



THOMAS T. NIESEN  
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December 28, 2011

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

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2011 DEC 28 PM 3:47  
PA PUC  
SECRETARY'S BUREAU

In re: Docket No.  
Application of Aqua Pennsylvania, Inc. - Bristol Township

Dear Secretary Chiavetta:

Enclosed for filing are an original and three (3) copies of the Application of Aqua Pennsylvania, Inc. for approval of: (1) the acquisition by Aqua of the water system assets of Bristol Township and (2) the right of Aqua to begin to offer, render, furnish and supply water service to the public in an additional portion of Bristol Township, Bucks County.

A check in the amount of \$350.00 is enclosed in payment of the filing fee. Please contact me if you have any questions concerning this matter.

Very truly yours,

THOMAS, LONG, NIESEN & KENNARD

By

Thomas T. Niesen

cc: Certificate of Service (w/encl.)  
Keith E. Gabage (w/encl.)  
Russ P. Sacco, Esq. (w/encl.)  
Richard Pluta, Chairman (w/encl.)

111228-Chiavetta (Application).wpd

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**In re: Application of Aqua Pennsylvania, Inc. (hereinafter referred to as "Aqua") for approval of:** :

**(1) the acquisition by Aqua of the water system assets of Bristol Township ("Bristol") situated in a portion of Bristol Township, Bucks County, Pennsylvania; and** : **Application Docket**  
: **No.**  
:

**(2) the right of Aqua to begin to offer, render, furnish and supply water service to the public in an additional portion of Bristol Township, Bucks County, Pennsylvania** :  
:  
:

To the Pennsylvania Public Utility Commission ("**Commission**"): :

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**PA PUBLIC UTILITY COMMISSION**  
**SECRETARY'S BUREAU**

**A. INTRODUCTION**

1. The name and address of the Applicant are:

Aqua Pennsylvania, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

2. The name, address, telephone and fax numbers of Applicant's attorney are:

Thomas T. Niesen, Esq.  
Thomas, Long, Niesen & Kennard  
212 Locust Street, Suite 500  
P. O. Box 9500  
Harrisburg, PA 17108  
Tel. No. (717) 255-7600  
Fax No. (717) 236-8278

3. Pursuant to §1102 of the Pennsylvania Public Utility Code (66 Pa. C.S. §1102), the Applicant is hereby requesting the Commission to approve: (1) the transfer of water system assets and rights ("**Assets**") from Bristol to Aqua; and (2) the right of Aqua to begin providing water service in the territory of Bristol, known as the Newportville-Ferguson area, as shown on the map attached hereto as **Exhibit A** ("**Requested Territory**"). A detailed description of the Requested Territory is attached hereto as **Exhibit B**.

4. Bristol and Aqua have reached an agreement regarding the acquisition of the Assets of Bristol, as evidenced by the *Assets Purchase Agreement* attached hereto as **Exhibit C** ("**Agreement**"). The Applicant hopes to complete Closing of the transaction by June 15, 2012, and is submitting this Application at this time to enable the Commission to undertake the publication and review process in sufficient time to allow this occurrence. Applicant respectfully requests that the Commission issue an *Order* and a *Certificate of Public Convenience* approving the items requested in this Application.

5. Aqua is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania. Aqua is currently engaged in the water supply business and furnishes water service to greater than 400,000 customer accounts (representing a population of approximately 1.3 million people) as reflected in documents already on file with the Commission. Aqua's existing service territory covers various counties throughout Pennsylvania, including Bucks County and neighboring Montgomery, Lehigh and Northampton Counties.

6. Bristol is a Pennsylvania municipality that owns, maintains and furnishes water service to approximately 596 customer accounts in a portion of Bristol Township, Bucks County, Pennsylvania.

7. Applicant incorporates into this Application other information on file with the Commission that establishes the fact that Aqua is qualified to provide adequate public water service. Aqua will supplement this Application with all additional information the Commission may require.

## **B. ACQUISITION OF THE ASSETS**

8. The Assets to be acquired by Aqua are described in Schedule 1.1 of the Agreement. The PWSID number for Bristol is 1090126. DEP's website (<http://www.drinkingwater.state.pa.us/dwrsbroker/broker.exe>) reflects, as of December 16, 2011, that Bristol has two interconnects with Aqua and one interconnection (albeit inactive) with Lower

Bucks County Joint Municipal Authority. “**Survey Information**” for the Assets indicated average delivery, maximum delivery and design capacities of 177,783 GPD, 196,790 GPD, and 1,000,000 GPD, respectively, and no storage.

