COZEN

June 8, 2017

Re:

VIA HAND DELIVERY

2017 JUN -8 PM 4: 15
PA PUC
SECRETARY'S BUREAU
FRONT DESK

David P. Zambito

Direct Phone 717-703-5892 Direct Fax 215-989-4216

dzambito@cozen.com

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

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

In re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of The Municipal Authority of the City of McKeesport's assets, properties and rights related to its wastewater collection and treatment system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the City of McKeesport, the City of Duquesne, Port Vue Borough, the Borough of Dravosburg, and a portion of West Mifflin Borough, Allegheny County, Pennsylvania and to three bulk service interconnection points located in Liberty Borough, White Oak Borough, and North Versailles Borough, Allegheny County, Pennsylvania.

In re: Application of Pennsylvania-American Water Company under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, for approval of the use for ratemaking purposes of the lesser of the fair market value or the negotiated purchase price of The Municipal Authority of the City of McKeesport's assets related to its wastewater collection and treatment system.

Petition of Pennsylvania-American Water Company, related to its acquisition of The Municipal Authority of the City of McKeesport wastewater collection and treatment system, for approval under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) collect a distribution system improvement charge, (ii) for book and ratemaking purposes, accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the distribution system improvement charge, and (iii) for book and ratemaking purposes, defer depreciation related to post-acquisition improvements not recovered through the distribution system improvement charge.

In re: Filing by Pennsylvania-American Water Company under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of (i) the Asset Purchase Agreement Between Pennsylvania-American Water Company, the City of McKeesport and The Municipal Authority of the City of McKeesport and (ii) 18 agreements with municipal corporations to be assumed by Pennsylvania-American Water Company upon closing of its acquisition of substantially all of The Municipal Authority of the City of McKeesport's assets related to its wastewater collection and treatment system; Docket No. A-2017-2606103.

PENNSYLVANIA-AMERICAN WATER COMPANY RESPONSES TO 66 Pa. C.S. § 1329 APPLICATION COMPLETENESS REVIEW OF THE BUREAU OF TECHNICAL UTILITY SERVICES, DATED JUNE 3, 2017

Dear Secretary Chiavetta:

Enclosed please find Pennsylvania-American Water Company's Responses to the 66 Pa. C.S. § 1329 Application Completeness Review of the Bureau of Technical Utility Services ("TUS"), dated June 3, 2017, in the above-referenced matter, together with verifications of the individuals providing responses. The responses and their appendices are also included on the enclosed CD-ROM. The Excel spreadsheets requested by TUS are contained on a separate CD-ROM included with the Response to No. 1. Also enclosed is a copy of an email exchange between the undersigned counsel and Mr. Sean Donnelly of TUS regarding the Company's voluntary extension of TUS's review period until June 14, 2017.

Thank you for your attention to this matter. Copies of the 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,

COZĘN O'CONNOR

By: David P. Zambito

Counsel for Pennsylvania-American Water Company

DPZ/kmg Enclosure

cc: Per Certificate of Service

Sean Donnelly (Bureau of Technical Utility Services) (via hand delivery)

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing Responses of Pennsylvania-American Water Company to the 66 Pa.C.S. § 1329 Application Completeness Review of the Bureau of Technical Utility Services, dated June 3, 2017 (Pennsylvania-American Water Company-Wastewater Division of McKeesport System Application at Docket No. A-2017-2606103), upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA HAND DELIVERY:

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 Consumer Advocate 555 Walnut Street Forum Place, 5th Floor Harrisburg, PA 17101-1923 Office of Small Business Advocate Commerce Building, Suite 202 300 North Second Street Harrisburg, PA 17101-1303

DATED: June 8, 2017

David P. Zambitd, Esquire

Counsel for Pennsylvania-American Water Company

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

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David P. Zambito

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

VIA HAND DELIVERY

June 14, 2017

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor North Harrisburg, PA 17120

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

ORIGINAL VERIFICATIONS FOR PENNSYLVANIA-AMERICAN WATER COMPANY RESPONSES TO 66 Pa. C.S. § 1329 APPLICATION COMPLETENESS REVIEW OF THE BUREAU OF TECHNICAL UTILITY SERVICES, DATED JUNE 3, 2017 (FILED JUNE 8, 2017)

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the originals of the Verifications for the filing entitled "Responses to 66 Pa.C.S. § 1329 Application Completeness Review of the Bureau of Technical Utility Services," dated June 3, 2017, made by Pennsylvania-American Water Company on June 8, 2017 in the above-referenced matter. Copies of the Verifications were included with the original filing.

Thank you for your attention to this matter. Please do not hesitate to contact the undersigned counsel with any question or concern.

