

**Application of Pennsylvania-American Water Company for Acquisition of Assets of
The Municipal Authority of the City of McKeesport
66 Pa. C.S. §1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2017-_____**

19. Cost of Service.
- e. State whether the seller has any outstanding loans on the utility plant and identify the nature, terms, and payment history.

RESPONSE:

- e. Note 4 at pages 13-18 of the “Notes to Financial Statements for the Years Ended December 31, 2015 and 2014” appended to McKeesport’s 2015 audited financial statements provides details of its outstanding debt and related debt service obligations. A copy of the audited financial statements is enclosed at Appendix 19-a. PAWC may consider the assumption of applicable low-interest PENNVEST loans. All other outstanding debt amounts are expected to be settled at closing.