of the Borough of Greenville : Docket No. A-2024-3049015
situated within the Borough of Greenville, :
Hempfield Township, Sugar Grove :
Township, and West Salem Township, :
Mercer County, Pennsylvania :

**BUREAU OF INVESTIGATION AND ENFORCEMENT
STATEMENT IN SUPPORT OF
JOINT PETITION FOR APPROVAL OF SETTLEMENT**

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutor Carrie B. Wright, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Approval of Settlement (“Joint Petition” or “Settlement”) are in the public interest and represent a fair and just balance of the interests of Aqua Pennsylvania, Inc. (“Aqua”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Municipal Authority of the Borough of Greenville (“GWA”), and the Borough of Greenville (“Borough”) (collectively, the “Joint Petitioners”).

I. INTRODUCTION

I&E adopts the Background and Procedural History as set forth in the Joint Petition.¹

Through its bureaus and offices, the Commission has the authority to take appropriate enforcement actions that are necessary to ensure compliance with the Public Utility Code and Commission regulations and orders.² The Commission established I&E to serve as the prosecutory bureau to represent the public interest in ratemaking and utility service matters and to enforce compliance with the Public Utility Code.³ By representing the public interest in rate proceedings before the Commission, I&E works to balance the interest of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.⁴

In its role as the prosecutory bureau of the Commission, I&E has joined this Settlement and now submits this Statement in Support of Settlement and avers that the Settlement meets the requisite standards for approval and that it is in the public interest for the reasons explained below.

II. THE SETTLEMENT IS A REASONABLE ALTERNATIVE TO LITIGATION

It is the policy of the Commission to encourage settlements.⁵ For the reasons discussed herein, I&E maintains that the Settlement meets all the standards necessary to warrant the requisite approvals under Sections 507, 1102, 1103, and 1329 of the Code. The

¹ Joint Petition, ¶¶ 1-17.

² Act 129 of 2008, 66 Pa.C.S. § 308.2(a)(11); 66 Pa.C.S. § 101 *et seq.*; 52 Pa.Code § 1.1 *et seq.*

³ *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

⁴ *See* 66 Pa.C.S. §§ 1301, 1304.

⁵ 52 Pa. Code § 5.231.

signatories to the Joint Petition actively participated in and vigorously represented their respective positions during the settlement process. As such, the issues raised by the Joint Applicants have been satisfactorily resolved through discovery and discussions with the parties and are incorporated in the Joint Petition. I&E represents that subject to all of the Settlement's terms and conditions, Aqua's Application satisfies all applicable legal standards and results in terms that are preferable to those that may have been achieved at the end of a fully litigated proceeding. Accordingly, for the reasons articulated below, I&E maintains that the proposed Settlement is in the public interest and requests that the settlement terms be approved by the ALJ and the Commission without modification.

A. LEGAL Standards

1. Section 1102 Approval

The Code requires that the Commission issue a Certificate of Public Convenience as a prerequisite to offering service, abandoning service and certain property transfers by public utilities or their affiliated interests.⁶ The standards for the issuance of a Certificate of Public Convenience are set forth in Sections 1102 and 1103⁷ of the Code. A Certificate of Public Convenience shall 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.”⁸ These provisions have been interpreted by the Pennsylvania Supreme Court in the *City of York v. Pennsylvania Public Utility Commission* for the proposition that to establish that a proposed transaction

⁶ 66 Pa. C.S. § 1102(a).

⁷ 66 Pa. C.S. § 1103.

⁸ 66 Pa. C.S. § 1103(a).

benefits the public, it must be shown to affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.⁹ Additionally, pursuant to Section 1103, Aqua must show that it is technically, legally, and financially fit to own and operate the assets it will acquire from GWA.¹⁰ In addition to assessing fitness, the Commission should consider the benefits and detriments of the transaction “with respect to the impact on all affected parties”¹¹ including existing customers. To ensure that a transaction is in the public interest, the Commission may impose conditions on granting a certificate of public convenience as it may deem to be just and reasonable.¹²

2. Legal Standard for Section 1329 Approval

Section 1329 of the Public Utility Code is a statute which prescribes the process used to determine the fair market value of a municipal utility that is the subject of an acquisition. Section 1329 provides a framework for valuing, for ratemaking purposes, water and wastewater systems that are owned by a municipal corporation or authority that are to be acquired by an investor-owned water or wastewater utility under the Commission’s jurisdiction. It allows the rate base of the municipal system being purchased to be incorporated into the rate base of the purchasing investor-owned utility at the lesser of either the purchase price or the fair market value as established by the two independent appraisals conducted by two utility valuation experts. Notably, a

⁹ *City of York v. Pa. PUC*, 449 Pa. 136, 295 A.2d 825, 828 (1972).

¹⁰ *Seaboard Tank Lines v. Pa. PUC*, 502 A. 2d 762, 764 (Pa. Cmmw. 1985);
Warminster Twp. Mun. Auth. v. Pa. PUC, 138 A.2d 240, 243 (Pa. Super. 1958).

¹¹ *Middletown Twp. v. Pa. P.U.C.*, 482 A.2d 674, 682 (Pa. Commw. 1984).

¹² 66 Pa. C.S. § 1103(a).

