



June 9, 2017

VIA E-FILE

David P. Zambito

Direct Phone 717-703-5892
Direct Fax 215-989-4216
dzambito@cozen.com

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: In re: Application and related filings of Pennsylvania-American Water Company under Sections 507, 1102(a), and 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 507, 1102(a), 1329, for approval of its acquisition of wastewater system assets of The Municipal Authority of the City of McKeesport, related wastewater service rights, fair market valuation ratemaking treatment, accrual and deferral of certain post-acquisition improvement costs, and certain contracts with municipal corporations; Docket No. A-2017-2606103

PENNSYLVANIA-AMERICAN WATER COMPANY'S SUPPLEMENTS TO APPENDICES K AND L OF THE APPLICATION

Dear Secretary Chiavetta:

Enclosed on behalf of Pennsylvania-American Water Company are Supplements to Appendices K and L of the above-referenced Application. The supplements are executed copies of (1) the Resolution authorizing the Municipal Authority of the City of McKeesport to enter into the First Amendment to the Asset Purchase Agreement (as promised by footnote 5 of the Application) and (2) the Ordinance of the City of McKeesport authorizing the execution of the First Amendment to the Asset Purchase Agreement (as promised by footnote 6 of the Application).

Copies of this filing have been served on the parties as indicated on the attached Certificate of Service. Should you have any question or concern, please feel free to contact me.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito
Counsel for *Pennsylvania-American Water Company*


DPZ/kmg
Enclosure

cc: Sean Donnelly, Bureau of Technical Utility Services
Per Certificate of Service

VERIFICATION

I, Michael Salvo, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. 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: June 9, 2017



Michael Salvo
Senior Manager, Business Development
Pennsylvania American Water Company

**CERTIFICATE OF SERVICE
Docket No. A-2017-2606103**

I hereby certify that I have this day served a true copy of the foregoing Supplements to Appendices K and L of the Application, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA E-FILE AND FIRST CLASS MAIL:

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Office of Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101-1303

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

DATED: June 9, 2017



David P. Zambito, Esquire
Counsel for *Pennsylvania-American Water Company*

MACM Resolution



LAW OFFICE OF GEORGE S. GOBEL, ESQUIRE

502 5TH AVE., SUITE 305
MCKEESPORT, PA 15132
(412) 672-2311 FAX (412) 672-8237

VIA HAND DELIVERY

June 7, 2017

J. Jason Elash, Esquire
Solicitor, City of McKeesport
502 Fifth Avenue
McKeesport, PA 15132

RE: First Amendment to Asset Purchase Agreement By and Among the City of McKeesport, The Municipal Authority of the City of McKeesport, and Pennsylvania-American Water Company

Dear Jason:

Enclosed herewith find a fully executed copies of the following documents which have been executed by the appropriate officials of The Municipal Authority of the City of McKeesport:

1. First Amendment to the Asset Purchase Agreement dated May 15, 2017, by and among the City of McKeesport, MACM and Pennsylvania-American Water Company.

2. Resolution No. 2017-7 dated June 6, 2017, which authorizes the proper officers of MACM to execute the First Amendment to the Asset Purchase Agreement and which Resolution was accepted and approved by MACM at its regular and public monthly meeting held yesterday, June 6, 2017.

Please feel free to contact me if you have any questions or require any further information in this matter.

Sincerely yours,

George S. Gobel, Esquire
Solicitor, The Municipal
Authority of the City of McKeesport

GSG/das
Enclosures

FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT (the "**First Amendment**") is made and entered into as of the 15th day of May, 2017 by and among the City of McKeesport, Allegheny County, Pennsylvania (the "**City**"), a city of the third class under the Constitution and laws of the Commonwealth of Pennsylvania and the City's Home Rule Charter, the Municipal Authority of the City of McKeesport, a body corporate and politic, duly authorized under the Pennsylvania Municipal Authorities Act ("**Seller**"), and Pennsylvania-American Water Company, a Pennsylvania corporation ("**Buyer**").

