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VIA eFiling

December 17, 2025

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

In re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of the Sutersville-Sewickley Municipal Sewage Authority's assets, properties and rights related to its sanitary sewage collection and conveyance system to Pennsylvania-American Water Company; and (2) the right of Pennsylvania-American Water Company to begin to offer and furnish wastewater service to the public in the Borough of Sutersville and in portions of Sewickley Township, Westmoreland County, Pennsylvania

Docket No. A-2025-3056563

Dear Secretary Homsher:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Joint Stipulation of Fact in the above-referenced proceeding.

Copies are being served in accordance with the enclosed Certificate of Service.

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

Sincerely,

A handwritten signature in blue ink that reads "Erin K. Fure".

Erin K. Fure

Enclosures

cc: Honorable Administrative Law Judge Jeffrey A. Watson
Honorable Administrative Law Judge Ann Quimby
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**HONORABLE ADMINISTRATIVE LAW JUDGES
JEFFREY A. WATSON AND ANN QUIMBY**

In re: Application of Pennsylvania- :
American Water Company under Section :
1102(a) of the Pennsylvania Public Utility :
Code, 66 Pa. C.S. § 1102(a), for approval of : Docket No. A-2025-3056563
(1) the transfer, by sale, of substantially all :
of the Sutersville-Sewickley Municipal :
Sewage Authority’s assets, properties and :
rights related to its sanitary sewage :
collection and conveyance system to :
Pennsylvania-American Water Company; :
and (2) the right of Pennsylvania-American :
Water Company to begin to offer and :
furnish wastewater service to the public in :
the Borough of Sutersville and in portions :
of Sewickley Township, Westmoreland :
County, Pennsylvania :
:

JOINT STIPULATION OF FACT

Pennsylvania-American Water Company (“PAWC”), Sutersville-Sewickley Municipal Sewage Authority (“SSMSA”), and the Office of Small Business Advocate (“OSBA”) (collectively, the “Stipulating Parties”), file this Joint Stipulation of Fact (“Stipulation”) in the above-captioned proceedings.¹ In support of the Stipulation, the Stipulating Parties represent as follows:

¹ All Stipulating Parties are also Signatories to the “Joint Petition for Approval of Unanimous Settlement of All Issues” (“Settlement”), to be filed contemporaneously with the instant Stipulation.

I. PROCEDURAL HISTORY

1. The Stipulating Parties adopt the Procedural History as set forth in Paragraphs 1-16 of the Settlement.

II. STIPULATION

2. Considering that the Stipulating Parties have reached a Settlement prior to the admission of any testimony in the record of this matter, and in view of the need for substantial evidence supporting the decision of the Administrative Law Judges and the Pennsylvania Public Utility Commission (“Commission”), the Stipulating Parties hereby jointly stipulate to the veracity of the facts set forth in **Appendix A**.

3. The Stipulating Parties waive cross-examination of witnesses.

4. This Stipulation is presented by the Stipulating Parties in conjunction with the Settlement, which is intended to settle all issues in the above-captioned proceedings. If the Commission rejects or otherwise modifies the Settlement, the Stipulating Parties reserve their respective procedural rights to submit testimony and exhibits and cross-examine witnesses at on-the-record evidentiary hearings.

5. This Stipulation is being presented in conjunction with the Settlement only to resolve issues in the above-captioned proceedings. Regardless of whether this Stipulation is approved, no adverse inference shall be drawn, nor shall prejudice result to any Stipulating Party in this or any future proceeding as a consequence of this Stipulation, or any of its terms or conditions.

6. Attached hereto as **Appendix B** is a proposed “Order Granting Joint Stipulation of Fact” for consideration by the Honorable Administrative Law Judges Jeffrey A. Watson and Ann Quimby.

WHEREFORE, the Stipulating Parties, by their respective counsel, respectfully request that the Honorable Administrative Law Judges Jeffrey A. Watson and Ann Quimby approve this Joint Stipulation of Fact.