9. The purchase price is Three-Million Four-Hundred Twenty-Eight Thousand (\$3,428,000.00) Dollars.

10. Bristol and Aqua are not affiliated with each other. The purchase price was based on arms-length negotiations. Aqua will use cash on hand or established lines of credit arrangements to pay the purchase price for the Assets.

**C. THE COMMENCEMENT BY AQUA OF WATER SERVICE TO THE PUBLIC IN THE REQUESTED SERVICE TERRITORY**

11. As part of Aqua's acquisition of the Assets of Bristol, Aqua seeks the right to serve the Requested Territory.

12. Bristol's current customer base rates are outlined on Schedule 6(b) of the Agreement and also attached here to as Exhibit D. After Closing, Aqua will adopt Bristol's rates as its initial base rates within the Requested Territory. Aqua will also implement charging Bristol Township the Bensalem Division public fire hydrant rate as referenced on Exhibit D, which rate is currently \$10.91/fire hydrant/month within the Requested Territory.

13. Upon Commission approval of this Application and completion of the proposed transaction, Aqua will begin to provide water service in its name to the customers in the Requested Territory. Aqua plans to 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.

14. No corporation or entity, except Bristol, is now furnishing or has corporate or franchise rights to furnish water service in the Requested Territory, and no competitive condition will be created by approval of this Application. The proposed transaction will not

have an adverse effect on the service provided to existing customers of Aqua.

**D. REASONS SUPPORTING THE INSTANT APPLICATION**

15. Approval of this Application is necessary or proper for the following reasons:

a. Aqua has the technical, regulatory, financial and legal fitness to operate the Assets of Bristol, and to maintain the operations and make improvements to meet continuing and future customer needs;

b. Bristol has agreed to sell its Assets. The public interest and need will be served by allowing Aqua, in lieu of Bristol, to provide water service in the Requested Territory and to address the issues of regulatory requirements, capital expenditures, and future supply and demand; and

c. Expansion of Aqua's service territory, upon completion of the proposed transaction, will further the benefits of regionalization and economies of scale.

**E. CONCLUSION**

**WHEREFORE**, the Joint Applicants request the Commission to approve this Application by entering an *Order*:

a. Issuing a *Certificate of Public Convenience* under §1102 of the Pennsylvania Public Utility Code:


(1) Authorizing Aqua to acquire, by purchase, the Assets of Bristol; and

(2) Authorizing Aqua to begin to offer, render, furnish and supply water service to the public in the Requested Territory covered by this Application.

- b. Authorizing Aqua to file tariff revisions, effective upon one day's notice, to:
- (1) Include within its territory all the Requested Territory covered by this Application;
  - (2) Adopt and apply within the Requested Territory Bristol's base rates and public fire hydrant rates as set forth in this Application; and
  - (3) Apply Aqua's *Rules and Regulations* within the Requested Territory.
- c. Grant such other relief as may be reasonable and appropriate under the circumstances.

Respectfully submitted,

**AQUA PENNSYLVANIA, INC.**

By   
Thomas T. Niesen  
PA Attorney ID No. 31379

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## LIST OF EXHIBITS

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<u>DESCRIPTION</u>	<u>EXHIBIT</u>
Map of Requested Territory .....	A
Description of Requested Territory .....	B
Assets Purchase Agreement .....	C
Bristol Rates .....	D