Commission Order approving a transaction under Section 1329 is permitted to include “[a]dditional conditions of approval.”¹³

3. Legal Standard for Section 507 Approval

Aqua’s request to assume enumerated municipal contracts currently held by GWA is subject to review under Section 507 of the Code. Under Section 507, other than contracts to furnish service at tariffed rates, any contract between a public utility and a municipal corporation must be filed with the Commission at least 30 days prior to its effective date to be valid. Upon receipt of the filing, and prior to the effective date of the contracts, the Commission may institute proceedings to determine whether there are any issues with the reasonableness, legality, or any other matter affecting the validity of the contract. If this Commission decides to institute such proceedings, the contracts at issue will not become effective until the Commission grants its approval.

B. THE TERMS OF THE SETTLEMENT ARE IN THE PUBLIC INTEREST

1. Request for Relief – Approval of Proposed Application

Subject to all of terms and conditions of the Settlement, I&E opines that the Application should be approved and recommends that the Commission should issue Aqua a Certificate of Public Convenience pursuant to 66 Pa. C.S. §1102(a). Aqua’s Application requests permission for it to acquire substantially all GWA assets, properties and rights related to its water system and to obtain the Certificates of Public Convenience necessary for it to begin to offer water service to the public in the Service Area. The

¹³ 66 Pa. C.S. § 1329 (d)(3)(ii); Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, p. 69 (Order entered June 29, 2017).

record supports the findings that Aqua is technically, legally, and financially fit to acquire GWA, and no party has refuted those claims in the record.

The goal of regionalizing water systems, benefits of better management practices, economies of scale, and the resulting greater customer/environmental/economic benefits will be achieved. Importantly, through the Settlement, the value of the public benefits will be better realized because the Settlement contains numerous terms to protect Aqua's ratepayers, both existing and those who will become Aqua's ratepayers through this transaction. The Settlement will also ensure that Aqua's ratepayers receive the benefit of the bargain that Aqua negotiated without being subject to protracted and expensive litigation. Accordingly, through this Settlement, I&E's identified concerns have been addressed and I&E opines that Aqua's Application, as modified by the Joint Petition, now meets the requisite standards for approval.

2. Purchase Price and Ratemaking Rate Base (Joint Petition ¶ 18(c)).

Per the Settlement Aqua will be permitted to use \$17,500,000 for the ratemaking rate base of the acquired assets. Ultimately, through use of both the formal and informal discovery process and its extensive investigation, I&E was able to determine that this proposed value of, comported with the valuation standards and requirements of Section 1329. As a result, I&E avers that approval of \$17.5 million for the ratemaking rate base is both warranted and in the public interest. Further, this \$17.5 million is lower than the purchase price of \$18 million agreed to by Aqua and GWA.

3. Rate Gradualism (Joint Petition ¶ 18(d))

Per the Settlement, in the first base rate case that includes the GWA system, Aqua will propose a rate gradualism plan. Rate gradualism is an important consideration in rate cases as it aims to avoid rate increase that would cause ratepayers considerable rate shock.

4. Cost of Service Study (Joint Petition ¶ 18(f)(i))

Pursuant to the Settlement, at the time of its next base rate case that includes GWA's water system assets, Aqua has agreed to provide a cost of service study that removes all costs and revenues associated with the operations of the GWA system.

I&E submits that this will protect Aqua, its customers, the parties to this proceeding and the Commission. Specifically, the results of the cost of service study that Aqua has committed to perform will provide it with information necessary to determine an appropriate level of rates in the future. The cost of service study will benefit Aqua's ratepayers as well, because if Aqua's Application is approved, Aqua's existing customers will bear the rate impact. However, without a cost of service study, the Commission's ability to evaluate the rate impact of the acquisition upon existing Aqua customers and its options of addressing that impact to provide any appropriate relief to existing customers, could be compromised.

5. Distribution System Improvement Charge ("DSIC") and Long-Term Infrastructure Improvement Plan ("LTIIIP") (Joint Petition ¶ 18(f)(ii))

Per the Settlement, Aqua will not include System-related investments in its DSIC until Aqua collects a DSIC from GWA customers. Aqua shall be permitted to collect a DSIC from System customers upon (i) Aqua's filing of an amended Long-Term

Infrastructure Improvement Plan (“Amended LTIP”) including the System, which does not re-prioritize other existing commitments, (ii) the Commission’s approval of such LTIP, and (iii) Aqua’s filing of a compliance tariff supplement which incorporates the System and all other systems included in the Amended LTIP into Aqua’s DSIC tariff, including all customer safeguards applicable thereto, no later than the next quarterly DSIC filing after Commission approval of the Amended LTIP.

I&E’s investigation yielded no concerns regarding Aqua’s request for approval to collect a DSIC as permitted under Section 1329. Nonetheless, I&E reserves the right to address these issues in future proceedings, including base rate, LTIP, and distribution system improvement charge proceedings, when additional information and facts are available and when these issues are ripe for review. While I&E still reserves its rights, I&E nevertheless agrees that this term serves the public interest because it allows acquired GWA customers to benefit from improved water infrastructure, promoting safer and more reliable service. Therefore, I&E opines that this term is in the public interest.

6. Closing Date (Joint Petition ¶ 18(b)(i))

The Settlement provides that this transaction will not close until there is a final, unappealable order of the Commission. This provision is important because it provides regulatory certainty to the parties, the Commission and ultimately the ratepayers in both the existing Aqua system and those currently served by GWA. Allowing the transaction to close before there is a final, unappealable order of the Commission causes uncertainty as to when Aqua is allowed to include these assets in rate base. Closing after the issuance of a final unappealable order, removes this uncertainty.