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***On behalf of Sutersville-Sewickley Municipal
Sewage Authority***

/s/Rebecca Lyttle

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***On behalf of the Office of Small Business
Advocate***

Respectfully submitted,



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***On behalf of Pennsylvania-American
Company***

APPENDIX A STIPULATED FACTS

PARTIES

1. Pennsylvania-American Water Company (“PAWC”) is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, and is engaged in the business of collecting, treating, storing, supplying, distributing, and selling water to the public, and collecting, treating, transporting and disposing of wastewater for the public. Application filed by PAWC on July 29, 2025 (“Application”), ¶ 5.
2. Sutersville-Sewickley Municipal Sewage Authority (“SSMSA”) is a municipal authority organized and existing under and by virtue of the Municipal Authorities Act, 53 Pa. C.S.A. §§ 5601, et seq. A six-member board, appointed by the Borough of Sutersville Council and the Township of Sewickley Supervisors, administers the SSMSA. Application, ¶ 6.
3. The Office of Small Business Advocate (“OSBA”) is a Commonwealth agency created by Act 181 of 1988 to represent the interests of small businesses before the Commission. 73 P.S. § 399.41.

THE SSMSA SYSTEM

4. SSMSA owns and operates a public sanitary sewage collection and conveyance system located in Sutersville Borough and portions of Sewickley Township, Westmoreland County that serves 12 commercial, 2 municipal, and 476 residential customers (the “System”). Application, ¶ 6.
5. Sewage collected in the System is conveyed across the Youghiogheny River and into the sewage system owned and operated by Elizabeth Township, Allegheny County. Elizabeth

Township conveys the sewage through its system and into PAWC's McKeesport wastewater system for final treatment and disposal. Application, ¶ 15.

6. Day to day operations for the System under SSMSA ownership are provided by D&B Environmental, an operations and maintenance firm, which is based out of Fredericktown, Pennsylvania. Fredericktown is located approximately 40 minutes away from SSMSA's office in Sutersville, Pennsylvania. Application, ¶ 23.f.

PAWC'S SYSTEM

7. As of June 30, 2025, PAWC furnished water service to approximately 693,273 customers. Application, ¶ 7.
8. As of June 30, 2025, PAWC furnished wastewater service to approximately 115,073 customers. Application, ¶ 7.

THE TRANSACTION

9. SSMSA and PAWC are not affiliated with each other. Application, ¶ 27.
10. On May 22, 2025, SSMSA and PAWC entered into an asset purchase agreement ("APA") for the transfer of substantially all of the assets, properties, and rights of the System to PAWC (the "Transaction"). Application, ¶ 8.
11. The Transaction is and was negotiated at arm's length. Application, ¶ 13.
12. The total purchase price for the System is \$3,250,000. Application ¶ 13.
13. The Intermunicipal Authorities Sewage Service Agreement for the Sutersville-Sewickley Municipal Sewage Authority Service Area, dated as of September 11, 2006, as amended May 9, 2025, entered into between SSMSA and Elizabeth Township Sanitary Authority is attached to the Application as Appendix A.2.

PAWC's FITNESS

14. No party has contested PAWC's fitness.
15. As a certificated public utility, PAWC enjoys a rebuttable presumption that it possesses the requisite fitness to own and operate the System.

BENEFITS OF THE TRANSACTION

16. PAWC has the managerial, technical, and financial capabilities to safely and adequately operate the System in compliance with the Pennsylvania Public Utility Code, the Clean Streams Law (35 P.S. §§ 691.1-691.801) and other requisite regulatory requirements, and to make improvements as needed, on a short-and long-term basis. Such improvements include security upgrades, replacing failed bubbler level sensors, replacing failed variable frequency drives, replacing wet well ladders with OSHA-compliant units, and replacing non-clog pumps with grinder pumps. Application, ¶ 23.a.
17. SSMSA takes a reactive approach to System maintenance and does not have a capital investment plan with funds to proactively maintain the System; by contrast, PAWC has a tentative 5-year plan for upgrades to the System over \$760,000 if the Transaction is approved. Application, ¶ 23.a.
18. The Transaction will further the Commission's goal of regionalization because the System will become part of a larger organization that is viable from a costs and rates standpoint and is committed to providing improved service in the future. Wastewater collected in the System is ultimately treated by PAWC's McKeesport Wastewater System and planned improvements to the System can be completed within a reasonable period of time, without adversely affecting service to PAWC's existing customers. Application, ¶ 23.b.

