**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

Public Meeting held March 26, 2015

Commissioners Present:

Robert F. Powelson, Chairman

John F. Coleman, Jr., Vice Chairman

James H. Cawley

Pamela A. Witmer

Gladys M. Brown

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| Securities Certificate of Aqua Pennsylvania, Inc. with respect to the issuance of debt in principal amount not to exceed $50 million | Docket No. S-2015-2471140 |

**ORDER**

**BY THE COMMISSION:**

On March 3, 2015, Aqua Pennsylvania, Inc. (Aqua or the Company) filed for a registration, pursuant to Chapter 19 of the Public Utility Code, 66 Pa. C.S. §§ 1901-1904, the above-captioned securities certificate for the issuance of long-term debt in a principal amount not to exceed $50 million.

Aqua is a direct, wholly owned subsidiary of Aqua America, Inc., a Pennsylvania corporation. The Company is a jurisdictional public utility with authority to render water service to the public in portions of Adams, Berks, Bradford, Bucks, Carbon, Chester, Clarion, Clearfield, Columbia, Crawford, Cumberland, Delaware, Forest, Juniata, Lackawanna, Lawrence, Lehigh, Luzerne, Mercer, Monroe, Montgomery, Northampton, Northumberland, Pike, Schuylkill, Snyder, Susquehanna, Venango, Warren, Wayne, and Wyoming Counties. Aqua currently provides water service to approximately 442,000 customer accounts.

The Company proposes to issue securities in the form of unsecured bank notes (Notes), in one or more separate series, in an aggregate amount not to exceed $50 million. The Notes will be issued under a Credit Agreement with PNC Bank, National Association, as agent (2015 Bank Loan). Aqua proposes to issue the 2015 Bank Loan to reduce the outstanding balance under the Credit Agreement dated November 30, 2010, and fund cost of issuance.

Aqua expects to issue the 2015 Bank Loan on or before June 30, 2015, dependent upon market conditions and capital requirements of the Company. Interest rates will be determined by market conditions and will not exceed 3.00% per annum with a term no greater than three years. The Company states, as of February 20, 2015, the interest rate on similar notes was approximately 2.03%. The 2015 Bank Loan is unsecured debt with interest payable quarterly.

Aqua’s secured debt is rated AA- by S&P’s rating service. The Company’s current S&P corporate credit rating is A+/Stable. Currently, Aqua’s capital structure consists of 45% long-term debt and 55% common equity.

Aqua has no additional borrowing authority under any previously registered securities certificates.

Staff has made its compliance checks and found that the Company is current with its annual, quarterly, and Security Planning and Readiness report filing requirements and has no outstanding fines or assessments.

Having reviewed the instant filing, we have determined that Aqua’s proposal for the issuance of up to $50 million of debt is necessary or proper for the present and probable future capital needs of the utility; **THEREFORE,**

**IT IS ORDERED:**

1. That the securities certificate of Aqua Pennsylvania, Inc. with respect to the issuance of up to $50 million of debt is hereby registered.

2. That within 60 days of the issuance of debt Aqua Pennsylvania, Inc. shall notify the Commission of such issuance, along with a summary of the type of debt, interest rate, maturity and call provisions.

3. That the registration of the debt securities will end on July 31, 2015.

4. That upon receipt of the final filing under Ordering Paragraph 2, above, this case shall be marked closed.

5. Consistent with Section 1903(b) of the Public Utility Code, 66 Pa. C.S. §§ 1903(b), the registration of the subject securities certificate does not represent Commission approval of the proposed projects for rate recovery pursuant to 66 Pa. C.S. §§ 1301-1328.

**BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: March 26, 2015

ORDER ENTERED: March 26, 2015