7. Transaction and Closing Costs (Joint Petition ¶¶ 18(f)(iii)-(v))

I&E submits that Aqua's commitment to separately identify any legal fees included in its transaction and closing costs pursuant to the Asset Purchase Agreement between Aqua and GWA is consistent with ensuring that Aqua will only be permitted to recover prudently incurred costs from ratepayers. These terms are in the public interest because they protect ratepayers from paying unwarranted costs and promote rate affordability. Through this term, the public interest is protected because I&E has preserved its ability to challenge the permissibility of any claims that Aqua may make legal fees in its next base rate case, which is consistent with I&E's obligation to enforce the Code.

8. Low-Income/Customer Assistance Programs (Joint Petition ¶¶ 18(e)(i)-(vi))

In testimony, I&E took no position on these issues, but submits that they are important consumer protections that should be approved.

9. Easements (Joint Petition ¶ 18(f)(vi))

Per the Settlement, Aqua will not be permitted to include easements land rights into its rate base until it acquires the easements. This provision serves the public interest as it ensures ratepayers are not paying for missing easements.

10. Other Necessary Approvals (Joint Petition ¶ 18(a)(i))

This provision of the Settlement ensures that any other appropriate or necessary certificates under the public utility code to carry out this acquisition. As this will be necessary to effectuate the acquisition, I&E supports this term as being in the public interest.

11. Standard Settlement Conditions (Joint Petition ¶¶ 87-90)

These paragraphs contain the standard settlement conditions. They ensure that all parties reserve their respective rights if the Settlement is modified or rejected. I&E supports these conditions as being in the public interest.

Further, to the extent there are other items contained in the Joint Petition not discussed above, I&E agrees that these terms should be approved. They are in the public interest as their inclusion in the Settlement was necessary for the Parties to come to an agreement.

III. CONCLUSION

Based upon I&E's analysis of the filing, acceptance of this proposed Settlement is in the public interest. Resolution of this case by settlement rather than litigation will avoid the substantial time and effort involved in continuing to formally pursue all issues in this proceeding at the risk of accumulating excessive expense. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation if the Settlement is rejected by the Commission or otherwise properly withdrawn by any other parties to the instant proceeding. If the ALJ recommends that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E has not waived its right to file Exceptions with respect to any modifications to the terms and conditions of the Settlement, or any additional matters, that may be proposed by the ALJ in his Recommended Decision. I&E also reserves the right to file Reply Exceptions to any Exceptions that may be filed.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the Settlement as being in the public interest and respectfully requests that Administrative Law Judge Katrina L. Dunderdale and, thereafter, the Commission, approve the terms and conditions contained in the foregoing Joint Petition for Approval of Settlement without modification.

Respectfully submitted,



Carrie B. Wright

Prosecutor

PA Attorney ID No. 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
(717) 783-6156
carwright@pa.gov

Dated: November 4, 2025

EXHIBIT C

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Section 1329 Application of Aqua	:	
Pennsylvania, Inc. for the Acquisition of the	:	
Water System Assets of the Municipal	:	Docket No. A-2024-3049015
Authority of the Borough of Greenville	:	
situated within the Borough of Greenville,	:	
Hempfield Township, Sugar Grove	:	
Township, and West Salem Township,	:	
Mercer County, Pennsylvania	:	

OFFICE OF CONSUMER ADVOCATE
STATEMENT IN SUPPORT OF
JOINT PETITION FOR APPROVAL OF
UNANIMOUS SETTLEMENT OF ALL ISSUES

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Unanimous Settlement of All Issues (Settlement) also joined by Aqua Pennsylvania, Inc. (Aqua or Company), the Bureau of Investigation and Enforcement (I&E), the Office of Small Business Advocate (OSBA), the Borough of Greenville (the Borough), and the Greenville Municipal Water Authority of the Borough of Greenville (GWA or the Authority), respectfully requests that the terms and conditions of the Settlement be approved by the Pennsylvania Public Utility Commission (Commission).

I. INTRODUCTION AND PROCEDURAL HISTORY

On April 25, 2025, Aqua Pennsylvania, Inc. (Aqua or Company) filed an Application under Sections 507, 1102, 1329 and 2102 of the Public Utility Code seeking Commission approval for the acquisition of the water treatment and distribution system assets (System) of the Municipal Authority of the Borough of Greenville (GWA) (collectively, the Joint Applicants), and the right of Aqua to begin to offer, render, furnish and supply water service in the areas served by the GWA

in the requested territory, and approval of the ratemaking rate base of the assets as determined under Section 1329(c)(2) (Application). 66 Pa. C.S. §§ 507, 1102, 1329 and 2102. Application at ¶ 5. Aqua also seeks approval of the ratemaking rate base of the assets as determined under Section 1329 of the Public Utility Code. *Id.* In addition, Aqua requests the approval of the Asset Purchase Agreement (APA) with GWA pursuant to Section 507 of the Public Utility Code. Application at ¶ 7.