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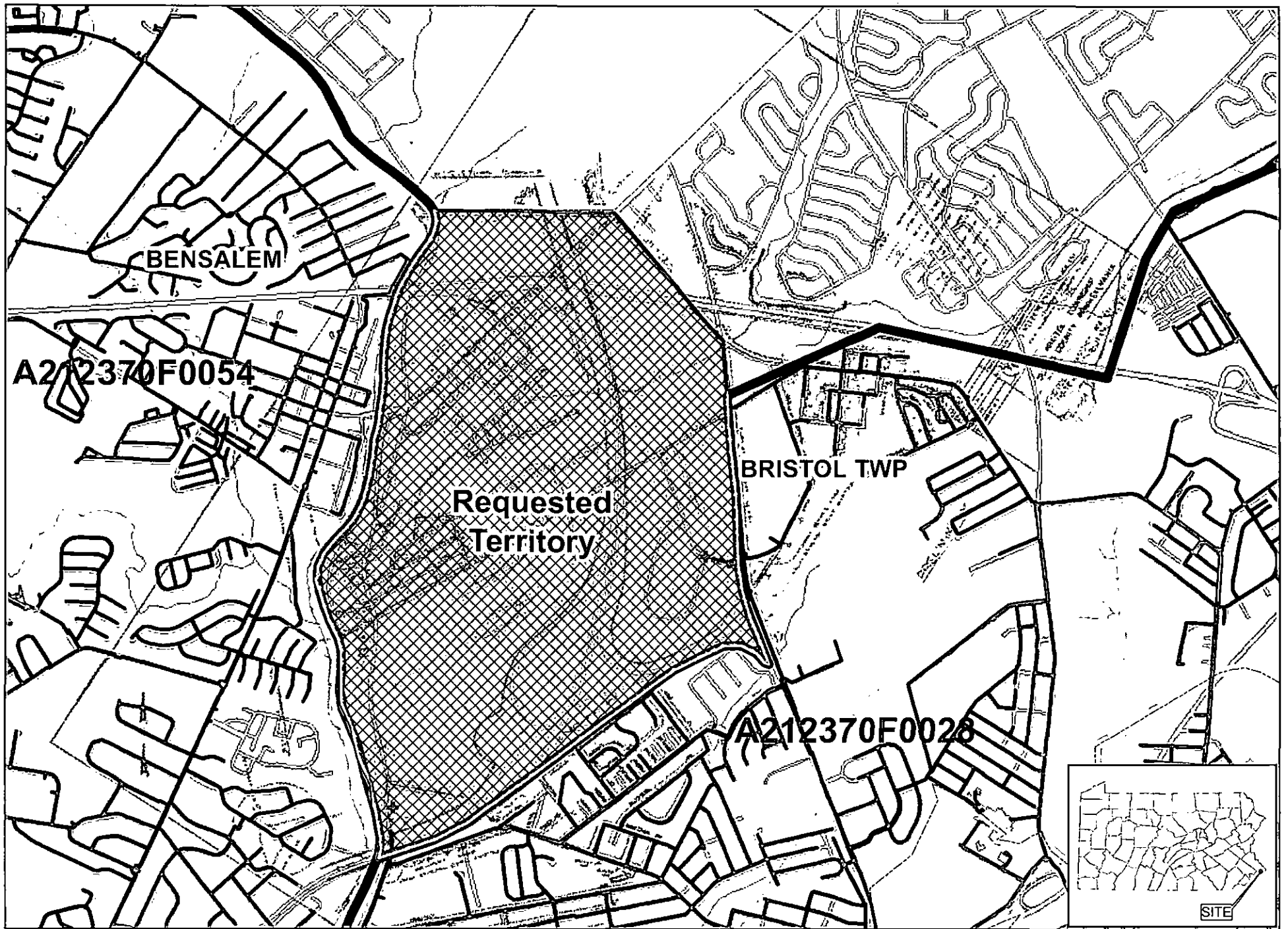
EXHIBIT A

MAP OF REQUESTED TERRITORY

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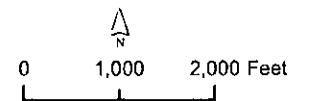




Newportville Ferguson Requested Territory  
 Bristol Twp., Bucks Co., PA

**Legend**

 Requested Territory



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EXHIBIT B

DESCRIPTION OF REQUESTED TERRITORY

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**Newportville-Ferguson  
Description of Requested Territory**

All that certain tract of land located within a portion of Bristol Township, County of Bucks, Pennsylvania, bound and described as follows:

1. Beginning at a point located where the centerlines of New Rodgers Road, *Durham Road and Bath Road intersect*;
  - a. thence traveling in a southerly direction along the centerline of New Rodgers Road a distance of approximately five-thousand two-hundred thirty (5,230') feet to a point located along the service territorial line for Aqua's Bristol Borough Water Authority Acquisition (Docket: A212370F0028);
  - b. thence traveling in a southwesterly direction along Aqua's territorial line for Aqua's Bristol Borough Acquisition a distance of approximately six-thousand nine-hundred fifty (6,950') feet to a point located along the service territorial line to Aqua's Bensalem Township Acquisition (see Docket: A212370F0054);
  - c. thence traveling in a northerly direction along Aqua's service territorial line for Aqua's Bensalem Township acquisition a distance of approximately ten-thousand nine-hundred (10,900') feet to a point located along Zimmerman Lane projected westerly where it would intersection with Aqua's service territorial line for its Bensalem Township Acquisition;
  - d. thence traveling in a easterly direction along the centerline of Zimmerman Lane (crossing I-95) a distance of approximately two-thousand eight-hundred eighty (2,880') feet to a point wherein the centerlines of *Zimmerman Lane, Durham and New Falls Roads intersect*;
2. Thence continuing in a southeasterly direction along the centerline of Durham Road a distance of approximately two-thousand six-hundred seventy (2,670') feet to the aforementioned point and place of beginning.

The aforementioned Requested Territory contains approximately 1,112 acres.