19. The Transaction will allow the System's customers to be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to capital and its recognized strengths in system planning, capital budgeting, and construction management, PAWC is well-positioned to ensure that high quality wastewater service meeting federal and state requirements is provided to the System's customers and maintained for PAWC's existing customers. Application, ¶ 23.c.
20. The Transaction will allow the System's customers to benefit from enhanced customer service in a number of areas, including additional bill payment options, extended customer service and call center hours, customer information and education programs and PAWC's customer assistance programs. Eligible PAWC customers can take advantage of its H2O Bill Discount Program (which offers Hardship Grants), Arrearage Management Program, and budget billing. SSMSA does not offer similar customer assistance programs and does not intend to offer similar customer assistance programs in the future. According to United States Census Bureau data, approximately 15.2% of the population within Sutersville Borough and 13.9% of the population within Sewickley Township are living in poverty and potentially will be eligible for assistance under PAWC's programs. Application, ¶ 23.d.
21. Compared to SSMSA, PAWC has a broader array of tools available to customers to communicate with PAWC in real-time. PAWC's customer service is available 24 hours a day, 7 days a week. PAWC's website offers the H2O Virtual Assistant allowing customers a chat feature through the website to communicate with the Company and provide answers to frequently asked questions. PAWC also offers an online customer self-service portal. Application, ¶ 23.d.

22. The integration, by acquisition of the System and PAWC's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings. PAWC will operate the System with operational, management and functional support from PAWC's Western Operations, specifically the McKeesport District, which is 11 miles away from the System. Application, ¶ 23.e.
23. The Transaction will enhance response time for the System's customers. The System is located approximately 20 minutes from PAWC's McKeesport District, compared to the current operations and maintenance firm that supports operations for the System, which is located 40 minutes from SSMSA's office in Sutersville, Pennsylvania. Application, ¶ 23.f.
24. The Transaction will allow SSMSA to use the proceeds of the purchase price to pay down debt, as indicated in Article 2.3 of the APA. Application, ¶ 23.g.
25. The Transaction will have a beneficial effect on the System's customers because they will receive the benefit of PAWC's experience in managing and operating a wastewater system which results in efficiencies impacting rates in a beneficial way and improvements in the services to customers to be transferred. Application, ¶ 20.
26. The Transaction will have a beneficial effect to PAWC's existing customers because the acquisition will expand the customer base, over which existing costs and future rates are recovered, and thereby stabilizing or reducing per-customer costs over the long term. Application, ¶ 21.
27. The Transaction will have no detrimental effect on the wastewater service provided to PAWC's existing customers or the System's customers. Application, ¶ 22.
28. The Transaction will have no immediate effect on the rates for service to be charged to PAWC's existing customers. Application, ¶ 24.

29. PAWC will adopt the System's existing rates for wastewater service at the time of the closing of the Transaction, which are equal to PAWC's Zone 2 rates. Application, ¶ 25.

**APPENDIX B FORM OF ORDER
APPROVING JOINT STIPULATION OF FACT**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**HONORABLE ADMINISTRATIVE LAW JUDGES
JEFFREY A. WATSON AND ANN QUIMBY**

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Water Company to begin to offer and :
furnish wastewater service to the public in :
the Borough of Sutersville and in portions :
of Sewickley Township, Westmoreland :
County, Pennsylvania :
:

**ORDER APPROVING
JOINT STIPULATION OF FACT**

On December 17, 2025, Pennsylvania-American Water Company, the Office of Small Business Advocate, and Sutersville-Sewickley Municipal Sewage Authority (collectively, the “Stipulating Parties”), filed a “Joint Stipulation of Fact” (“Stipulation”) in the above-captioned proceedings. Each of the Stipulating Parties agreed to the veracity of the facts as listed in Appendix A of the Stipulation in order to provide the Pennsylvania Public Utility Commission with the factual basis necessary for approving the “Joint Petition for Approval of Unanimous Settlement of

All Issues” (“Settlement”), also filed on December 17, 2025. The Stipulation is attached to this Order.

As this request is reasonable, it will be granted.

THEREFORE, IT IS ORDERED:

1. That the Stipulation, filed on December 17, 2025, is APPROVED; and
2. The facts listed therein are admitted into the record of these proceedings on the terms and conditions set forth in the Stipulation.

Date: _____

Jeffrey A. Watson
Administrative Law Judge

Ann Quimby
Administrative Law Judge