Aqua is a regulated public utility company that furnishes water service to approximately 458,000 customer accounts and wastewater service to approximately 64,000 customer accounts across Pennsylvania, totaling service to approximately 522,000 customers. Aqua St. 1 at 7. Aqua provides these services across thirty-two counties in the Commonwealth. *Id.* Aqua provides water and wastewater utility service to approximately 522,000 customers – 458,000 water and 64,000 wastewater – across 32 counties in the Commonwealth. Application at ¶ 8.

GWA provides water service to approximately 2,731 customers including, 2,401 residential, 251 commercial, 3 industrial, 21 public, and 55 private fire customers in Greenville Borough and portions of Hempfield Township (Hempfield), West Salem Township (West Salem), and Sugar Grove Township (Sugar Grove) in Mercer County. Application at ¶ 30; GWA St. 1 at 4.

On May 23, 2025, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance, and on June 5, 2025, the OSBA filed a Notice of Intervention and Public Statement. Also on May 23, 2025, Aqua filed a letter with the Secretary's Bureau requesting that the Commission extend its initial review period of the Application from May 29, 2025 to June 13, 2025. On May 27, 2025, the Commission granted Aqua's request for extension.

On June 9, 2025, the OCA filed a Protest and Public Statement and a Notice of Appearance. On June 10, 2025, the Commission's Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance.

By Secretarial Letter dated June 30, 2025, the Commission conditionally accepted the Application. The Commission required that individual notice be provided to Aqua's potentially affected existing water and wastewater customers, that Aqua ensure concurrent notice is provided to all current GWA customers, and that newspaper notice be provided in the Greenville area. Upon completion, Aqua was directed to file proof of publication of the newspaper notice with the Commission.

On or about July 2, 2025, the Borough of Greenville filed a Petition to Intervene. Also on or about July 2, 2025, the Greenville Municipal Water Authority of the Borough of Greenville (GWA) filed a Petition to Intervene.

This matter was assigned to the Office of Administrative Law Judge (OALJ) for disposition and Administrative Law Judge Katrina Dunderdale (ALJ Dunderdale) was assigned to preside over the proceeding. On or about August 13, 2025, a Telephonic Prehearing Conference was scheduled for September 10, 2025. On or about August 11, 2025, the Commission conditionally accepted the Application. On September 10, 2025, the Prehearing Conference was held as scheduled and the litigation schedule and discovery modifications were adopted.

On September 18, 2025, two public input hearings were held and three witnesses provided testimony.

On September 19, 2025, the OCA served the direct testimony of David J. Garrett (OCA Statement 1). I&E and OSBA also served direct testimony on the same date. Aqua and GWA served rebuttal testimony on September 26, 2025. The OCA, I&E, and OSBA filed surrebuttal

testimony on October 3, 2025 (OCA Statement 1SR). On October 7, 2025, Aqua submitted written rejoinder testimony.

ALJ Dunderdale issued an Order Granting Joint Stipulation and Admitting Evidence on October 7, 2025, and on October 10, 2025, the ALJ issued her Order Granting Joint Stipulation and Admitting Pre-Served Testimony. For the reasons set forth below, the Office of Consumer Advocate submits that the Settlement should be approved as in the public interest.

II. THE SETTLEMENT IS A REASONABLE ALTERNATIVE TO LITIGATION.

A. Legal Standards

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

In order to approve the Settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm’n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm’n v. C.S. Water & Sewer Assocs.*, 74 Pa. PUC 767 (1991). Consistent with the Commission’s other statutory responsibilities, the

Commission must determine the public interest with “due consideration to the interests of consumers.” 71 P.S. § 309-5 (2).

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

B. The terms of the settlement are in the public interest and should be approved.

1. Approval of the amended application (§18(i))

The OCA submits that the Settlement is supported by substantial evidence, in the public interest, and should be approved without modification. The terms and conditions of the proposed Settlement provide a reasonable resolution of the issues raised by the OCA in its testimony, including the ratemaking rate base to be incorporated into Aqua’s revenue requirement, the rate impact for existing Aqua customers and the acquired customers, Aqua’s rate gradualism plan, Aqua’s application of the Distribution System Improvement Charge (DSIC) to acquired customers, the treatment of post-acquisition infrastructure improvements, transaction and closing costs, Aqua’s contribution to its Hardship Fund, Aqua’s tracking of potential low-income GWA

customers, and Aqua's outreach and assistance to potential low-income customers, as discussed below.

2. Ratemaking rate base and purchase price (¶18(c))

The Fair Market Value (FMV) estimated by Gannett Fleming and ScottMadden is \$33.5 million and \$20.5 million, respectively, which equate to an average valuation of \$27 million. Application at 16. The purchase price negotiated by Aqua and GWA is \$18,000,000. *Id.* This is also the proposed rate base in the Application. *Id.*

Aqua's proposed ratemaking rate base was overstated due to errors, flaws, and unreasonable subjectivity by the UVEs making the appraisals. OCA St. 1 at 5. Both UVEs' FMV estimates were higher than the purchase price of \$18 million. *Id.* However, when reasonable adjustments are applied to the appraisals, and those adjusted results are averaged, the indicated FMV estimate is \$16.758 million, which is less than the negotiated purchase price. OCA St. 1 at 5.

Under the Settlement, the Joint Applicants agreed to use \$17,500,000 as the ratemaking rate base for the acquired system, or approximately \$500,000 less than requested in the Application. Settlement at ¶18 (c)(i). In the OCA's view, the Settlement's \$17.5 million ratemaking rate base represents an amount that is within the range of possible outcomes in a Commission final order in the event of full litigation of the case based on substantial record evidence.