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EXHIBIT C

ASSETS PURCHASE AGREEMENT

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SECRETARY'S BUREAU

**ASSETS PURCHASE AGREEMENT**

**between**

**BRISTOL TOWNSHIP**

**and**

**AQUA PENNSYLVANIA, INC.**

**December 31, 2011**

## ASSETS PURCHASE AGREEMENT

**THIS ASSETS PURCHASE AGREEMENT** dated December 22, 2011 by and between **Bristol Township**, a Pennsylvania municipality having a mailing address of 2501 Bath Road, Bristol, PA 19007 (“**Seller**”), and **Aqua Pennsylvania, Inc.**, a Pennsylvania corporation, with a business address located at 762 W. Lancaster Avenue, Bryn Mawr, PA 19010 (“**Aqua**”).

### RECITALS

A. Seller owns, maintains and furnishes water service to customers in the Newportville-Ferguson area located within a portion of Bristol Township, Bucks County, Pennsylvania.

B. Aqua is a public utility that furnishes water service to the public in various counties throughout Pennsylvania, including Bucks and neighboring Montgomery, Lehigh and Northampton Counties.

C. Seller desires to sell, and Aqua desires to purchase, the Seller’s System Assets (hereinafter defined as “**Assets**”), all upon the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the recitals and the covenants, representations, warranties, and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows.

### 1. SALE AND PURCHASE OF THE ASSETS

Subject to the terms and conditions hereinafter set forth, Aqua shall purchase from Seller, and Seller shall sell, assign, transfer, grant, convey and deliver to Aqua at the Closing (hereinafter defined) the Assets.

The Assets are herein defined to be: all of the assets, properties and rights of Seller (whether tangible, real, personal or mixed), which are held and used in connection with the water distribution system in the Newportville-Ferguson area located within a portion of Bristol Township, Bucks County, Pennsylvania.

The Assets are to be sold free and clear of all mortgages, liens, pledges, security interest, charges, claims, restrictions and encumbrances of any nature whatsoever.

#### 1.1 Assets Further Defined

The Assets shall, without limitation to the definition stated above, include the specific assets, properties and rights set forth in Schedule 1.1.

#### 1.2 Customer Billing

Unless another arrangement is established prior to Closing, Seller is solely responsible for collection of any cash and receivables due on any customer accounts, and under no circumstances will Aqua be responsible for the collection or payment of any or all corresponding amounts due to Seller.

1.3 Excluded Assets

The Assets shall not include any of the following:

- a. any and all customer service lines that run from the curb stop area (or edge of road) to each of the individual customer's residences;
- b. any and all piping and fixtures (excluding Seller's meters, if any) internal to each of the individual customer's residences;
- c. Seller's cash and account receivables up to the date of Closing.

1.4 Consideration

The purchase price for the Assets will consist of a lump sum payment of Three-Million Four-Hundred Twenty-Eight Thousand (\$3,428,000.00) dollars to be paid by Aqua to Seller at Closing.

1.5 Non-Assumption of Liabilities

All liabilities and obligations of Seller shall remain the sole responsibility of Seller. Aqua shall not assume and shall not be liable for any and all liabilities or obligations of Seller of any nature whatsoever whether express or implied, fixed or contingent, known or unknown at the time of Closing.

2. CLOSING

Closing hereunder (the "**Closing**") shall take place by mail or at the offices of Aqua located at 762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania, or other mutually agreed upon location, commencing at 10:00 a.m. local time, on or before June 15, 2012, or, pursuant to written notice from Aqua to Seller, on such other date that is sixty (60) days after the last required regulatory approval. The date of the Closing is referred to herein as the "**Closing Date**". The effective time of the Closing shall be 12:01 a.m. on the day following the Closing Date.

2.1 Items to be Delivered at Closing

At Closing and subject to the terms and conditions herein contained:

- (a) Seller shall deliver to Aqua all title, assets, properties and rights to the Assets, pursuant to documents prepared by Aqua, including, without limitation, the following:
  - (i) One *Deed*, where applicable, for each fee parcel wherein any storage or other associated facilities are situated;
  - (ii) A *Bill of Sale and Assignment*, and other instruments and documents of

conveyance and transfer, all in form reasonably satisfactory to Aqua and its Counsel, as shall be necessary and effective to transfer and assign to, and vest in Aqua good and marketable title to the Assets;

- (iii) *Easements* (via an assignment or grant), in a form reasonably satisfactory to Aqua and its Counsel, for the water mains and company service lines located outside of any public right-of-ways, and to provide Aqua with access to and the use of the entire distribution system;
- (iv) Copies of, or the originals as appropriate of, all agreements, contracts, commitments, leases, plans, bids, quotations, proposals, instruments, certificates, permits and other instruments belonging to Seller that are part of or related to the Assets;
- (v) A complete and accurate list of the names and addresses of all customers of Seller, both in paper form and in electronic form on a diskette that can be downloaded to a computer, along with a billing history for each customer;
- (vi) Keys to any and all buildings;

and simultaneously with such delivery, all such steps shall be taken as may be required to put Aqua in actual possession and operating control of the Assets, to include transfer of any existing permits at Closing.

