



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

December 26, 2017

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

Re: Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Sections  
1102 and 1329 of the Public Utility Code for Approval of its Acquisition of  
the Wastewater System Assets of Limerick Township  
Docket No. A-2017-2605434

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E)  
**Answer to Petition for Reconsideration** in the above-captioned proceeding.

Copies are being served on parties as identified in the attached certificate of  
service. If you have any questions, please contact me at (717) 783-6156.

Sincerely,

Carrie B. Wright

Prosecutor

Bureau of Investigation and Enforcement

PA Attorney I.D. #208185

CBW/sea  
Enclosure

cc: Certificate of Service  
ALJ Steven Haas

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Aqua Pennsylvania	:	
Wastewater, Inc. Pursuant to Sections	:	
1102 and 1329 of the Public Utility Code	:	Docket No. A-2017-2605434
for Approval of its Acquisition of the	:	
Wastewater System Assets of Limerick	:	
Township	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Answer to Petition for Reconsideration** dated December 26, 2017, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

**Served via Electronic and First Class Mail**

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Carrie B. Wright  
Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney I.D. #208185

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Application of Aqua Pennsylvania</b>	<b>:</b>	
<b>Wastewater, Inc. Pursuant to Sections</b>	<b>:</b>	
<b>1102 and 1329 of the Public Utility Code</b>	<b>:</b>	<b>Docket No. A-2017-2605434</b>
<b>for Approval of its Acquisition of the</b>	<b>:</b>	
<b>Wastewater System Assets of Limerick</b>	<b>:</b>	
<b>Township</b>	<b>:</b>	
	<b>:</b>	

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**BUREAU OF INVESTIGATION AND ENFORCEMENT ANSWER  
TO THE PETITION FOR RECONSIDERATION OF AQUA PENNSYLVANIA,  
INC.**

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**I. INTRODUCTION**

On May 19, 2017, Aqua Pennsylvania Wastewater, Inc. (“Aqua” or “Company”) filed an Application for approval of: 1) the acquisition of the wastewater system assets of Limerick Township (“Limerick”), 2) the right of Aqua Pennsylvania Wastewater, Inc. to be to offer, render, furnish and supply wastewater service to the public in a portion of Limerick Township, and 3) for an order approving the acquisition that includes the ratemaking rate base of the Limerick wastewater system assets pursuant to Section 1329(c)(2) of the Public Utility Code (“Application”). On May 31, 2017, by Secretarial Letter, the Pennsylvania Public Utility Commission (“Commission” or “PUC”) acknowledged receipt of the Application. This Application requests that the Commission approve the purchase of Limerick’s wastewater assets and issue the necessary Certificates of Public Convenience (“CPC”) for Aqua to furnish service to the approximately 5,434

Limerick customers. Further, the Application requests that the Commission issue an Order which sets the rate base of the acquired Limerick assets at \$75.1 million under the newly enacted Section of the Public Utility Code, 66 Pa. C.S. § 1329.

Pursuant to a Prehearing Conference Order, Administrative Law Judge Steven K. Haas (“ALJ”), was assigned to develop an evidentiary record and Recommended Decision (“RD”) in this proceeding, and the ALJ conducted a Prehearing Conference on June 28, 2017. At the Prehearing Conference, a procedural schedule and the procedures applicable to this proceeding were set forth and subsequently memorialized in a Prehearing Order.

In accordance with the procedural schedule outlined in the Prehearing Order the parties exchanged direct, rebuttal, and surrebuttal testimony. The Bureau of Investigation and Enforcement (“I&E”) introduced the following statements of testimony:

- I&E Statement No. 1, the Direct Testimony of Kokou Apetoh;
- I&E Exhibit No, 1, the Exhibit to accompany the Direct Testimony of Kokou Apetoh;
- I&E Statement No. 1-SR, the Surrebuttal Testimony of Kokou Apetoh;
- I&E Statement No. 2, the Direct Testimony of Rachel Maurer;
- I&E Exhibit No. 2, the Exhibit to accompany the Direct Testimony of Rachel Maurer; and
- I&E Statement No. 2-SR, the Surrebuttal Testimony of Rachel Maurer.

During the course of litigation, the parties were unable to resolve the issues presented in Aqua’s Application. On July 20 and July 21, 2017, at the time and place set for the evidentiary hearing, the parties appeared before ALJ Hass and conducted cross-examination and entered testimony and exhibits into evidence. At that time, I&E moved into evidence the pieces of I&E testimony and exhibits identified above. On August 11,

2017, Main Briefs were filed by Aqua, I&E and the Office of Consumer Advocate (“OCA”). On August 18, 2017 Reply Briefs were filed by Aqua, I&E and OCA.

On September 18, 2017, the ALJ issued a Recommended Decision approving Aqua’s Application. On November 29, 2017 the Commission issued its Order in this proceeding approving the acquisition and a ratemaking rate base of \$64,373,378. On December 14, 2017 Aqua filed a Petition for Reconsideration of the Opinion and Order entered November 29, 2017, alleging that the Commission is precluded from adopting adjustments to the fair market value (“FMV”) appraisals of the Utility Valuation Experts (“UVE”).