Additionally, under the Settlement, the goodwill resulting from the transaction that Aqua includes on its balance sheet must be excluded from its rate base and any debt or equity issued to finance the goodwill must be excluded from the ratemaking capital structure for ratemaking purposes. Settlement ¶ 18(c)(ii). The difference between the purchase price and the allowed rate

base will not be recovered in rate base nor via amortization from Aqua's existing customers or from GWA's current customers. Settlement ¶ 18(c)(iii).

Cumulatively, these provisions will help to protect Pennsylvania customers from further rate increases resulting from the proposed merger. The OCA believes these terms benefit consumers and serves the public interest because they limit rate increases and prevent customers from paying for non-tangible acquisition costs. Additionally, the settlement ensures that both Aqua's rate base and ratemaking capital structure will not be impacted by intangible goodwill due to the difference between the purchase price and the ratemaking rate base. Accordingly, the OCA submits that these provisions provide a benefit to consumers and the public interest overall.

3. Rate Gradualism (¶ 18 (d))

Under the Settlement, in the first base rate case that includes the System, Aqua will propose a rate gradualism plan for all GWA's customers to pay their full cost of service over time. Settlement at ¶ 18(d). In order to avoid rate shock, in its first rate base that includes the GWA System, Aqua will propose to limit the base rate increase for the residential and commercial customers located within the acquired service territory to not more than a 28% rate increase over their existing rates. *Id* at ¶ (d)(i). As such, in the first base rate case to include the Acquired Assets, Aqua will propose a rate increase that will increase the average bill for GWA's customers not to exceed an average bill of \$67.39 per month at 3,050 gallons. *Id* at ¶ (d)(iv).

The Settlement provides mitigation of the rate impact of the transaction for existing Aqua customers and the acquired GWA customers by reducing overall costs (Settlement at ¶ 44-52) while simultaneously establishing a rate gradualism outcome for GWA's customers that is overall consistent with the OCA's litigation in this matter. Settlement at ¶ 18(d).

4. Cost of Service Study (¶ 18 (f)(i))

Under the Settlement, in the first base rate case filed after Closing of the Transaction in which Aqua makes a claim for the Acquired Assets in rate base, Aqua will file a cost of service study that removes all costs and revenues associated with the operation of the GWA system. Settlement at ¶ 18(f)(i). Throughout the course of settlement negotiations, the OCA identified the need for Aqua to provide, in the first base rate case in which it includes GWA assets in rate base, a cost-of-service study that removes all costs and revenues associated with the operations of the GWA System.

This Settlement provision is important to the OCA because the updated COSS serves as a baseline, allowing comparison with an integrated system and supporting informed rate design decisions, prevents cross-subsidization, promotes rate gradualism, and allows for valuation of whether full integration is fair and consistent with cost causation principles. These Settlement terms will provide a means for the parties to use the cost-of-service data to set rates for those customers that differ, as appropriate, from rates established for other water customers. This will help to mitigate the potential level of subsidy by Aqua's other customers, applies the ratemaking principle of gradualism to rates set for customers in the GWA service area and is in the public interest.

5. Distribution System Improvement Charge (¶ 18 (f)(ii))

Under the terms of the Settlement, Aqua will not include System-related investments in its Distribution System Improvement Charge (DSIC) until Aqua collects a DSIC from GWA customers. Settlement at ¶ 18(f)(ii). Aqua shall be permitted to collect a DSIC from System customers upon (i) Aqua's filing of an amended water Long-Term Infrastructure Improvement Plan (Amended LTIIIP) including the System which does not re-prioritize other service areas; (ii) the Commission's approval of the Amended LTIIIP, as may be modified in the discretion of the

Commission; and (iii) Aqua’s filing of a compliance tariff supplement that incorporates the System into Aqua’s DSIC tariff, including all customer safeguards applicable thereto, no later than the next quarterly DSIC filing after the Commission’s approval of the Amended LTIP. *Id.* Aqua will file an Amended LTIP at the Commission within 180 days of Closing. *Id.*

The Settlement places deadlines on when Aqua will file the amendment and when Aqua will file to apply the DSIC to customers of the acquired system. Having the acquired customers pay a DSIC is one small way in which Aqua’s existing customers can receive a short-term benefit from the acquisition – by spreading the costs recovered through the DSIC over a larger customer base. This Settlement provision is in the public interest and should be adopted by the Commission.

6. Closing (¶18 (b)(i))

The Settlement provides that “if Aqua and GWA decide to close on the Transaction in accordance with their respective rights and obligations under the APA, the Closing will not take place sooner than the date of the existence of a final, unappealable order of the Commission approving the Application.” Settlement at ¶ 18(b)(i). The Settlement provision provides for regulatory certainty before the transaction is closed. This regulatory certainty is particularly important should Aqua file a base rate proceeding seeking to incorporate the System into its rates. The OCA submits that this provision should be approved as in the public interest.

7. Transaction and Closing Costs (¶ 18 (f)(iii))

Section 1329 permits only the transaction and closing costs incurred by the acquiring public utility to be included in the established ratemaking rate base. 66 Pa. C.S. § 1329(d)(1)(iv). PAWC will incur transaction and closing costs of approximately \$359,019, which Aqua will claim in its rate base in the base rate case following closing if the proposed acquisition is approved by the Commission and not yet subject to appeal. Application at ¶ 58.