WHEREAS, the parties hereto executed an Asset Purchase Agreement dated September 9, 2016 (the "**Agreement**"); and

WHEREAS, the parties hereto intend to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- A. The first sentence of Section 3.02 of the Agreement shall be replaced in its entirety by the following:

The negotiated purchase price for the Acquired Assets shall be One Hundred Sixty-Two Million Dollars (\$162,000,000)(the "**Purchase Price**") which shall be paid as follows:

- B. A new clause to Section 3.02, shall be inserted as Section 3.02(c) and shall provide as follows (existing clauses 3.02(c) through (f) shall remain but retitled 3.02(d) through (g)):

Within five (5) Business Days of receipt of written notice from the City that it has due and owing specific payables which meet the definition of Appropriate Use, such payables meet or exceed the amount set forth below and such payable are specifically identified in such notice, but in any case not prior to November 1, 2017, Buyer shall deposit Two Million Dollars (\$2,000,000) of the Purchase Price, payable to the City in immediately available funds (the "**November Deposit**"), subject to Section 14.02 and secured by the City with the Second Deposit Note, provided the November Deposit shall not be made unless, in the reasonable judgment of Buyer, the City is diligently pursuing its obligations under the Agreement.

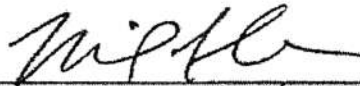
- C. The November Deposit will be secured by the City with a duly executed note (the "**Second Deposit Note**"), in the form attached hereto as Exhibit A.
- D. The parties agree that all references to "the Deposit" in the Agreement shall include the November Deposit and all references to "the Deposit Note" shall include the Second Deposit Note without limitation.
- E. In the Article I. of the Agreement (Definitions), the definition of Outside Date is hereby

deleted and replaced with “**Outside Date**” means June 30, 2018.

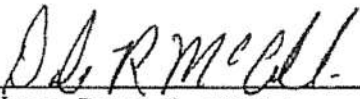
- F. For the avoidance of any doubt and subject to Section 7.05(b) of the Agreement, the parties confirm that Buyer, in Buyer’s first base rate proceeding with respect to the System following the Closing, shall include a request in such proceeding to combine partially, under Pennsylvania’s System Improvement Charges Act 11 of 2012 (“Act 11”), Buyer’s water and wastewater revenue requirements for ratemaking purposes to ensure the System’s customers benefit from Act 11 in the same manner as Buyer’s other customers throughout Pennsylvania and to the extent permitted by the PaPUC and applicable Law; *provided*, that Buyer shall nonetheless have the reasonable discretion to address and agree to base rate increases for customers in the Service Area in the context of settlement of a base rate proceeding, and nothing contained in this Section F. of the First Amendment shall be deemed to restrict or limit Buyer in the context of any such settlement, subject to PaPUC approval and applicable Law.
- G. For the avoidance of doubt, the words “rate stabilization” where they appear in Section 7.05(b) shall be changed to “rate commitment”.
- H. The Asset Purchase Agreement between the City and the Borough of Port Vue Borough dated as of April 29, 2016 shall be removed from Schedule 4.15 (the list of contracts that are to be assigned), provided, however that for the avoidance of any doubt, no change is being made to the definition of “Acquired Assets” so the assets of the Port Vue system which were included in the definition shall remain.
- I. Except as modified hereby, the rest and remainder of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be duly executed as of the day and year first above written.


CITY OF MCKEESPORT

By: 
Name: Michael Cherepko
Title: MAYOR

**MUNICIPAL AUTHORITY OF THE CITY OF
MCKEESPORT**

By: 
Name: DALE R. MCCALL
Title: CHAIRMAN

**PENNSYLVANIA-AMERICAN WATER
COMPANY**

By: 
Name: Jeffrey L. McIntyre
Title: President

OFFICIAL
THE MUNICIPAL AUTHORITY OF THE CITY OF MCKEESPORT
RESOLUTION NO. 2017-7

A RESOLUTION OF THE MUNICIPAL AUTHORITY OF THE CITY OF MCKEESPORT, COUNTY OF ALLEGHENY AND COMMONWEALTH OF PENNSYLVANIA, AUTHORIZING THE PROPER AUTHORITY OFFICERS TO EXECUTE THE ATTACHED FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT FOR THE SALE OF SUBSTANTIALLY ALL OF THE SEWER SYSTEM ASSETS OF THE AUTHORITY.