## 2.2 Transfer Taxes on Real Property

Aqua and Seller will each pay one-half (1/2) of the transfer tax on the consideration as recited in paragraph 1.4 of the real property included in the Assets.

## 2.3 Transfer of Utilities

Where applicable, the parties will cooperate to transfer utility service including, but not limited to, telephone and electric, as of the Closing Date. In the event service cannot be transferred in the name of Aqua as of the Closing Date, the bills shall be pro-rated as of the Closing Date.

## 2.4 Taxes and Corporate Clearance Certificate

Prior to Closing, Seller shall, if applicable, notify the Pennsylvania Department of Revenue and the Pennsylvania Department of Labor and Industry of the sale of the Assets and, at Closing, provide Aqua with clearance certificates from said Departments. If Seller is unable to deliver the foregoing clearance certificates to Aqua at Closing, then Seller, at Closing, shall deliver to Aqua an estimate prepared by Seller's independent public accountant of all taxes, contributions, interest and penalties owed by Seller to the Commonwealth of Pennsylvania and its constituent agencies for business conducted and transactions concluded up to and through Closing, which estimate shall be certified by the preparer as accurate to the best of the preparer's knowledge after due inquiry. Aqua shall withhold from the Purchase Price a sum equal to one and one half (1-1/2) times the preparer's estimate (the "**Tax Clearance Fund**"), which Aqua shall set aside in a separate account, to be released by Aqua to Seller upon Seller's delivery of the clearance certificates to Aqua. Aqua may close the Tax



Clearance Fund and keep the withheld monies for its own in the event Seller does not deliver the clearance certificates within fifteen (15) months from the date of Closing.

3. CONDITIONS PRECEDENT TO AQUA'S OBLIGATIONS

The Closing of the transaction shall be contingent upon the following:

- a. Seller shall comply with its obligations hereunder, and provide a *Bring-Down Certificate* at Closing certifying that the representations herein are true and accurate as of Closing.
- b. Seller shall provide to Aqua an *Opinion Letter* from Counsel in the form attached hereto as **Schedule 3 (b)**.
- c. Aqua shall be satisfied, within sixty (60) days of the execution of this Agreement, with the results of its due diligence inspections of the system that Aqua may elect to perform.
- d. Aqua shall be satisfied with its review of the real estate and the quality of title to be conveyed to Aqua from Seller.
- e. Aqua shall be satisfied with the current arrangements or contracts that exist between Seller and both Bucks County Water & Sewer Authority and Lower Bucks County Joint Municipal Authority, all of which is outlined and attached at **Exhibit 3(e)**.
- f. Seller and Aqua shall receive all required approvals from regulatory agencies, including the required approvals of the Pennsylvania Public Utility Commission ("PUC"), to enable Aqua to assume the ownership and operation of the Assets and to provide water service to the public in the service territory presently being served by Seller, and all reasonable costs relating thereto shall be paid by Aqua.

4. REPRESENTATIONS AND WARRANTIES OF SELLER

In making this instrument, Seller makes the following representations and warranties that shall survive the date hereof and the Closing:

- a. Seller has good and marketable title to the Assets, free and clear of all liens and encumbrances as of the date of Closing.
- b. Seller has good and valid rights to use, to occupy and to obtain access to the areas where the water mains and other facilities of the Assets are located, and to convey such rights of use, occupancy and access to Aqua.
- c. There are no pending or threatened claims regarding the Assets or Seller's ability to transfer the Assets.
- d. Seller does not know or have reason to know of any material violation of, or material lack of compliance with, any law, ordinance or government rule or regulation to which the Assets are subject.
- e. Seller is not a party to any contract for the purchase of, or payment for supplies, equipment or for services related to the Assets, except such contracts that shall not survive Closing.
- f. Seller does not know or have reason to know of any existing or threatened condition

- or developments, which would have a material adverse effect on the Assets.
- g. There are no liens, encumbrances or security interests against the Assets that will not be paid off or released by Seller at Closing.
  - h. Seller has paid, or will arrange for the full payment of, all taxes owed by Seller on account of the operation of the Assets up to and through Closing. All federal, state and local tax returns, reports and statements (including all income, unemployment compensation, social security, payroll, sales and use, excise, privilege, property, ad valorem, franchise, license, school and other taxes owed or assessed under the laws of the United States or any state or municipal or political subdivision thereof required to be filed by Seller (the "**Tax Returns**") have been filed with the appropriate governmental agencies in all jurisdictions in which returns, reports or statements are required to be filed, and all filed returns, reports and statements properly reflect the tax liabilities of Seller for the periods, properties or events covered thereby. All federal, state and local taxes, assessments, interest, penalties, deficiencies, fees and other governmental charges or impositions, including those enumerated above in respect of the Tax Returns, that are called for by the Tax Returns, or claimed to be due by any taxing authority from Seller, or upon or measured by the properties, assets or income of Seller, have been properly paid.