Under the Settlement, the parties acknowledge that the Application includes a request that Aqua be permitted to claim transaction and closing costs associated with the acquisition of the Acquired Assets. Settlement at ¶ 18(f)(iii). The Settlement Parties agree that they will not contest these requests in this proceeding, but they reserve the right to litigate their positions fully in future rate cases when this issue is ripe for review. *Id.* In a future rate case when these costs are claimed, Aqua agrees that it will clearly set out and identify all transaction and closing costs associated with this matter. *Id.* The Settlement Parties' assent to this term should not be construed to operate as their preapproval of Aqua's request. *Id.*

Additionally, the inclusion of outside legal fees, if any, in Aqua's transaction and closing costs under the APA shall be separately identified in Aqua's next base rate case, and all parties shall have the right to challenge the reasonableness, prudence, and basis for such fees. Settlement at ¶ 18 (f)(iv). Any claim made by Aqua to recover transaction and closing costs associated with the transaction will not include costs incurred by the Authority. Settlement at ¶ 18 (f)(v).

The above-referenced provisions ensures that ratepayers are not liable to pay unjustified costs without a full, transparent review, that cost recovery is only considered once sufficient evidence is presented on the record, maintains the integrity of future proceedings and ensures that past procedural positions aren't misrepresented, and allows for an evaluation of the rates being just and reasonable in the correct regulatory context. As such, these Settlement provisions are in the public interest and should be adopted by the Commission.

8. Customer Assistance Programs (¶ 18 (e))

The Settlement provides several measures to address the needs of low-income customers in GWA's service territory including additions to the Hardship Fund, immediate eligibility upon

Closing to the payment options and Aqua's Customer Assistance Program (CAP), a welcome letter, and tracking of participation in the program. Settlement at ¶ 18 (e).

a. Hardship Contribution (¶ 18 (e)(i))

Under the Settlement, Aqua agrees to contribute \$50,000 to its Hardship Fund in installments over a two-year period following Closing. Settlement at ¶ 18(e)(i). This funding commitment is in addition to Aqua's funding commitment to the Hardship Fund in Aqua's last base rate proceeding at Docket No. R-2024-3047822, and in Aqua's Beaver Falls application at Docket No. A-2022-303138. *Id.* The additional funding for the program by Aqua's shareholders will assist customers in need throughout Aqua's service territory, including the acquired GWA customers. Aqua's commitment to a \$50,000 increase in hardship funding is in the public interest and should be adopted by the Commission.

b. Welcome Letter, Low-Income Program Outreach (¶ 18 (e)(iii-iv))

Immediately upon Closing, GWA customers will become eligible for all Aqua payment options and customer programs. Settlement at ¶ 18 (e)(ii). Aqua will also send a welcome letter to GWA customers within 10 days of Closing. Settlement at ¶ 18 (e)(iii). The welcome letter shall include notice language referring customers to Aqua's website (including the link) where a customer can find the rate impact range consistent with Aqua's commitment in the 2024 base rate case settlement, paragraph 92, at Docket No. R-2024-3047822. *Id.* at ¶ 18(e)(iv). Aqua will also provide the OCA and the OSBA with a copy of the draft welcome letter prior to sending the same to customers in the service territory; the OCA and the OSBA will provide any suggestions to Aqua within three (3) business days of receipt; and Aqua, in good faith, will consider incorporation of said suggestions. *Id.*

The information in the welcome letter will provide important information to the acquired customers as customers will be able to more easily determine the rate impact from the transaction at more individualized usage levels. These enhancements to Aqua’s welcome letter are in the public interest and should be adopted by the Commission.

c. Low-Income Tracking (¶18 (e)(vi))

The instant Settlement provides that, every 6 months, Aqua will track the number of the Authority’s customers that are (1) potentially eligible to enroll in Aqua’s CAP; and (2) who are enrolled in Aqua’s CAP. Settlement at ¶ 18 (e)(vi). Aqua will provide and present this information on a timely basis to the regularly held meetings of the Aqua Assistance Collaborative (“AAC”). Aqua will also present this information in its next base rate case filing in a format showing the potential eligibility and enrollment data broken down by six-month increments starting from the time of closing through and until the time of filing the rate case. *Id.* Potential eligibility will be based on U.S. Census data. *Id.*

Tracking this important information regarding low-income customers will enhance interested stakeholders’ overview of low-income customer participation in Aqua’s CAP, increases transparency regarding important metrics, and is in the public interest.

9. Easements (¶ 18(e)(vi))

Under the Settlement, Aqua will not be permitted to include easement land rights into its rate base until it acquires the easements. Settlement ¶ 18(f)(vi). This Settlement provision ensures ratepayers are protected from paying for missing easements in rates. Consumer protection requires that only actual, prudently acquired assets go into the rate base. Allowing a utility to include easement rights before acquisition would let it earn money on unspent funds — shifting risk and cost from shareholders to ratepayers unfairly.

This Settlement provision ensures ratepayers are protected from paying for missing easements in rates and is a reasonable approach towards any potentially missing easements in this proceeding and is in the public interest.