Sincerely,

COZEN O'CONNOR

Bv: David P. Zambīto

Counsel for Pennsylvania-American Water Company

DPZ/kmg Enclosures

I, <u>David R. Kaufman</u> , 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: 6/1/19

David R. Kaufman, P.E.

Vice President, Engineering Pennsylvania American Water Company

I, <u>James Merante</u> , 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: ____6/7/n

James Merante, CPA

Director - Hinancial Strategy, Planning and Decision Support

American Water, Mid-Atlantic Division



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: __ 6/1/11

Michael Salvo Senior manager, Business Development Pennsylvania American Water Company

I, <u>Jerome C. Weinert</u>, 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 6, 2017

Jerome C. Weinert, P.E.
Principle and Director
AUS Consultants, Inc.

8555 West Forest Home Avenue, Suite 201 Greenfield, Wisconsin 53228

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SECRETARY DESK

Zambito, David

From:

Zambito, David

Sent:

Wednesday, June 7, 2017 6:29 PM

To:

Donnelly, Sean

Cc:

Diskin, Paul; McKinley, Clinton; Zander, Paul; Sparks, Shaun A; Chiavetta, Rosemary;

susan.marsh@amwater.com; Bibikos, George A.

Subject:

RE: PAWC-WD McKeesport Wastewater Section 1329 Application at Docket

A-2017-2606103

Dear Mr. Donnelly,

As follow up to our telephone discussion of this afternoon, please be advised that PAWC intends to file responses to TUS's list of additional required application information by close of business on Thursday, June 8, 2017. The responses will be filed with the Commission's Secretary, with copies served on the parties on whom the application was originally served. A copy will also be hand-delivered to you. The responses will include verifications.

Please let this email serve as notice that PAWC voluntarily extends the review period for the application until Wednesday, June 14, 2017. PAWC offers this extension based on your representation that several of your staff members will be unavailable over the next couple of days. This voluntary extension should not be construed as a waiver of PAWC's right to assert the 10-day review period in future Section 1329 proceedings.

PAWC respectfully requests that, if TUS is able to complete its review of the supplemental information sooner than Wednesday, June 14, 2017, the application be accepted for filing at the earliest possible time. Please note that PAWC is willing to address questions that you may have regarding the supplemental information that is being furnished. However, PAWC does not deem it appropriate under Section 1329 or the Commission's Final Implementation Order for TUS to issue requests for additional information that could have been requested during TUS's initial 10-day review period.

Thank you for your attention to this matter. Please do not hesitate to contact me with any question or concern. Best regards.

Dave Zambito

Counsel for Pennsylvania-American Water Company



David P. Zambito
Co-Chair, Energy, Environmental & Public Utilities Group
Office Managing Partner | Cozen O'Connor
17 North Second Street, Suite 1410 | Harrisburg, PA 17101
P: 717-703-5892 F: 215-989-4216
Email | Bio | LinkedIn | Map | cozen.com

From: Donnelly, Sean [mailto:SDONNELLY@pa.gov]

Sent: Friday, June 2, 2017 4:04 PM

To: Zambito, David <DZambito@cozen.com>

Cc: Diskin, Paul <pdiskin@pa.gov>; McKinley, Clinton <cmckinley@pa.gov>; Zander, Paul <pzander@pa.gov>; Sparks,

Shaun A <shsparks@pa.gov>; Chiavetta, Rosemary <rchiavetta@pa.gov>; susan.marsh@amwater.com

Subject: PAWC-WD McKeesport Wastewater Section 1329 Application at Docket A-2017-2606103

Attorney David P. Zambito Cozen O'Connor 17 North Second Street, Suite 1410 Harrisburg, PA 17101

Dear Attorney Zambito,

The Commission's Bureau of Technical Utility Service (TUS) performed a completeness review of Pennsylvania-American Water Company - Wastewater Division's (PAWC-WD's) above-referenced Section 1329 application submitted on May 24, 2017. Based upon our initial review, we have determined the application to be missing information required by the 66 Pa. C.S. § 1329 Application Filing Checklist as revised 3/17/2017. Attached is a draft list of information that still needs to be provided to perfect the subject application. Please note the identified information needs to filed with the Secretary's Bureau by the close of business on Tuesday, June 6, 2017, as the ten business-day review period ends on June 8, 2017, otherwise the Bureau may reject the application.

To permit the company to correct the identified deficiencies, TUS will not take action on the application on June 8, 2017, if the company opts to supply the requested materials but cannot do so before June 6, 2017. Rather, TUS will hold its determination in abeyance until no later than June 15, 2017, so that the company may either provide the requested materials or request a final determination on the completeness of its application. Please respond to this e-mail with the company's preference on how to handle the identified deficiencies.

Sincerely,

Sean P. Donnelly, P.E.
Fixed Utility Valuation Engineer Supervisor
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Tele. No. (717) 783-2505