WHEREAS, under the provisions of the Pennsylvania Municipal Authorities Act, Act 22 of 2001, 53 Pa.C.S.A. Section 5601 et seq., formerly the Municipality Authorities Act of 1945, as amended, the City of McKeesport, Allegheny County, a City of the Third Class (the "City"), incorporated, created and has the power to dissolve and/or terminate The Municipal Authority of the City of McKeesport (the "Authority"), which currently owns and operates a sanitary sewer system (the "Sewer System"), for the benefit and use of the residents of the Cities of McKeesport and Duquesne, the Boroughs of Glassport, Liberty, Lincoln, Port Vue, Versailles, East McKeesport, White Oak and Dravosburg, and the Townships of North Versailles and Elizabeth; and

WHEREAS, Public Financial Management, Inc., and Boenning & Scattergood, Inc. serve as financial advisors (the "Financial Advisors"), and Dilworth Paxson LLP and Grogan & Graffam, P.C./Dickie, McCamey & Chilcote, P.C. serve as outside counsel ("Counsel") to the City and the Authority in connection with the sale of the Sewer System; and

WHEREAS, the Authority, as requested by the City, and the City issued a Request for Qualifications (the "RFQ") on June 4, 2015, for expressions of interest from qualified companies and entities for the possible lease or sale of the Sewer System, and received responses from interested potential bidders; and

WHEREAS, the Authority, as requested by the City, and the City issued a Request for Bids (the "RFB") on June 3, 2016, to solicit bids from interested and qualified entities based on a form of asset purchase agreement approved by the Authority and the City for the sale of the Sewer System (the "Agreement"), and with an exact copy of the Agreement being attached hereto as Exhibit A; and

WHEREAS, two qualified bids were received on July 29, 2016; and

WHEREAS, the Authority, as requested by the City which incorporated and created the Authority and has the power to dissolve and/or terminate the Authority so long as all bonds, debts and obligations of the Authority are satisfied on or before the date of dissolution and/or termination, and the City desire to award the bid and sell the Sewer System to the highest bidder, Pennsylvania American Water ("PAW"), and with an exact copy of the Bid of PAW attached hereto as Exhibit B; and

WHEREAS, upon such sale, the Authority shall pay or provide for the payment of all of its debts, **bonds** and obligations not otherwise assigned to the City or PAW; and

WHEREAS, the City has authorized, ordered and directed the Authority to dissolve and terminate on or immediately after the date that the sale is closed pursuant to the Agreement (the "Closing Date") and with all of the Authority bonds and system obligations to be refunded and/or defeased to maturity, as evidenced by the Ordinance of the City Council of the City to effect the foregoing attached hereto as Exhibit C, and which Ordinance was enacted into law by the City on September 7, 2016.

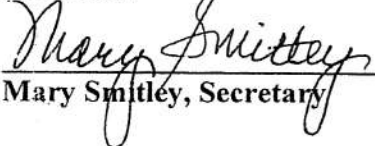
WHEREAS, as a result of the terms of the Asset Purchase Agreement the parties were required to negotiate an increased purchase price and extension of the "End Date" of said agreement in order to comply with all applicable statutes and/or regulations.

NOW, THEREFORE, BE IT RESOLVED AND ADOPTED by the Board of The Municipal Authority of the City of McKeesport, County of Allegheny, Commonwealth of Pennsylvania, and it is hereby **RESOLVED** and **ADOPTED** by authority of the same, that:

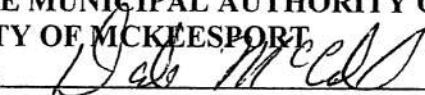
1. The Chairman or Vice-Chair of the Board of the Authority is authorized to execute and deliver the attached First Amendment to the Asset Purchase Agreement in substantially the form provided to the Board.

RESOLVED AND ADOPTED by the Board of The Municipal Authority of the City of McKeesport, County of Allegheny, Commonwealth of Pennsylvania, meeting in regular and public session, the 6th day of June, 2017.

