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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSION400 North Street, Harrisburg, PA 17120 | **IN REPLY PLEASE REFER TO OUR FILE****M-2016-2543193** |

July 21, 2016

[See Service List Attached]

Re: Docket No. M-2016-2543193; Implementation of Section 1329 of the Public Utility Code – Registration of Utility Valuation Experts Involving Fair Market Valuation of Acquired Municipal Water and Wastewater Systems

To Prospective Utility Valuation Experts:

The Pennsylvania Public Utility Commission (Commission) is issuing this invitation to various professional associations to share with their members who may wish to apply for inclusion on the Commission’s official list of Utility Valuation Experts (UVEs) required by Act 12 of 2016 (Act 12), as explained in more detail below.

On April 14, 2016, Governor Tom Wolf signed into law Act 12 of 2016 which amended Chapter 13 of the Pennsylvania Public Utility Code (Code) by incorporating a new Section 1329. 66 Pa. C.S. § 1329. Effective June 13, 2016, Section 1329 of the Code enables public utilities or entities to utilize fair market valuation when acquiring water and wastewater systems located in the Commonwealth that are owned by a municipal corporation or authority.

Section 1329(a)(1) requires the Commission to maintain a list of UVEs from which the acquiring public utility or entity and selling utility will choose. To be included on that list, UVEs must submit an application and a $125 application fee as outlined under our Tentative Implementation Order, entered July 21, 2016, which can be accessed on our website at: <http://www.puc.pa.gov/filing_resources/issues_laws_regulations/section1329_applications.aspx>

UVE applications will be reviewed by the Commission’s Bureau of Technical Utility Service for a determination whether the applicants’ credentials and experience warrant inclusion on the list of qualified valuation experts on our website. Approved UVEs must renew their application every two years to remain on the Commission’s list.

The fair market valuation process requires both the acquiring public utility or entity (buyer) and the selling municipal corporation or authority (seller) to engage the services of a licensed engineer to conduct an assessment of the tangible assets of the seller. The buyer and seller would then provide the asset assessment to separate UVEs for independent analyses which are then incorporated into the Section 1102 application submitted to the Commission for approval. 66 Pa. C.S. § 1102. Upon completion of the Section 1102 application process, the acquired system would come under the jurisdiction of the Commission.

Please direct all questions regarding this letter to Jani Tuzinski, Water/Wastewater Manager, Bureau of Technical Utility Services at (717) 783-6175 or via e-mail at jtuzinski@pa.gov.

Sincerely,

## Rosemary Chiavetta

## Secretary

**SERVICE LIST**

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| **American Council of Engineering Companies**1015 15th Street NW 8th FloorWashington DC 20005-2605  | **National Association of Certified Valuators and Analysts**5217 South State Street, Suite 400Salt Lake City, Utah 84107**E-mail:** NACVA1@NACVA.com |
| **American Institute of Certified Public Accountants (AICPA)**220 Leigh Farm RoadDurham, North Carolina 27707-8110 | **National Association of Water Companies**2001 L Street NW, Suite 850Washington, DC 20036 |
| **American Institute of Certified Public Accountants (AICPA)**Princeton South Corporate Center100 Princeton SouthSuite 200Ewing, NJ 08628 | **Pennsylvania Institute of Certified Public Accountants (PICPA)**Ten Penn Center1801 Market Street, Suite 2400Philadelphia, PA 19103Email: info@picpa.org |
| **American Institute of Certified Public Accountants (AICPA)**1211 Avenue of the AmericasNew York, NY 10036-8775 | **Pennsylvania Rural Water Association** 138 West Bishop StreetBellefonte PA 16823 |
| **American Institute of Certified Public Accountants (AICPA)**1455 Pennsylvania Ave., NWWashington, DC 20004-1081 | **Pennsylvania Society of Professional Engineers**908 North Second StreetHarrisburg, PA 17102 |
| **American Society of Appraisers**11107 Sunset Hills Rd, Suite 310Reston, VA 20190Email asainfo@appraisers.org | **Pennsylvania Society for Tax & Accounting Professionals (PSTAP)**20 Erford Road, Ste. 200ALemoyne, PA 17043Email:  info@pstap.org |
| **American Society of Civil Engineers**1801 Alexander Bell DriveReston, VA 20191 | **Society of Depreciation Professionals**6 Boston Road, Suite 202Chelmsford, MA 01824 |
| **American Water Works Association**6666 W. Quincy Ave.Denver, CO 80235 USA | **Water Environment Federation**601 Wythe StreetAlexandria, VA 22314-1994 |
| **Institute of Business Appraisers (IBA)**5217 South State Street, Suite 400Salt Lake City, Utah 84107Email: hqiba@go-iba.org. |  |