## 5. INDEMNIFICATION

Seller hereby acknowledges that, following the effective time of Closing, Aqua shall be responsible for the provision of water service to the customers of Seller. Other than the future provision of water service, Aqua does not and shall not assume or incur any liability or obligation of Seller of any nature whatsoever, express or implied, fixed or contingent, known or unknown. Seller shall indemnify and hold harmless Aqua and its officers, employees and agents from and against all liabilities and obligations of Seller and from and against any and all claims, actions, judgments and fines arising from: 1) any misrepresentation or breach of warranty by Seller under this Agreement; and/or 2) related to the Seller's Assets to the extent such claims, actions, etc., involve activities or events that occurred or originated prior to the effective time of Closing.

## 6. COVENANTS AND ACKNOWLEDGMENTS

- a. Unless otherwise noted herein, Aqua and Seller shall be responsible for their respective legal fees and other expenses incurred in connection with this transaction.
- b. After Closing, Aqua will begin charging Seller's current rates as its base rates within Seller's territory consistent with Schedule 6(b), which the parties agree will ultimately equalize with Aqua's Main Division base rates as such are amended over time. A copy of Seller's rates are attached hereto at Schedule 6 (b)
- c. After Closing, Aqua will charge the Township Aqua's Bensalem Division public fire hydrant rate of \$10.91/fire hydrant/month as the initial rate for fire hydrants that are components of the Assets conveyed to Aqua at Closing.
- d. Immediately upon Closing Aqua will apply its *Rules and Regulations* within Seller's

- territory to those existing and future customers within this territory.
- e. The provisions of this Agreement shall survive the effective time of Closing.

## 7. GENERAL PROVISIONS

### 7.1 Notices

Any notice, waiver or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by overnight delivery service or registered or certified mail, postage prepaid, return receipt requested, as follows:

#### If to AQUA:

Aqua Pennsylvania, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010  
Attention: Christopher Luning, Vice President, Corporate Development

#### With Required Copy to:

Aqua Pennsylvania, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010  
Attention: Frances Orth, Esq., Vice President, Senior Managing Counsel

#### If to SELLER:

Bristol Township  
2501 Bath Road  
Bristol, PA 19007  
Attention: Richard Pluta, Chairman President

#### With Required Copy to:

Russ P. Sacco, Esq.  
53 South Main Street  
Yardley, PA 19067  
Attention: Russell P. Sacco, Esq.

or to such other address as the addressee may have specified in a written notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, or mailed.

### 7.2 Governing Law


This instrument shall be governed by and enforced in accordance with the laws of the

Commonwealth of Pennsylvania.

**IN WITNESS WHEREOF**, intending to be legally bound, the parties hereto have duly executed this Agreement on the date first above written.

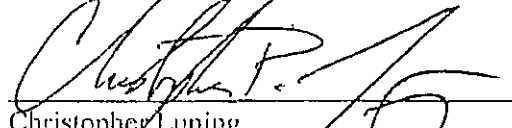
**BRISTOL TOWNSHIP**

By:

  
Richard Pluta, President

**AQUA PENNSYLVANIA INC.**

By:

