

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water :
Company under Section 1102(a) of the :
Pennsylvania Public Utility Code, 66 Pa. C.S. : A-2025-3056563
§ 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 :

INTERIM ORDER

On July 29, 2025, Pennsylvania American Water Company (PAWC) filed an application (Application) with the Pennsylvania Public Utility Commission (Commission) to approve the transfer, by sale, to PAWC, of substantially all property and rights of Sutersville-Sewickley Municipal Sewage Authority (SSMSA) used or useful in the public service in accordance with the APA under Section 1102(a) of the Public Utility Code, 66 Pa C.S. § 1102(a). In the Application, PAWC also requested the Commission to grant PAWC the right to offer or furnish wastewater service to the public in the Borough of Sutersville and in portions of Sewickley Township, Westmoreland County, Pennsylvania that are currently served by SSMSA.

On August 7, 2025, Rebecca Lyttle, Esquire on behalf of the Office of Small Business Advocate (OSBA) filed a Notice of Appearance in this proceeding.

On August 14, 2025, the OSBA filed a Protest, Notice of Intervention, Public Statement and Verification.

On August 22, 2025, SSMSA filed a Petition to Intervene in this proceeding.

On October 9, 2025, a Prehearing Conference Order was issued by the presiding officers.

On October 10, 2025, a Telephonic Prehearing Conference Notice was issued scheduling a prehearing conference for November 19, 2025 at 10:00 a.m.

On October 24, 2025, the Parties contacted the presiding officers by email and advised that they have been engaged in settlement discussions and reached a settlement in principle, and to request that, in light of reaching the settlement in principle, no litigation schedule be set in this proceeding. The Parties additionally requested that the presiding officers convert the prehearing conference scheduled for November 19, 2025, into a status conference and permit the Parties to forego submitting prehearing memoranda.

On October 29, 2025, the Parties contacted the ALJs to advise that no party or intervenor had an objection to the Petition to Intervene filed by Sutersville-Sewickley Municipal Sewage Authority (SSMSA) and that the Parties all consented to converting the prehearing conference into a status conference.

On October 30, 2025, an interim Order was entered granting the Petition to Intervene filed by SSMSA, converting the November 19, 2025 prehearing conference into a status conference, and excusing the Parties from filing prehearing memoranda.

On November 19, 2025, a Call-In Status Conference was held as scheduled and the Parties were permitted to file a joint petition for settlement in this proceeding. The Parties were instructed to provide the presiding officers, prior to the filing of the Settlement, with a Common Brief Outline for issues and sub issues to be addressed in the Settlement and Statements in Support of Settlement.¹

¹ Call In Telephonic Prehearing Conference Tr. at 10-12.

A Common Brief Outline was provided to the presiding officers via email on December 16, 2025. However, the Statements in Support of Settlement of PAWC and SSMSA and the Settlement are not structured utilizing a common brief outline as directed.

On December 17, 2025, a Joint Petition for Approval of Unanimous Settlement of All Issues and Statements in Support of Settlement were filed by PAWC, SSMSA and OSBA. The Settlement sets forth the “Settlement Terms” at ¶¶ 17 through 31 at pages 4 through 7. In the Joint Petition for Approval of Unanimous Settlement of All Issues and Statements in Support of Settlement, the Joint Petitioners include a “Request For Relief” at pages 8 through 11. The Settlement requests that the Joint Petition, including all terms and conditions thereof, be approved without modification.² However, the Joint Petition also includes a request for relief that provides as follows:

REQUEST FOR RELIEF

WHEREFORE, Pennsylvania-American Water Company, Sutersville-Sewickley Municipal Sewage Authority, and the Office of Small Business Advocate, by their respective counsel, respectfully request:

- (1) That the Honorable Administrative Law Judges Jeffrey A. Watson and Ann Quimby recommend approval of, and the Pennsylvania Public Utility Commission approve, this Joint Petition for Approval of Settlement of All Issues as submitted, including all terms and conditions thereof, without modification. These terms and conditions include, but are not limited to, the following:
 - a. The *pro forma* wastewater tariff supplement attached as **Appendix B** to the Application should be permitted to become effective immediately upon the closing date.
 - b. In addition, Pennsylvania-American Water Company should be authorized to implement on customer bills for the formerly Sutersville-Sewickley Municipal Sewage Authority customers all other miscellaneous fees and charges (for example, a turn on fee at time of service reconnection), and the rules and

² Joint Petition, at 8.

regulations regarding conditions of Pennsylvania-American Water Company's wastewater service, as reflected in its prevailing wastewater tariff, effective at and after the closing date.