10. Other Necessary Approvals (¶18 (a))

The Settlement also provides that “the Commission shall issue any other appropriate or certificates appropriate, customary, or necessary under the Pennsylvania Public Utility Code to carry out the transaction contemplated in the Application in a lawful manner.” Settlement at ¶ 18(a). To the extent necessary to facilitate the execution of the Settlement agreement, the OCA agrees that this condition is in the public interest when considered in totality with the Settlement and should be approved.

11. Standard Settlement Conditions (¶¶ 87-90)

The Settlement also includes the standard settlement conditions for approval. The Settlement is conditioned upon approval without modification and all parties reserve their respective rights should the Commission modify the Settlement. Settlement at ¶¶ 87-90. The Settlement also includes Proposed Findings of Fact (Settlement at ¶¶ 20 -66), Conclusions of Law (Settlement at ¶¶ 67-86), and Requested Relief (Settlement at ¶ 90). The OCA submits that the conditions are in the public interest and should be approved.

III. CONCLUSION

For the foregoing reasons, the Office of Consumer submits that the terms and conditions of the Settlement should be approved as in the public interest.

Respectfully Submitted,

/s/ Katie Kennedy
Katie Kennedy
Assistant Consumer Advocate
PA Attorney I.D. # 317237
E-Mail: KKennedy@paoca.org

Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Harrison W. Breitman
Assistant Consumer Advocate
Pa. Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate

DATED: November 3, 2025

EXHIBIT D

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania, Inc. : Docket No. A-2024-3049015
(hereinafter referred to as “Aqua”, :
“Company” or “Applicant”) pursuant to :
Sections 1102 and 1329 of the Public :
Utility Code for: (1) approval of the :
acquisition by Aqua of the water system :
assets of the Municipal Authority of the :
Borough of Greenville (“GWA”) situated :
within the Borough of Greenville, :
Hempfield Township, Sugar Grove :
Township, and West Salem Township, :
Mercer County, Pennsylvania; (2) :
approval of the right of Aqua to begin :
to offer, render, furnish and supply water :
service to the public in the Borough of :
Greenville, Hempfield Township, Sugar :
Grove Township, and West Salem :
Township, Mercer County, :
Pennsylvania; and (3) an order approving :
the acquisition that includes the :
ratemaking rate base of the GWA water :
system assets pursuant to Section :
1329(c)(2) of the Public Utility Code & :
Request for Approval of Contracts, :
including Assignments of Contracts, :
between Aqua and the GWA, :
Pursuant to Section 507 of the :
Public Utility Code :

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

I. INTRODUCTION & PROCEDURAL HISTORY

A. Introduction

This Joint Petition for Approval of Unanimous Settlement of All Issues (“*Joint Petition*” or “*Settlement*”) is made and entered into by and between the Office of Small Business Advocate

("OSBA"), Aqua Pennsylvania, Inc. ("Aqua" or the "Company"), the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate ("OCA"), the Municipal Authority of the Borough of Greenville ("GWA"), and the Borough of Greenville ("Borough") (hereinafter collectively referred to as "Joint Petitioners") for the purpose of settling the above-referenced proceeding under the terms and conditions set forth below. Joint Petitioners request that the Pennsylvania Public Utility Commission ("Commission") approve this *Settlement*.

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

B. Procedural History

The OSBA will defer to the Joint Statement of Facts.

II. THE SETTLEMENT IS A REASONABLE ALTERNATIVE TO LITIGATION

A. Legal Standards

The OSBA will defer to Joint Petition for Settlement.

B. The Terms Of The Settlement Are In The Public Interest And Should Be Approved.

1. Request for Relief – Approval of Proposed Application/Transaction

The OSBA agrees that the Commission should approve the *Settlement*.

More specifically, the OSBA concludes that the *Settlement* provides a reasonable

result and a meaningful benefit to small business customers and that the Commission should:

- (i) Grant Aqua’s request for certificate of public convenience authority to (1) acquire GWA’s water system assets (the “System”) (the acquisition is referred to herein as the “Transaction”); and (2) to begin to offer, render, furnish or supply water service in the areas served by GWA.
- (ii) Grant any other approvals or certificate of public convenience authority that are appropriate, customary, or necessary under the Public Utility Code to carry out the Transaction contemplated in the *Settlement* in a lawful manner.

2. Ratemaking Rate Base and Purchase Price

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

- (i) The Joint Petitioners agree that the ratemaking rate base of the Acquired Assets, pursuant to 66 Pa. C.S. § 1329, that are the subject of the Amended Application will be \$17,500,000, which is still less than the average of the two FMV appraisals. Amended Application, ¶¶ 56-57.
- (ii) Any goodwill resulting from this Transaction that is included on the balance sheet of Aqua shall be excluded from its rate base and any debt or equity issued to finance the goodwill shall be excluded from the ratemaking capital structure for ratemaking purposes.

- (iii) The difference between the purchase price and the allowed rate base will not be recovered in rate base nor via amortization from Aqua's existing customers or from GWA's current customers.

3. Rate Gradualism

The OSBA concludes that the below provides a reasonable result and a meaningful benefit to small business customers, and without approval of this settlement, commercial customers would likely experience an increase of at least \$114.55 per month or 72.21% increase.