  
Christopher Luning  
Vice President, Corporate Development

## Schedule 1.1

### List of Assets

#### I. PRODUCTION FACILITIES

- A. One site with off-line facilities

#### II. DISTRIBUTION SYSTEM

- A. All water mains, fire hydrants, and related appurtenances, located within the following roadways: Newportville Road, Grundy's Lane, Ford Road, Willow Avenue, Parkview Avenue, Locust Avenue, Hazel Avenue, Riverside Avenue, Birch Avenue, Taylor Avenue, Spring Avenue, Sheldon Avenue, Dell Street, Lower Road, Nichol Road, New Falls Road, Zimmerman Lane, Sunset Avenue, Nice Street, Avenue A, Avenue B, Avenue C, Avenue D, Avenue E, Ritter Avenue, Hilltop Avenue, Martins Lane, Bridge Street, Plum Street, Nathan Street, Groveland Avenue, Nelson Street, Maple Street, Nichol Street, Oak (Noah) Street, Pine Street, Newman Street, Hillside Avenue, Nebraska Street, Sinclair Street, Frost Road, Buck Road, Bartram Road, Pearl Buck Drive, New Rodgers Road, Rittenhouse Circle, Wharton Road, Durham Road, and any other proposed or existing roads that may extend from the roads referenced herein;
- B. All water mains, a minimum of eighty-four (84) fire hydrants, and related appurtenances that extend beyond the limits of the roads enumerated in "A" above;
- C. Any and all valves, fittings, blow-offs and other related appurtenances related to those facilities identified in "A" and "B" above;
- D. A minimum of Five-Hundred Ninety-Six (596) company service lines from the main to the curb-box and/or stop or edge of road;
- E. A minimum of Five-Hundred Ninety-Six (596) meters associated with the company service lines identified in "D" above; and
- F. A minimum of Five-Hundred Ninety-Six (596) customer accounts that coincide with the company service lines identified in "D" above;

#### III. REAL ESTATE

- A. All real estate, whether in fee or by easement, associated with the Production Facilities identified above; and
- B. Various easements and/or rights of way as required, including permanent and perpetual access (including, but not limited to, pedestrian, vehicular and utilities) to and for the Production Facilities and Distribution System.

#### IV. MISCELLANEOUS

- A. Any billing records and/or known users list
- B. Maps of the system, if available
- C. Any existing permits for the system and system components

Schedule 3 (b)

Proposed Opinion Letter -- subject to revision

[LETTERHEAD]

\_\_\_\_\_, 2011

Aqua Pennsylvania, Inc.  
762 West Lancaster Avenue  
Bryn Mawr, Pennsylvania 19010

Dear Sirs:

I have acted as Counsel to the Seller in conjunction with the Assets Purchase Agreement dated as of \_\_\_\_\_, 2011 (the "**Agreement**") between \_\_\_\_\_ ("**Seller**") and Aqua Pennsylvania, Inc. ("**Aqua**"). The Agreement provides for Aqua to acquire from Seller the Seller's water system assets situated in \_\_\_\_\_ Township, \_\_\_\_\_ County, Pennsylvania (collectively herein called the "**Assets**").

I have examined the Agreement and the certifications, documents and instruments delivered pursuant thereto. I have also examined original copies, certified copies and file copies of records, agreements, instruments, certificates of public officials and officers and other documents relating to the Assets.

Based upon the foregoing, to the best of my knowledge, I am of the opinion that:

- (a) Seller is in good standing under the laws of the Commonwealth of Pennsylvania.
- (b) Seller has owned and operated the Assets and the water system assets as it has been and is now being conducted.
- (c) Neither the execution nor delivery of the Agreement by Seller, nor consummation and performance of the transactions contemplated thereby results in a violation of any judgment, order, writ, injunction or decree of any court or of any governmental official, agency or instrumentality which is applicable to Seller.
- (d) The execution and delivery of the Agreement and the performance of the transactions contemplated hereby do not violate, conflict with or result in the breach (with or without the giving of notice or lapse of time or both) of any term, condition or

provision of any instrument, contract, lease, agreement, permit, certificate or other document to which Seller is a party, or is otherwise bound or affected, or by which any of Assets may be bound or affected.

- (e) Seller has full power and authority to sell, convey, assign, transfer and deliver the Assets to Aqua as provided in the Agreement.
- (f) All proceedings required to be taken by the Seller to carry out the Agreement, and to authorize the Seller to sell, convey, assign, transfer and deliver to Aqua the Assets pursuant to the Agreement have been or will be duly and properly taken.
- (g) The Agreement has been duly executed and delivered by Seller and is the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms of the Agreement.
- (h) The instruments delivered by Seller to transfer the Assets to Aqua have been duly authorized, executed and delivered, are legal, valid and binding in accordance with their terms.

The opinions expressed herein are limited to matters of federal law and the laws of the Commonwealth of Pennsylvania. This opinion is provided to Aqua solely for the purpose of complying with Seller's obligations under the Agreement. This opinion is given for Aqua's use and benefit, and, except as may be otherwise permitted by law, may not be relied upon by any other person without the prior written consent of the undersigned.