Pursuant to 52 Pa. Code Section 5.572(e), the Bureau of Investigation and Enforcement (“I&E”) hereby files this timely Answer requesting that the Commission deny the requested relief put forth in the Company’s Petition. Specifically, I&E requests that the Commission deny the Company’s request to reconsider its November 29, 2017 Order. As grounds for reconsideration, the Petition largely cites to arguments raised in briefs and exceptions that were found to be unpersuasive by the Commission. As the Company has raised these issues already in both this proceeding and the recent *Aqua/New Garden* proceeding, I&E submits that reconsideration is not warranted. The Company has failed to meet the *Duick* standard for a Petition for Reconsideration.

## **II. ANSWER TO PETITION**

As further support to deny this Petition I&E offers the following comments in enumerated fashion:

1. Admitted.

2. The averments of this paragraph represent the findings of the RD, which speaks for itself.

3. The averments of this paragraph represent the findings of the Commission's Order, which speaks for itself.

4. Admitted in part, denied in part. While Aqua is correct that it has contended that Section 1329 prevents other parties and the Commission from making adjustments to the UVE appraisals, Aqua fails to present the full picture of the Commission determination that review and adjustment to the UVE appraisals is appropriate.

In the *Aqua/New Garden* case, the Commission expressly considered and answered the question of whether parties are permitted to challenge UVEs fair market values in Section 1329 proceedings. The Commission concluded that the appropriate scope of review is driven by not only Section 1329, but also by Sections 505 and 1103(b) of the Code. Combined, Sections 505 and 1103 provided the Commission with the authority to conduct an inquiry into the value of the assets to be acquired and to "make such inquiries, physical examinations, valuations, and investigations. . ." as deemed necessary to render a finding or determination.<sup>1</sup>

The Commission determined that it retained the authority "to review and analyze the UVE evaluations to determine compliance with the USPAP standards and whether the cost, market, and income approaches were accurately applied to the UVEs' analyses."<sup>2</sup>

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<sup>1</sup> Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, p. 34 (Order entered June 29, 2017).  
<sup>2</sup> Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, p. 34 (Order entered June 29, 2017).

The Commission determined that nothing in Section 1329 abrogated or repealed Section 505 and 1103, and that these Sections could act in harmony with Section 1329.<sup>3</sup>

Ultimately, the Commission held that Section 1329 permits the Commission and the Parties to develop a record pertaining to the review and analysis of the fair market value appraisals of the UVEs.<sup>4</sup>

5. This paragraph largely consists of a request for relief to which no response is required. However, as noted above, and throughout this Answer, I&E strenuously disagrees that the clear language of Section 1329 requires that the Commission adopt the UVE appraisals as appropriate with no opportunity for any other party or the Commission itself to review them.

6. Admitted.

7. Admitted.

8. The averments of this paragraph represent the findings of the Commission's Order, which speaks for itself. Further it should be noted that Aqua's Petition does not meet the *Duick* standard for review. As noted by Aqua itself, the Commission addressed the ability to challenge these appraisals in its November 29 Order. And as Aqua noted in paragraph 4 of this Petition, Aqua has contended throughout this proceeding that review of and challenges to the UVE appraisals are inappropriate. However, Reconsideration is not "a second motion to review and reconsider, to raise the same questions which were

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<sup>3</sup> Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, p. 35 (Order entered June 29, 2017).

<sup>4</sup> Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, Aqua Exceptions, pp. 25-26.

specifically considered and decided against them.”<sup>5</sup> Clearly, this Commission has already answered Aqua’s question in not only this proceeding, but also in the *Aqua/New Garden* proceeding. The Commission must decline reconsideration of this question once more.

9. Denied. It is denied that the Commission’s conclusion that Section 1329 permits a review of the UVE appraisals is an error of law. Further, Aqua’s argument does not meet the *Duick* standard for review because there is nothing new, novel, or previously not heard in this argument. In fact, this is the same argument Aqua made both in the instant case<sup>6</sup> and in the *New Garden*<sup>7</sup> proceeding.

The Pennsylvania Statutory Construction Act provides that the object of all statutory interpretation is to determine the General Assembly's intent based on the express words used in the statute.<sup>8</sup> The plain language of Section 1329 contemplates a thorough Commission review of the valuation process in two ways. First, Section 1329 states that “each utility valuation expert shall determine fair market value in compliance with the Uniform Standards of Professional Appraisal Practice, employing the cost, market and income approaches.”<sup>9</sup> These enumerated requirements are important because absent parties’ ability to investigate the underlying basis of the UVEs’ fair market value appraisals, it will not be possible for the Commission to determine whether the UVEs

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<sup>5</sup> *Duick v. Pa. Gas and Water Co.*, 56 Pa. PUC 553, 559 (1982) (quoting *Pa. Railroad Co. v. Pa. Pub. Serv. Comm’n*, 179 A. 850, 854 (Pa. Super. 1935)).

<sup>6</sup> Aqua MB pp. 38 -49.

<sup>7</sup> Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, (Order entered June 29, 2017).

<sup>8</sup> 1 Pa. C.S. § 1921(a).

<sup>9</sup> 66 Pa. C.S. § 1329(a)(3).



complied with Section 1329. Instead, the perfunctory review advocated by Aqua would require the Commission to accept any submitted appraisal on its face without any ability to verify its basis. Moreover, the de minimis review advocated by Aqua remains inconsistent with the timeline and procedure contemplated in Section 1329 and by the Commission. As previously explained, