

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Aqua Pennsylvania Wastewater, Inc. :
(hereinafter referred to as "Aqua" or "Applicant") : Application Docket
pursuant to Sections 1102 and 1329 of the Public : No.
Utility Code for: :

(1) approval of the acquisition by Aqua of :
the wastewater system assets of Limerick Township :
("Township") situated within a portion of Limerick :
Township and within a portion of the Borough of :
Royersford, Montgomery County, Pennsylvania; :

(2) approval of the right of Aqua to begin to :
offer, render, furnish and supply wastewater :
service to the public in a portion of Limerick :
Township, Montgomery County, Pennsylvania; and :

(3) an order approving the acquisition that :
includes the ratemaking rate base of the Limerick :
Township wastewater system assets pursuant to :
Section 1329(c)(2) of the Public Utility Code. :

APPLICATION

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

I. BACKGROUND

1. The name and address of Applicant are:

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

2. The name, address and contact information for Applicant's counsel are:

Thomas T. Niesen, Esq.
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 600
Harrisburg, PA 17101
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3. Pursuant to Sections 1102 and 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1102 and 1329, Applicant hereby requests that the Commission: (1) approve Aqua's acquisition of the wastewater system assets ("Assets") of Limerick Township; (2) approve the right of Aqua to begin providing wastewater service in the requested territory, as shown as the area outlined in red on the map attached hereto as **Exhibit A** (the "Requested Territory"); and (3) include, in its Order approving the acquisition, the ratemaking rate base of the Assets as determined under Section 1329(c)(2) of the Public Utility Code.

4. The map of the Requested Territory includes a north arrow depicting map orientation, a graphic scale, the municipal boundaries of Limerick Township and identification and depiction of all private and public roads relative to the Requested Territory. Bearing and angle descriptions of the Requested Territory are attached hereto as **Exhibit B**. The Requested Territory is 16.22 square miles.

5. Aqua and Limerick Township have reached an agreement regarding the acquisition of the Limerick Township Assets, as evidenced by the *Asset Purchase Agreement*, dated as of November 16, 2016 and attached hereto as **Exhibit C** (the "Agreement"). Applicant respectfully requests that the Commission issue an *Order* and *Certificates of Public Convenience* approving and addressing the items requested in this Application.

6. An **Application Filing Checklist** identifying topics addressed and the section, paragraph and page number where they can be found is included with this Application.

II. **AFFECTED ENTITIES**

7. Aqua is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania. Aqua is engaged in the wastewater service business and furnishes wastewater service to approximately 20,000 customer accounts, as reflected in documents already on file

with the Commission. Aqua's existing service territories cover various Counties throughout Pennsylvania including parts of Montgomery County.

8. Limerick Township is a duly organized and validly existing Pennsylvania township of the Second Class. Limerick Township owns and operates a sanitary wastewater collection and treatment system that provides sanitary wastewater service to 5,434 customers within a portion of Limerick Township, Montgomery County.

9. Applicant incorporates into this Application other information on file with the Commission that establishes the fact that Aqua is qualified to provide adequate public wastewater service. Aqua will supplement this Application with all additional information the Commission may require. Financial Statements of Aqua for 2016 are attached hereto as **Exhibit D**.

III. PLANT-IN-SERVICE

10. Aqua will acquire Limerick Township's wastewater collection and treatment system assets as defined in the Agreement. All assets are located in Limerick Township except for approximately 750 feet of pipe which passes through the Northeast corner of the Borough of Royersford.¹

11. There are two wastewater treatment plants: the King Road Waste Water Treatment Plant ("KRWWTTP") receiving flow from the western portion of Limerick Township and the Possum Hollow Waste Water Treatment Plant ("PHWWTP") receiving flow from the eastern portion of Limerick Township. The KRWWTTP and PHWWTP are rated for 1.70 MGD and 0.70 MGD, respectively. The collection system is sized to adequately convey the raw wastewater to the Treatment Plants and includes the following:

¹ Limerick Township has no wastewater customers in the Borough of Royersford and Aqua, accordingly, is not applying for service authority in the Borough of Royersford.

Summary of Collection System Gravity Pipe

Diameter	Pipe Material	Total Linear Feet
6"	PVC	105,318
8"	PVC	258,934
8"	DIP	10,015
8"	HDPE	447
8"	VTC	3,372
10"	PVC	23,746
10"	DIP	214
12"	PVC	21,561
12"	DIP	1,966
12"	HDPE	1,657
15"	PVC	10,510
16"	DIP	74
18"	PVC	932
21"	PVC	2,238
36"	DIP	382

12. There are thirteen (13) collection system pump stations in the King Road service area of Limerick Township and four (4) collection system pump stations in the Possum Hollow service area of Limerick Township. The force mains from these stations include the following:

Summary of Collection System Force Main Pipe

Diameter	Pipe Material	Total Linear Feet
2"	PVC	2,000
4"	PVC	4,925
4"	DIP	6,797
6"	PVC	2,420
6"	DIP	10,844
10"	DIP	364
12"	DIP	4,000
16"	DIPAC	10,800
18"	DIP	6,000

13. The elevation of the KRWWTP generally varies from about EL 150 to EL 170. The elevation of the PHWWTP generally varies from about EL 170 to EL 185.

14. Copies of the Commonwealth of Pennsylvania Department of Environmental Protection (“DEP”) Chapter 94 Reports for 2016 are attached hereto as **Exhibit E1** for the KRWWTWP and as **Exhibit E2** for the PHWWTP.

15. The KRWWTWP was constructed in approximately 2007. The PHWWTP was constructed in approximately 2003. Water service is provided by both Pennsylvania-American Water Company and private wells.

16. The original cost, by year and major plant category, of the Limerick Township used and useful plant in service is \$63,480,402 with a related calculation depreciation reserve of \$17,326,535.

17. Tentative journal entries to record the transaction are presented in Section IV.

IV. ASSET PURCHASE AGREEMENT

18. The Asset Purchase Agreement is dated November 16, 2016. The purchase price is Seventy-Five Million One Hundred Thousand Dollars (\$75,100,000.00). In addition to the purchase price, Section 7.10 of the Agreement provides that Aqua will pay Limerick Township a Pending Development Payment of Four Hundred Thousand Dollars (\$400,000.00). The purchase price and Agreement are based on arm’s length negotiations. Aqua and Limerick Township are not affiliated with each other. Aqua will use short term debt initially for the purchase of the assets with the expectation that the short term debt will be converted to long term debt and equity capital at a later date.

19. The wastewater system assets to be transferred are the “Acquired Assets” and have the meaning specified in Section 2.01 of the Agreement. The Acquired Assets include all real property Limerick Township owns and uses in the operation of the wastewater system and all sanitary wastewater related treatment and conveyance facilities, including the PHWWTP, the KRWWTWP and all pipes,

pumping stations, manholes and pipelines and billing and collections related assets necessary to run the system.

20. Acquired Assets also include the contracts identified on Schedule 4.15 of the Agreement to which Limerick is a party (the “Assigned Contracts”). Since contract parties, other than Limerick, are identified by name, Schedule 4.15 and the Assigned Contracts are considered CONFIDENTIAL. Copies of CONFIDENTIAL Schedule 4.15 and the CONFIDENTIAL Assigned Contracts are being submitted to the Commission on a CD marked CONFIDENTIAL. The CONFIDENTIAL Assigned Contracts are identified as **Confidential Exhibit F**.

21. Acquired Assets also include all Authorizations and Permits of or held by Limerick Township (to the extent transferrable to Aqua under applicable Law), including all Authorizations and Permits which are environmental permits, Limerick Township’s National Pollution Discharge Elimination System (“NPDES”) Permits, other operating permits and those items listed or described on Schedule 4.14 of the Agreement.

22. “Excluded Assets,” which are those assets not being transferred to Aqua, has the meaning specified in Section 2.02 of the Agreement. Excluded Assets include Stormwater System Assets, contracts that are not Assigned Contracts, cash and cash equivalents (other than Equivalent Dwelling Unit (“EDU”) Fee Cash) and the assets, properties and rights set forth in Schedule 2.02(i) of the Agreement.

23. “Assumed Liabilities” has the meaning specified in Section 2.04(a) of the Agreement and include all liabilities and obligations arising out of or relating to Aqua’s ownership or operation of the wastewater system and the Acquired Assets on or after Closing.

24. The tentative journal entries to record the transfer in Aqua’s accounts are:

	Debit	Credit
Utility Plant Purchased	\$75,100,000	
Cash/Short Term Debt		\$75,100,000

V. CUSTOMERS

25. Limerick Township provides wastewater service to 5,434 customers as follows:

Service Area	Resid.	Commer.	Apart.	School	Church	Public	Total
King Road & Possum Hollow	4,882	315	210	14	9	4	5,434

26. Number of million gallons treated by customer class is as follows for the period January 1, 2016 to December 31, 2016:

Service Area	Resid.	Commer.	Apart.	School	Church	Public	Total
King Road & Possum Hollow	235.349	97.165	40.027	8.342	0.335	5.528	386.745

27. The average annual flow for 2016 from the KRWWTP system was 0.807 MGD. The average flow per EDU was 119 GPD. Assuming the Township's projected growth as outlined in the 2016 Chapter 94 Report, the KRWWTP will serve approximately 8,114 EDUs in five years based on Township projections. The KRWWTP's 3-month maximum average flow for 2016 was 0.894 MGD. The maximum monthly organic loading on the plant was 2,440 lbs of BOD₅ per day for 2016. The permitted organic capacity of the plant is 3,900 lbs of BOD₅ per day. The King Road system has adequate capacity to meet present and future customer demands. Chapter 94 information is updated annually and projects five (5) years into the future.

28. The average annual flow for 2016 from the PHWWTP system was 0.202 MGD. The average flow per EDU was 124 GPD. Assuming the Township's projected growth as outlined in the 2016 Chapter 94 Report, the PHWWTP will serve approximately 2,457 EDUs in five years based on Township projections. The PHWWTP's 3-month maximum average flow for 2016 was 0.215 MGD.

The maximum monthly organic loading on the plant was 491 lbs of BOD₅ per day for 2016. The permitted organic capacity of the plant is 1,700 lbs of BOD₅ per day. The Possum Hollow system has adequate capacity to meet present and future customer demands. Chapter 94 information is updated annually and projects five (5) years into the future.

VI. RATES

29. After Closing, Aqua will implement the Limerick Township sanitary wastewater rates in effect at closing as reflected on Schedule 7.05(a) of the Agreement and inclusive of any approved surcharge or pass-through costs as its effective sanitary wastewater rates, provided such rates shall not be lower than the rates in effect on the execution date of the Agreement. The Agreement further provides that Aqua's Base Rate may not increase until after the third anniversary of the Closing Date. A schedule of rates tariff page implementing rates for Limerick Township customers post-closing is attached hereto as **Exhibit G**.

30. As presented in Schedule 7.05(a) of the Agreement, for customers with water meters, Limerick Township current sewer user rental rates are comprised of two components: a base charge and a usage charge. The base charge assessed upon each private residential unit (an EDU) is \$337.20 per annum, payable as \$84.30 per quarter billing period, which includes up to 1,000 cubic feet of usage per quarter (7,481 gallons of usage per quarter). Usage above base quarterly usage is charged at \$4.84 per 100 cubic feet (\$6.46 per 1,000 gallons). A residential user without a water meter is billed a flat rate of \$85.00 per quarter billing period. A copy of Limerick Township's currently effective Sewer Ordinance is attached hereto as **Exhibit H**.

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

Territory. It will implement its *Rules and Regulations* to govern the provision of wastewater service in the Requested Territory, as those *Rules and Regulations* are in effect from time to time for Aqua.

32. Aqua will provide a bill insert notification and a welcome kit to the Limerick Township customers after the transaction closes.

VII. COST OF SERVICE

33. Copies of Limerick Township’s audited Financial Statements for 2015 and 2014, presenting the financial results of the wastewater operation for those years, are attached hereto as **Exhibit I1** and **Exhibit I2**, respectively.² Copies of Limerick Township’s Adopted Annual Budgets for 2015 and 2016 are attached hereto as **Exhibit J1** and **Exhibit J2**.

34. Aqua projects annual revenue of \$3,688,000 from the Limerick Township customers based on Limerick Township’s current rate schedule, calculated as follows:

<u>Residential</u>	
Base rate of \$84.30 per quarter for 0 to 1,000 cubic feet or 0 to 7,481 gallons x 4 quarters	\$ 1,643,000
Consumption charges of \$4.84 per 100 cubic feet for usage above the first 1,000 cubic feet or \$6.46 per 1,000 gallons for usage above the first 7,481 gallons x 4 quarters	\$ 597,000
Base rate of \$85.00 per quarter for users not served by the Public Water Company	\$ 176,000
<u>Commercial</u>	
Base rate of \$84.30 per quarter for 0 to 1,000 cubic feet or 0 to 7,481 gallons x 4 quarters	\$ 201,000
Consumption charges of \$4.84 per 100 cubic feet for usage above the first 1,000 cubic feet or \$6.46 per 1,000 gallons for usage above the first 7,481 gallons x 4 quarters	\$ 513,000
Base rate of \$85.00 per quarter for users not served by the Public Water Company	\$ 26,000

² Township Financial Statements for 2015 are the most recent audited information available from the Township. Audited Financial Statements for 2016 will not be available until June/July 2017.

Apartment

Base rate of \$84.30 per quarter for 0 to 1,000 cubic feet or 0 to 7,481 gallons x 4 quarters	\$	386,000
Consumption charges of \$4.84 per 100 cubic feet for usage above the first 1,000 cubic feet or \$6.46 per 1,000 gallons for usage above the first 7,481 gallons x 4 quarters	\$	37,000
Base rate of \$85.00 per quarter for users not served by the Public Water Company	\$	12,000

School

Base rate of \$84.30 per quarter for 0 to 1,000 cubic feet or 0 to 7,481 gallons x 4 quarters	\$	5,000
Consumption charges of \$4.84 per 100 cubic feet for usage above the first 1,000 cubic feet or \$6.46 per 1,000 gallons for usage above the first 7,481 gallons x 4 quarters	\$	51,000
Base rate of \$85.00 per quarter for users not served by the Public Water Company	\$	-

Church

Base rate of \$84.30 per quarter for 0 to 1,000 cubic feet or 0 to 7,481 gallons x 4 quarters	\$	2,000
Consumption charges of \$4.84 per 100 cubic feet for usage above the first 1,000 cubic feet or \$6.46 per 1,000 gallons for usage above the first 7,481 gallons x 4 quarters	\$	1,000
Base rate of \$85.00 per quarter for users not served by the Public Water Company	\$	2,000

Public

Base rate of \$84.30 per quarter for 0 to 1,000 cubic feet or 0 to 7,481 gallons x 4 quarters	\$	1,000
Consumption charges of \$4.84 per 100 cubic feet for usage above the first 1,000 cubic feet or \$6.46 per 1,000 gallons for usage above the first 7,481 gallons x 4 quarters	\$	35,000
Base rate of \$85.00 per quarter for users not served by the Public Water Company	\$	-

Total Annual Projected Revenue \$ 3,688,000

35. Aqua estimates annual operating and maintenance expenses of \$2,000,000 based on Limerick Township's operating expenses presented in the 2015 Financial Statements. The O&M estimate is exclusive of depreciation.

36. Information concerning Limerick Township's Long Term Debt is presented in its Annual Financial Report for 2015, page 14, included as Exhibit I2, which is the most recent audited financial information available from the Township. Aqua is not assuming any Limerick Township debt obligation.

VIII. PROOF OF COMPLIANCE

37. Aqua will operate and manage the Limerick Township wastewater system as a standalone system, but within Aqua's footprint, from its Southeastern Division Office in Bryn Mawr, Pennsylvania. The KRWWTP and the PHWWTP are approximately 19 miles from the Division Office. Mr. David M. Erman, Mr. David W. Palmer and Mr. Francis X. Rodden will be the assigned Certified Wastewater Operators for the system. The currently effective Wastewater Operator's Licenses for Mr. Erman, Mr. Palmer, and Mr. Rodden are attached hereto as **Exhibit K1**, **Exhibit K2**, and **Exhibit K3**.

38. Copies of the NPDES permits for the KRWWTP and for the PHWWTP are attached hereto as **Exhibit L1** and **Exhibit L2**, respectively. Copies of the Water Quality Management ("WQM") Permits for the KRWWTP and the PHWWTP are attached hereto as **Exhibit M1** and **Exhibit M2**, respectively.

39. Copies of Discharge Monitoring Reports ("DMR") for the KRWWTP and for the PHWWTP, from January 2012 through December 2016, are attached hereto as **Exhibit N1** and **Exhibit N2**, respectively, to document compliance with DEP requirements. Copies of the DEP Chapter 94 Reports for 2016 are attached hereto as Exhibits E1 and E2, as previously noted. Aqua is not aware of any current environmental compliance issues for the Limerick Township wastewater system.

40. Aqua is in good standing with DEP. Copies of Aqua DMRs from January 2012 through December 2016 for two similar plants, the Media Wastewater Treatment Plant and the Willistown

Wastewater Treatment Plant, are attached hereto as **Exhibit O1** and **Exhibit O2**, respectively, to document general compliance with DEP requirements.

41. The service area comprising the Requested Territory is consistent with Limerick Township's service area mapped by the Township. Copies of Limerick Township's Act 537 Plan documents are attached hereto as **Exhibit P1** and **Exhibit P2**. The web address for the Limerick Township Comprehensive Plan is: <http://www.limerickpa.org/documentcenter/view/126>. The web address for the Montgomery County Comprehensive Plan is: <http://www.montcopa.org/DocumentCenter/View/7719>.

42. Aqua has an existing operational presence and wastewater professionals in the area. Aqua provides wastewater service in Montgomery County. Its Southeastern Division Office is, moreover, approximately 19 miles from the Limerick Township treatment plants. The acquisition will easily fold into Aqua's existing wastewater operations. A listing of Aqua's nearby territory and facilities is as follows:

Buyer's Plant	Location	Approximate Distance to Limerick Township Acquisition, Miles
Media WWTP	Media, PA	22
Willistown WWTP	Willistown, PA	17
Southeastern Division Office	Bryn Mawr, PA	19

43. Aqua is not anticipating any physical or managerial changes at its Southeastern Division Office as a result of the acquisition. Aqua is, however, planning to employ seven (7) Township operational employees. Additionally, Aqua Pennsylvania will be moving its Gilbertsville office to the existing offices at Limerick's KRWWTP. By combining these offices it will promote cross-training between water and wastewater operators, further the Company's integration process, and help reduce office rental expense as detailed in the testimony of Mr. Bubel, which as identified in Section XI below, is attached hereto as **Exhibit V**. Planned capital improvements are also presented in Mr. Bubel's testimony.

IX. AFFECTED PERSONS

44. No corporation or entity, except Limerick Township, is now furnishing or has corporate or franchise rights to furnish wastewater service in the Requested Territory, and no competitive condition will be created by approval of this Application. Water and wastewater service providers abutting or within one mile of the Requested Territory are as follows

Pennsylvania American Water Company	Schwenksville Borough Authority
Lower Frederick Township	Borough of Pottstown
Lower Pottsgrove Authority	Superior Water Company
Aqua Pennsylvania, Inc.	New Hanover Sewer Authority
Perkiomen Township Municipal Authority	Royersford Borough
North Penn Authority	Skippack Township
College-Trappe Municipal Authority	Upper Frederick Township
Phoenixville Water Department	Upper Providence Township
East Coventry Township	Valley Forge Sewer
East Vincent Township	Spring City Borough

X. REASONS SUPPORTING THIS APPLICATION

45. Approval of this Application is necessary or proper for the service, accommodation, convenience or safety of the public. As summarized below and discussed further in the testimonies of Mr. Packer and Mr. Bubel, which as identified in Section XI below, are attached hereto as **Exhibit U** and **Exhibit V**:

a. Aqua has the technical, regulatory, financial and legal fitness to operate the Assets of Limerick Township, and to maintain the operations and make improvements to meet continuing and future customer needs. The proposed transaction will not have an adverse effect on the service provided to existing customers of Aqua;

b. Limerick Township has agreed to sell its Assets. The public interest and need will be served by allowing Aqua, in lieu of Limerick Township, to provide wastewater service in the Requested Territory and to address the issues of regulatory requirements and

capital expenditures. The Limerick Township system will benefit from the support of wastewater professionals throughout Aqua's organization;

c. The acquisition is consistent with the Commission's long-standing policy supporting the consolidation/regionalization of water/wastewater systems. Through consolidation/regionalization, the utility industry has a better chance to realize the benefits of better management practices, economies of scale, and the resulting greater environmental/economic benefits. The Commission has previously stated that "acquisitions of smaller systems by larger more viable systems will likely improve the overall long-term viability of the water and wastewater industry."³ The benefits of consolidation/regionalization, ultimately, inure to customers both existing and acquired;

d. Aqua provides utility service to approximately 20,000 wastewater customers and has years of experience operating wastewater treatment and collection systems in a safe, reliable and efficient manner. Aqua has the managerial, technical, and financial resources to improve the operations of the Township;

e. The acquisition will not have any immediate impact on the rates of either the Township customers or the existing customers of Aqua. Notably, Aqua has not had a base rate increase since 2010; and

f. The acquisition of the Limerick Sewer system will increase Aqua's customer base by approximately 27%. With a larger customer base, future infrastructure investments, Statewide, will be shared at a lower incremental cost per customer for all Aqua customers. The

³ Pennsylvania Public Utility Commission, Final Policy Statement on Acquisitions of Water and Wastewater Systems, Docket No. M-00051926, Final Order at 18 (Aug. 17, 2006).

acquisition, moreover, comes with the expectation of future growth. Future growth will spread the cost of service across even more customers, further improving economies of scale.

