

**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-_____**

7. Provide a verification statement that one utility valuation expert was selected by the buyer and the other utility valuation expert was selected by the seller.

RESPONSE: See enclosed verifications of Jerome C. Weinert, P.E., Principal and Director for AUS Consultants, Inc., on behalf of Pennsylvania-American Water Company and by Adrienne M. Vicari, P.E., Financial Services Practice Area Leader, for Herbert, Rowland, and Grubic, Inc., on behalf of The Municipal Authority of the City of McKeesport.


VERIFICATION OF UTILITY VALUATION EXPERT

I, Jerome C. Weinert, P.E., am Principal and Director for AUS Consultants, Inc. ("AUS"). AUS is a Utility Valuation Expert ("UVE") in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919181). In connection with the foregoing application, I hereby state the following:

1. Pennsylvania-American Water Company ("PAWC") as buyer selected AUS to perform a fair market value appraisal of the sewer system and related assets (the "System") of The Municipal Authority of the City of McKeesport ("MACM").
2. MACM as seller selected Herbert, Rowland, & Gubric, Inc. ("HRG"), a UVE in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919250), to perform a fair market value appraisal of the MACM System.
3. As Principal and Director for AUS, I and my staff prepared a fair market value appraisal of the System on PAWC's behalf dated April 10, 2017, as adjusted May 16, 2017 (the "Fair Market Value Appraisal").
4. The facts set forth in the Fair Market Value Appraisal are true and correct to the best of my knowledge, information, and belief.
5. As Principal and Director for AUS, I and my staff determined the fair market value of the System in compliance with the Uniform Standards of Professional Appraisal Practices, employing the cost, market and income approaches, as required by 66 Pa. C.S. § 1329(a)(3).
6. Neither AUS nor I nor any AUS staff derived any material benefit from the sale of MACM other than fees for services rendered.

7. Neither I nor any members of AUS staff are an immediate family member of a director, officer or employee of either PAWC, MACM, or the City of McKeesport within a 12-month period of the date PAWC engaged AUS to perform the Fair Market Value Appraisal.
8. I make this verification subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 5/19/2017



Jerome C. Weinert, P.E.
Principal and Director
AUS Consultants, Inc.
8555 West Forest Home Avenue, Suite 201
Greenfield, Wisconsin 53228
414-529-5755 (p)
414-529-5750 (f)

VERIFICATION OF UTILITY VALUATION EXPERT

I, Adrienne Vicari, P.E., Financial Services Area Practice Leader for Herbert, Rowland, and Grubic, Inc. ("HRG"). HRG is a Utility Valuation Expert ("UVE") in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919250). In connection with the foregoing application, I hereby state the following:

1. The Municipal Authority of the City of McKeesport ("MACM") as seller selected HRG to perform a fair market value appraisal of the sewer system and related assets (the "System") owned by MACM.
2. Pennsylvania-American Water Company ("PAWC") as buyer selected AUS Consultants, Inc. ("AUS"), a UVE in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (Utility Code 9919181), to perform a fair market value appraisal of the System.
3. As Financial Services Practice Leader for HRG, I and my staff prepared a fair market value appraisal of the System on MACM's behalf dated April 18, 2017 (the "Fair Market Value Appraisal").
4. The facts set forth in the Fair Market Value Appraisal (both on April 18, 2017, and after I was made aware of the new negotiated purchase price for the System of \$162.0 million as reflected in the "First Amendment to the Asset Purchase Agreement" dated May 15, 2017) are true and correct to the best of my knowledge, information, and belief.
5. As Financial Services Practice Leader for HRG, I and my staff determined the fair market value of the System in compliance with the Uniform Standards of Professional Appraisal Practices, employing the cost, market and income approaches, as required by 66 Pa. C.S. § 1329(a)(3).

6. Neither HRG nor I nor any members of HRG staff derived any material benefit from the sale of MACM other than fees for services rendered.
7. Neither I nor any members of HRG staff are an immediate family member of a director, officer or employee of either PAWC, MACM, or the City of McKeesport within a 12-month period of the date MACM engaged HRG to perform the Fair Market Value Appraisal.
8. I make this verification subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 5/23/2017

Adrienne M. Vicari
Adrienne Vicari, P.E.
Financial Services Area Practice Leader
Herbert, Rowland, and Grubic, Inc.
369 East Park Drive
Harrisburg, PA 17111
717-564-1121 (t)
717-564-1122 (f)