ATTEST:



Mary Smitley, Secretary

**THE MUNICIPAL AUTHORITY OF THE
CITY OF MCKEESPORT**
By: 

Dale McCall, Chairman

FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT (the "**First Amendment**") is made and entered into as of the 15th day of May, 2017 by and among the City of McKeesport, Allegheny County, Pennsylvania (the "**City**"), a city of the third class under the Constitution and laws of the Commonwealth of Pennsylvania and the City's Home Rule Charter, the Municipal Authority of the City of McKeesport, a body corporate and politic, duly authorized under the Pennsylvania Municipal Authorities Act ("**Seller**"), and Pennsylvania-American Water Company, a Pennsylvania corporation ("**Buyer**").

WHEREAS, the parties hereto executed an Asset Purchase Agreement dated September 9, 2016 (the "**Agreement**"); and

WHEREAS, the parties hereto intend to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- A. The first sentence of Section 3.02 of the Agreement shall be replaced in its entirety by the following:

The negotiated purchase price for the Acquired Assets shall be One Hundred Sixty-Two Million Dollars (\$162,000,000)(the "**Purchase Price**") which shall be paid as follows:

- B. A new clause to Section 3.02, shall be inserted as Section 3.02(c) and shall provide as follows (existing clauses 3.02(c) through (f) shall remain but retitled 3.02(d) through (g)):

Within five (5) Business Days of receipt of written notice from the City that it has due and owing specific payables which meet the definition of Appropriate Use, such payables meet or exceed the amount set forth below and such payable are specifically identified in such notice, but in any case not prior to November 1, 2017, Buyer shall deposit Two Million Dollars (\$2,000,000) of the Purchase Price, payable to the City in immediately available funds (the "**November Deposit**"), subject to Section 14.02 and secured by the City with the Second Deposit Note, provided the November Deposit shall not be made unless, in the reasonable judgment of Buyer, the City is diligently pursuing its obligations under the Agreement.

- C. The November Deposit will be secured by the City with a duly executed note (the "**Second Deposit Note**"), in the form attached hereto as Exhibit A.
- D. The parties agree that all references to "the Deposit" in the Agreement shall include the November Deposit and all references to "the Deposit Note" shall include the Second Deposit Note without limitation.
- E. In the Article I. of the Agreement (Definitions), the definition of Outside Date is hereby

EXHIBIT

A

deleted and replaced with “**Outside Date**” means June 30, 2018.

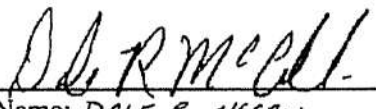
- F. For the avoidance of any doubt and subject to Section 7.05(b) of the Agreement, the parties confirm that Buyer, in Buyer’s first base rate proceeding with respect to the System following the Closing, shall include a request in such proceeding to combine partially, under Pennsylvania’s System Improvement Charges Act 11 of 2012 (“Act 11”), Buyer’s water and wastewater revenue requirements for ratemaking purposes to ensure the System’s customers benefit from Act 11 in the same manner as Buyer’s other customers throughout Pennsylvania and to the extent permitted by the PaPUC and applicable Law; *provided*, that Buyer shall nonetheless have the reasonable discretion to address and agree to base rate increases for customers in the Service Area in the context of settlement of a base rate proceeding, and nothing contained in this Section F. of the First Amendment shall be deemed to restrict or limit Buyer in the context of any such settlement, subject to PaPUC approval and applicable Law.
- G. For the avoidance of doubt, the words “rate stabilization” where they appear in Section 7.05(b) shall be changed to “rate commitment”.
- H. The Asset Purchase Agreement between the City and the Borough of Port Vue Borough dated as of April 29, 2016 shall be removed from Schedule 4.15 (the list of contracts that are to be assigned), provided, however that for the avoidance of any doubt, no change is being made to the definition of “Acquired Assets” so the assets of the Port Vue system which were included in the definition shall remain.
- I. Except as modified hereby, the rest and remainder of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be duly executed as of the day and year first above written.