XI. ADDITIONAL INFORMATION REQUIRED BY SECTION 1329 OF THE PUBLIC UTILITY CODE AND THE PUBLIC UTILITY COMMISSION'S 1329 CHECKLIST

46. Aqua and Limerick Township have agreed to use the process presented in Section 1329 of the Public Utility Code, 66 Pa. C.S. § 1329, to determine the fair market value of the Assets and the ratemaking rate base.

47. As required by Section 1329(d)(1)(i), copies of the Fair Market Value Appraisals Reports of Gannett Fleming Valuation and Rate Consultants, LLC (“Gannett Fleming”), Utility Valuation Expert, and Herbert, Rowland, & Grubic, Inc. (“HRG”), Utility Valuation Expert, are attached hereto as **Exhibit Q** and **Exhibit R**, respectively. Confidential and Proprietary Work Paper Files, in Excel Format, of Gannett Fleming and HRG are provided on the Confidential CD included with the Application.

48. Applicant states that the purchase price of the Assets of the selling utility as agreed to by Aqua and Limerick Township is \$75,100,000.

49. The ratemaking rate base determined pursuant to Section 1329(c)(2) of the Public Utility Code is \$75,100,000, being the lesser of the purchase price of \$75,100,000 negotiated by Aqua and Limerick Township and the average of the fair market value appraisals which is \$78,494,000 – determined by \$80,098,000 (rounded) presented in the appraisal of Gannett Fleming and \$76,890,000 presented in the appraisal of HRG.

50. Aqua will incur transaction and closing costs of approximately \$250,000, which it will include in its rate base.

51. A schedule of rates tariff page implementing rates equal to the rates of Limerick Township at the time of closing is attached hereto as Exhibit G, as previously stated.

52. Applicant verifies that Gannett Fleming was selected by Aqua, the acquiring public utility, and that HRG was selected by Limerick Township, the selling municipality.

53. The Utility Valuation Experts were paid \$75,608.49 for the completed Fair Market Value Appraisal Reports. Documentation of the fees paid to Gannett Fleming and HRG are attached hereto as **Exhibit S1** and **Exhibit S2**, respectively. Fees paid to the Experts did not exceed 5% of the fair market value of the selling utility.

54. Statements of Gannett Fleming and of HRG verifying that they have no affiliation with Aqua or Limerick Township as specified in Section 1329 and that their Appraisals determined fair market value in compliance with the Uniform Standards of Professional Appraisal Practice, employing the cost, market and income approaches are attached hereto as **Exhibit T1** and **Exhibit T2**, respectively.

55. The testimony of William C. Packer, in support of this Application is attached hereto as **Exhibit U**. Aqua's Rate Stabilization Plan is presented in Mr. Packer's testimony and its Exhibit D. A Work Paper File, in Excel Format, of Schedules C and D to Mr. Packer's Testimony is provided on a CD included with the Application.

56. The testimony of Mark J. Bubel, Sr., in support of this Application is attached hereto as **Exhibit V**.

57. The Engineer's Assessment of tangible assets of Limerick Township is attached hereto as **Exhibit W**.

XII. CONCLUSION

WHEREFORE, Aqua requests that the Public Utility Commission approve this Application, filed pursuant to Sections 1102 and 1329 of the Public Utility Code, and:

a. Issue *Certificates of Public Convenience* under §1102 of the Pennsylvania Public Utility Code:

(1) Authorizing Aqua to acquire, by purchase, the wastewater system assets of Limerick Township; and

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

b. Authorize 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 Limerick Township's rates as set forth in this Application as Aqua's Base Rates within the Requested Territory; and

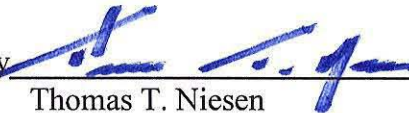
(3) Apply Aqua's *Rules and Regulations* within the Requested Territory.

c. Enter an *Order* approving this Application and Aqua's acquisition of the Assets and, as part of that *Order* include the ratemaking rate base of Limerick Township as \$75,100,000 pursuant to Section 1329(c)(2) of the Public Utility Code; and

d. Issue such other approvals, certificates, registrations and relief, if any, under the Public Utility Code that may be required with respect to Aqua's acquisition of the Assets pursuant to Section 1102 and 1329 of the Public Utility Code.

Respectfully submitted,

AQUA PENNSYLVANIA WASTEWATER, INC.

By  _____

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Counsel for Aqua Pennsylvania Wastewater, Inc.

Date: May 19, 2017