- (i) In the first base rate case that includes the Acquired Assets, Aqua will propose a rate gradualism plan for all the GWA customers to pay their full cost of service over time and will propose to limit the base rate increase for the residential and commercial customers located within the acquired service territory to not more than a 28% rate increase over their existing rates.
- (ii) The current average monthly bill of a GWA residential customer is assumed and approximately \$52.65 per month. The current GWA rates are reflected in the pro forma tariff supplement included as Appendix A to the Amended Application. Aqua's largest tariff area, Rate Zone 1, has an assumed average bill of \$90.67, which also serves as the value for the current monthly weighted, average bill for Aqua residential customers. The current average monthly bill of a GWA commercial customer is approximately \$158.63 per month.

- (iii) The Joint Petitioners acknowledge that, absent this *Settlement*, if this proceeding were fully litigated, the record evidence demonstrates that GWA residential customers would likely experience an increase of at least \$38.02 (\$90.67- \$52.65) per month or 72.21% as the Company has proposed by and through its Amended Application and supporting materials; commercial customers would likely experience an increase of at least \$114.55 per month or 72.21% increase.
- (iv) With the rate increase limitation above, the current average bill for GWA's residential customers is \$52.65 per month at 3,050 gallons; in the first base rate case to include the Acquired Assets, Aqua will propose a rate increase that will increase the average bill for GWA's customers not to exceed an average bill of \$67.39 per month at 3,050 gallons. Consistent with the rate increase limitation above, the current average bill for GWA's commercial customers is \$158.63 per month at 12,414 gallons; in the first base rate case to include the Acquired Assets, Aqua will propose a rate increase that will increase the average bill for GWA's commercial customers not to exceed an average bill of \$203.05 per month at 12,414 gallons.

4. Cost of Service Study

The OSBA is not commenting on this provision.

5. Distribution System Improvement Charge

The OSBA is not commenting on this provision.

6. Closing Date

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

If Aqua and GWA decide to close on the Transaction in accordance with their respective contractual rights and obligations under the APA, the closing of the Transaction (“Closing”) will not take place sooner than the date of the existence of a final, unappealable order of the Commission approving the Amended Application.

7. Transaction and Closing Costs

The OSBA is not commenting on the provisions in this area of this *Settlement*.

8. Low-Income/Customer Assistance Programs

The OSBA concludes that the below provides a reasonable result and a meaningful benefit to small business customers in that it will advertise the OSBA services to commercial consumers.

(i) The OSBA has no opinion on the Hardship fund for residential consumers.

(ii) The OSBA has no opinion that immediately after Closing, the GWA residential customers will become eligible for all Aqua payment options and customer programs.

- (iii) The OSBA does support that within ten (10) days following Closing, Aqua will send a welcome letter to the GWA customers that includes information about payment options, low-income customer assistance programs, and any other customer service information; including but not limited to, information about the OSBA.
- (iv) The OSBA supports that the welcome letter shall include notice language referring customers to Aqua's website (including the link) where a customer can find the rate impact range consistent with Aqua's commitment in the 2024 base rate case settlement, paragraph 92, at Docket No. R-2024-3047822. Aqua will also provide the OCA and the OSBA with a copy of the draft welcome letter prior to sending the same to customers in the service territory; the OCA and the OSBA will provide any suggestions to Aqua within three (3) business days of receipt; and Aqua, in good faith, will consider incorporation of said suggestions.
- (v) The OSBA supports that Aqua will include a bill insert to GWA commercial customers within three (3) months of Closing that will inform the GWA commercial customers that the OSBA (i) is an independent state agency that represents the interests of small business consumers in regulated utility matters before the Commission, (ii) works directly with small businesses to assist with any questions or concerns they may be experiencing with

their utility services, and (iii) may be contacted by viewing their website at www.osba.pa.gov.

- (vi) The OSBA supports that every six (6) months, Aqua will track the number of GWA customers that are (i) potentially eligible to enroll in Aqua's CAP, (ii) enrolled in Aqua's CAP, (3) commercial customers who had a late payment fee applied to their bill, and (4) commercial customers who were shut off due to lack of payment. Aqua will provide and present this information on a timely basis at the regularly held meetings of the Aqua Assistance Collaborative ("AAC") and provide said reports to the OSBA and the OCA. Aqua will also present this information in its next base rate case filing in a format showing the potential eligibility and enrollment data broken down by six-month increments starting from the time of Closing through and until the time of the filing of the base rate case. Potential eligibility will be based on U.S. Census data.

9. Easements

The OSBA is not commenting on the provisions in this area of this *Settlement*.

10. Other Necessary Approvals

The OSBA is not commenting on the provisions in this area of this *Settlement*.

11. Standard Settlement Conditions

The *Joint Petition* is consistent with the Commission’s policy favoring negotiated settlements and is in the public interest. It reduces administrative burden by resolving the issues present in the Amended Application, after thorough discovery; and recognizes, through the participation of Aqua, OCA, OSBA, I&E, GWA, and the Borough the concerns of customers and the entities that are parties to the acquisition of the GWA Water System.

III. CONCLUSION

For the reasons set forth in the *Settlement*, as well as the additional factors that are enumerated in this Statement, the OSBA supports the proposed Joint Petition for Approval of Unanimous Settlement of All Issues and respectfully requests that the ALJ and the Commission approve the *Settlement* in its entirety.

Respectfully submitted,

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

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

Dated: November 4, 2025

EXHIBIT E

(To be separately filed)