CITY OF MCKEESPORT

By: 
Name: Michael Cherepko
Title: MAYOR

**MUNICIPAL AUTHORITY OF THE CITY OF
MCKEESPORT**

By: 
Name: DALE R. MCCALL
Title: CHAIRMAN

**PENNSYLVANIA-AMERICAN WATER
COMPANY**

By: 
Name: Jeffrey L. McIntyre
Title: President

City of McKeesport Ordinance

An Ordinance of the
City of McKeesport

Folder 200



A handwritten signature in black ink, appearing to be "P" or "J", is located to the right of the seal.

SERIES: 2017

ORDINANCE NO.: 17-009

Presented By: Administration

Bill No.: 89

Introduced By: **Keith Soles**

Date: 6-7-17

Public Notice:

Public Hearing:

AN ORDINANCE OF THE CITY OF MCKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE THE ATTACHED ASSET PURCHASE AGREEMENT AMENDMENT RELATING TO THE TERMS OF THE ASSET PURCHASE AGREEMENT COVERING THE SALE OF SUBSTANTIALLY ALL OF THE SEWER SYSTEM ASSETS OF THE MUNICIPAL AUTHORITY OF THE CITY OF MCKEESPORT.

WHEREAS, the City of McKeesport, Allegheny County, a City of the Third Class (the "City"), incorporated the Authority, which currently owns and operates a sanitary sewer system, (the "Sewer System"), for the benefit and use of the residents of the Cities of McKeesport and Duquesne, the Boroughs of Glassport, Liberty, Lincoln, Port Vue, Versailles, East McKeesport, White Oak and Dravosburg, and the Townships of North Versailles and Elizabeth: and

WHEREAS, Public Financial Management, Inc. and Boenning & Scattergood, Inc. serve as financial advisors (the "Financial Advisors"), and Dilworth Paxson LLP and Grogan & Graffam, P.C. and Dickie McCamey & Chilcote, P.C. as outside counsel ("Counsel") to the City and the Authority in connection with the sale of the Sewer System; and

Bill No. 89 Cont.

WHEREAS, the City and the Authority on June 4, 2015, issued a Request for Qualifications (the "RFQ") for expressions of interest from qualified companies and entities for the lease or sale of the Sewer System, and received responses from interested potential bidders; and

WHEREAS, the City and the Authority, on June 3, 2016, issued a Request for Bids (the "RFB") to solicit bids from interested and qualified entities, based on a form of asset purchase agreement approved by the Authority and the City, and acceptable to the qualified bidders for the sale of the Sewer System (the "Agreement"); and

WHEREAS, two (2) qualified bids were received on July 29, 2016; and

WHEREAS, the Authority and the City desire to award the bid and sell the Sewer System to the highest bidder, Pennsylvania American Water ("PAW"); and

WHEREAS, in the judgement of City Council, entering into the Agreement with the Authority and PAW for the sale of the Sewer System is in the best interests of the City and the public which it serves; and

WHEREAS, on or about the date that the sale is closed pursuant to the Agreement (the "Closing Date") and all of the bonds and system obligations are refunded and/or defeased to maturity, the City intends to dissolve and terminate the Authority; and

WHEREAS, as a result of the terms of the Asset Purchase Agreement, the parties were required to negotiate an increased purchase price and extension of the "End Date" of said agreement in order to comply with all applicable statutes and/or regulations.

Bill #89 cont.

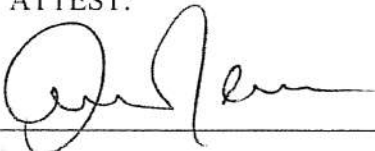
NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City of McKeesport, in Council assembled, and it is hereby ordained and enacted by the authority of the same as follows:

SECTION 1. The proper City Officials are hereby authorized to execute the attached "First Amendment to the Asset Purchase Agreement".

SECTION 2. Any and all provisions of any Ordinances, Resolutions, or Motions that are in conflict with the provisions hereof are hereby repealed.

ENACTED this 7TH day of June, A.D. 2017.