- c. The Distribution System Improvement Charge provisions of Pennsylvania-American Water Company's effective wastewater tariff will apply to the former Sutersville-Sewickley Municipal Sewage Authority customers no sooner than the effective date of new rates established by a final order in the first base rate case in which the wastewater system assets are included. Additionally, Pennsylvania-American Water Company will not seek to recover investments in the Sutersville-Sewickley Municipal Sewage Authority wastewater system assets in its Distribution System Improvement Charge until Pennsylvania-American Water Company applies the Distribution System Improvement Charge to Sutersville-Sewickley Municipal Sewage Authority's former customers.
- d. Except as explicitly agreed upon in the Settlement, nothing contained herein or in the Commission's approval of the Application shall preclude any Joint Petitioner from asserting any position or raising any issue in other Pennsylvania-American Water Company's proceedings. This includes, but is not limited to, the rights of the Office of Small Business Advocate to address and make other proposals for system rate base and rates in Pennsylvania-American Water Company's future rate cases, appeals, and remands.
- e. Any claim by Pennsylvania-American Water Company to recover transaction and closing costs associated with the acquisition of the Sutersville-Sewickley Municipal Sewage Authority's wastewater system assets will not include costs incurred by Sutersville-Sewickley Municipal Sewage Authority. The Office of Small Business Advocate reserves its rights to challenge the reasonableness, prudence, and basis for Pennsylvania-American Water Company's transaction and closing cost claims in the rate filing where they are claimed.
- f. Within the first billing cycle following the closing date, Pennsylvania-American Water Company shall provide a bill insert to Sutersville-Sewickley Municipal Sewage Authority's former customers regarding Pennsylvania-American Water Company's commercial customer payment arrangement program. The bill insert shall include, at a minimum, a description of the available program, eligibility requirements

for participation in the program, and the contact information for Pennsylvania-American Water Company and the Office of Small Business Advocate. Pennsylvania-American Water Company and the Office of Small Business Advocate agree to discuss the specific language and placement of contact information after the submission of this settlement but before the finalization of the bill insert.

- g. Within the first thirty (30) days of the closing date, Pennsylvania-American Water Company shall provide a page on its website directed to Sutersville-Sewickley Municipal Sewage Authority's former customers which provides information regarding Pennsylvania-American Water Company's commercial customer payment arrangement program as well as contact information for the Office of Small Business Advocate.
- h. The Commission, pursuant to 66 Pa. C.S. § 507, shall issue Certificates of Filing or approvals for the following agreements between Pennsylvania-American Water Company and a municipal corporation:
 - i. the Asset Purchase Agreement By and Between Sutersville-Sewickley Municipal Sewage Authority as Seller, and Pennsylvania-American Water Company, as Buyer, Dated as of May 22, 2025; and
 - ii. 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.

(2) That the Application filed by Pennsylvania-American Water Company in this matter on July 29, 2025, as amended by the Settlement, be approved.

(3) That the Commission issue Certificates of Public Convenience under 66 Pa. C.S. §§ 1102(a) and 1103(a) evidencing Commission approval of (a) the transfer to Pennsylvania-American Water Company, by sale, of substantially all property and rights of Sutersville-Sewickley Municipal Sewage Authority used or useful in the public service in accordance with the Asset Purchase Agreement; (b) the commencement of Pennsylvania-American Water Company of wastewater service to the public in the Borough of Sutersville and in portions of Sewickley Township, Westmoreland County, Pennsylvania currently served by Sutersville-Sewickley Municipal Sewage Authority.