Sincerely yours,

[Attorney for Seller]

**Exhibit 3(e)**

Current arrangements or contracts that exist between Seller and both  
Bucks County Water & Sewer Authority and  
Lower Bucks County Joint Municipal Authority



**Schedule 6 (b)**  
Bristol Township's MONTHLY Rate Schedule

**Customer Charge - Residential, Commercial, Industrial, and Public Customer**

**Classes:**

**All Residential (5/8-inch only)** (includes 1<sup>st</sup> 4,333.33 gallons)      \$ 24.2433

**All other Classes**

5/8 x 3/4-inch (includes 1 <sup>st</sup> 4,333.33 gallons)	\$ 58.6500
1-inch (includes 1 <sup>st</sup> 6,666.66 gallons)	\$ 81.3000
1.25-inch (includes 1 <sup>st</sup> 8,666.66 gallons)	\$ 102.5800
1.5-inch (includes 1 <sup>st</sup> 16,666.66 gallons)	\$ 143.2500
2-inch (includes 1 <sup>st</sup> 20,000.00 gallons)	\$ 217.7866
3-inch (includes 1 <sup>st</sup> 30,000.00 gallons)	\$ 319.4666
4-inch (includes 1 <sup>st</sup> 43,333.33 gallons)	\$ 455.0466
6-inch (includes 1 <sup>st</sup> 80,000.00 gallons)	\$ 827.8266
8-inch (includes 1 <sup>st</sup> 133,333.33 gallons)	\$1,370.0566

**Consumption Charge/Classes:**

<b>Residential</b> (in excess of allowance noted)	\$ 5.59/thousand
<b>All other Classes</b> (in excess of the allowances noted)	\$ 7.07/thousand

**Fire Service**

3-inch connection	\$ 39.0933
4-inch connection	\$ 75.0700
6-inch connection	\$ 117.3000
8-inch connection	\$ 250.4266
10-inch connection	\$ 516.0300
Consumption Charge per thousand (applies to all size connections)	\$ 4.9300

NOTE: This note has been provided to solely memorialize Aqua Pennsylvania, Inc.'s representation in its offer of October 20, 2011, that it will not increase the aforementioned rates until 2014, at the earliest, and that both parties agree that any and all rate increases would be subject to the approval of the Pennsylvania Public Utility Commission. Secondly, that the Township will be subject to paying a fire hydrant rate for fire hydrants connected to and included in the Assets to be conveyed to Aqua Pennsylvania, Inc., and that these rates will initially be the Bensalem Division public fire hydrant rates in effect at the time of the signing of this Agreement.

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EXHIBIT D

BRISTOL'S RATES

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**Schedule 6 (b)**  
Bristol Township's MONTHLY Rate Schedule

**Customer Charge - Residential, Commercial, Industrial, and Public Customer**

**Classes:**

**All Residential (5/8-inch only)** (includes 1<sup>st</sup> 4,333.33 gallons)      \$ 24.2433

**All other Classes**

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1-inch (includes 1 <sup>st</sup> 6,666.66 gallons)	\$ 81.3000
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**Consumption Charge/Classes:**

<b>Residential</b> (in excess of allowance noted)	\$ 5.59/thousand
<b>All other Classes</b> (in excess of the allowances noted)	\$ 7.07/thousand

**Fire Service**

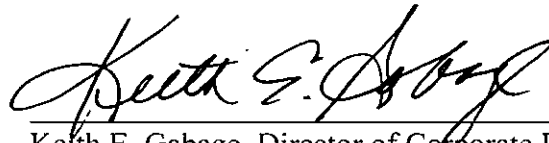
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NOTE: This note has been provided to solely memorialize Aqua Pennsylvania, Inc.'s representation in its offer of October 20, 2011, that it will not increase the aforementioned rates until 2014, at the earliest, and that both parties agree that any and all rate increases would be subject to the approval of the Pennsylvania Public Utility Commission. Secondly, that the Township will be subject to paying a fire hydrant rate for fire hydrants connected to and included in the Assets to be conveyed to Aqua Pennsylvania, Inc., and that these rates will initially be the Bensalem Division public fire hydrant rates in effect at the time of the signing of this Agreement.

**VERIFICATION**

I, **Keith E. Gabage**, Director of Corporate Development at Aqua Pennsylvania, Inc., hereby state that the facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Date: Dec. 22, 2011



Keith E. Gabage, Director of Corporate Development

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**In re: Application of Aqua Pennsylvania, Inc. (hereinafter referred to as "Aqua") for approval of:** :

**(1) the acquisition by Aqua of the water system assets of Bristol Township ("Bristol") situated in a portion of Bristol Township, Bucks County, Pennsylvania; and** : **Application Docket**  
: **No.**  
:

**(2) the right of Aqua to begin to offer, render, furnish and supply water service to the public in an additional portion of Bristol Township, Bucks County, Pennsylvania** :  
:  
:

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 28<sup>th</sup> day of December, 2011, served a true and correct copy of the foregoing Application, upon the persons and in the manner set forth below:

**FIRST CLASS MAIL, POSTAGE PREPAID**

Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

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**PA PUC**



Thomas T. Niesen  
PA Attorney ID No. 31379