ATTEST:


Clerk of Council


President of Council

EXAMINED AND APPROVED this 7TH day of June, A.D., 2017

ATTEST:


Mayor

FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO THE ASSET PURCHASE AGREEMENT (the “**First Amendment**”) is made and entered into as of the 15th day of May, 2017 by and among the City of McKeesport, Allegheny County, Pennsylvania (the “**City**”), a city of the third class under the Constitution and laws of the Commonwealth of Pennsylvania and the City’s Home Rule Charter, the Municipal Authority of the City of McKeesport, a body corporate and politic, duly authorized under the Pennsylvania Municipal Authorities Act (“**Seller**”), and Pennsylvania-American Water Company, a Pennsylvania corporation (“**Buyer**”).

WHEREAS, the parties hereto executed an Asset Purchase Agreement dated September 9, 2016 (the “**Agreement**”); and

WHEREAS, the parties hereto intend to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- A. The first sentence of Section 3.02 of the Agreement shall be replaced in its entirety by the following:

The negotiated purchase price for the Acquired Assets shall be One Hundred Sixty-Two Million Dollars (\$162,000,000)(the “Purchase Price”) which shall be paid as follows:

- B. A new clause to Section 3.02, shall be inserted as Section 3.02(c) and shall provide as follows (existing clauses 3.02(c) through (f) shall remain but retitled 3.02(d) through (g)):

Within five (5) Business Days of receipt of written notice from the City that it has due and owing specific payables which meet the definition of Appropriate Use, such payables meet or exceed the amount set forth below and such payable are specifically identified in such notice, but in any case not prior to November 1, 2017, Buyer shall deposit Two Million Dollars (\$2,000,000) of the Purchase Price, payable to the City in immediately available funds (the “November Deposit”), subject to Section 14.02 and secured by the City with the Second Deposit Note, provided the November Deposit shall not be made unless, in the reasonable judgment of Buyer, the City is diligently pursuing its obligations under the Agreement.

- C. The November Deposit will be secured by the City with a duly executed note (the “Second Deposit Note”), in the form attached hereto as Exhibit A.

- D. The parties agree that all references to “the Deposit” in the Agreement shall include the November Deposit and all references to “the Deposit Note” shall include the Second Deposit Note without limitation.

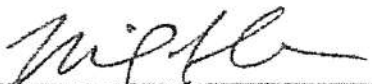
- E. In the Article I. of the Agreement (Definitions), the definition of Outside Date is hereby

deleted and replaced with “**Outside Date**” means June 30, 2018.

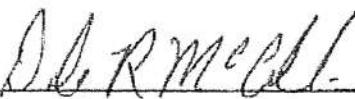
- F. For the avoidance of any doubt and subject to Section 7.05(b) of the Agreement, the parties confirm that Buyer, in Buyer’s first base rate proceeding with respect to the System following the Closing, shall include a request in such proceeding to combine partially, under Pennsylvania’s System Improvement Charges Act 11 of 2012 (“Act 11”), Buyer’s water and wastewater revenue requirements for ratemaking purposes to ensure the System’s customers benefit from Act 11 in the same manner as Buyer’s other customers throughout Pennsylvania and to the extent permitted by the PaPUC and applicable Law; *provided*, that Buyer shall nonetheless have the reasonable discretion to address and agree to base rate increases for customers in the Service Area in the context of settlement of a base rate proceeding, and nothing contained in this Section F. of the First Amendment shall be deemed to restrict or limit Buyer in the context of any such settlement, subject to PaPUC approval and applicable Law.
- G. For the avoidance of doubt, the words “rate stabilization” where they appear in Section 7.05(b) shall be changed to “rate commitment”.
- H. The Asset Purchase Agreement between the City and the Borough of Port Vue Borough dated as of April 29, 2016 shall be removed from Schedule 4.15 (the list of contracts that are to be assigned), provided, however that for the avoidance of any doubt, no change is being made to the definition of “Acquired Assets” so the assets of the Port Vue system which were included in the definition shall remain.
- I. Except as modified hereby, the rest and remainder of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be duly executed as of the day and year first above written.


CITY OF MCKEESPORT

By: 
Name: Michael Cherepski
Title: MAYOR

**MUNICIPAL AUTHORITY OF THE CITY OF
MCKEESPORT**

By: 
Name: DALE R. MCCALL
Title: CHAIRMAN

**PENNSYLVANIA-AMERICAN WATER
COMPANY**

By: 
Name: Jeffrey L. McIntyre
Title: President