(4) That the Commission shall issue any other approvals or certificates appropriate, customary, or necessary under the Pennsylvania Public Utility Code to carry out the transactions contemplated in the Application in a lawful manner.³

It is unclear if the terms set forth in the request for relief are settlement terms and these terms are not discussed in the respective Statements in Support of Settlement filed by the Parties.

In addition, the Settlement and all the Statements in Support of Settlement are not constructed pursuant to a common outline as directed.

The Parties are reminded that Statements in Support of Settlement should substantively address any the Settlement issues and terms organized with common headings for each settlement issue addressed in the Settlement Petition. Settling Parties almost always avoid expending additional or more substantial resources that would have been required to fully litigate a proceeding and permit the Commission and Parties to avoid incurring the additional time, expense, and uncertainty of further current litigation in this proceeding. However, in order to determine whether a settlement is appropriate and should be approved without modification and is in the public interest, more than general boiler plate language is required in statements in support of settlement. Generally, the parties to a settlement should, at a minimum, include in the statement in support of settlement, a substantive discussion of the original petition or application, how the settlement differs from the original filing, how the settlement terms impact or affect the customers and ratepayers and a substantive explanation regarding how and why the settlement and the terms being addressed are in the public interest. Although all parties are not required to address each issue in their statement in support of settlement, certainly the Applicant, Petitioner, and/or Parties, at a minimum, should provide an appropriate explanation and analysis to establish why the settlement should be approved. Absent a full evidentiary record established by a hearing or a stipulation of facts and adequate statements that support the

³ *Id.* at 8-11.

various issues settled by the parties, the presiding officers are without sufficient information to approve a settlement.

Under the circumstances, the following Interim Order will be entered.

THEREFORE,

IT IS ORDERED:

1. That the evidentiary record at Docket No. A-2025-3056563 shall remain open and the Parties shall be provided with an opportunity to address the issues identified above and to file any appropriate and timely modified common outline, pleadings or a modified Settlement and modified Statements in Support of Settlement, based upon a common outline as previously directed and identified above.

2. That in the event that no additional filings are made by the Parties, on or before February 20, 2026, a status report shall be provided to the undersigned presiding officers by all parties to this proceeding addressing the issues raised in this Interim Order.

Date: December 29, 2025

/s/
Jeffrey A. Watson
Administrative Law Judge

/s/
Ann Quimby
Administrative Law Judge

A-2025-3056563 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

ERIN K FURE ESQUIRE
PENNSYLVANIA-AMERICAN WATER
COMPANY
852 WESLEY DRIVE
MECHANICSBURG PA 17055
717.550.1556
717.265.6369
erin.fure@amwater.com
Served via eService - 12/29/2025

REBECCA LYTTLE ESQUIRE
OFFICE OF SMALL BUSINESS
ADVOCATE
555 WALNUT STREET – 1ST FLOOR
HARRISBURG PA 17101
717.783.2525
relyttle@pa.gov
Served via Email – 12/29/2025

THOMAS WYATT ESQUIRE
OBERMAYER REBMANN MAXWELL &
HIPPEL LLP
CENTER SQUARE WEST
1500 MARKET STREET – SUITE 3400
PHILADELPHIA PA 19102
215.665.3200
thomas.wyatt@obermayer.com
Served via eService – 12/29/2025
*(Counsel for Sutersville-Sewickley
Municipal Sewage Authority)*

EDWARD SARIN ESQUIRE
OBERMAYER REBMANN
MAXWELL & HIPPEL LLP
1120 ROUTE 73, SUITE 420
MOUNT LAUREL NJ 08054
856.857.1412
edward.sarin@obermayer.com
Served via eService – 12/29/2025
*(Counsel for Sutersville-Sewickley
Municipal Sewage Authority)*

DARRYL A. LAWRENCE ESQUIRE
OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET 5TH FLOOR
FORUM PLACE
HARRISBURG PA 17101-1923
ra-oca@paoca.org
Served via email – 12/29/2025

ALLISON KASTER
DIRECTOR AND CHIEF PROSECUTOR
BUREAU OF I&E
COMMONWEALTH KEYSTONE
BUILDING
400 NORTH ST. 2ND FLOOR WEST
HARRISBURG, PA 17120
akaster@pa.gov
Served via eService - 12/29/2025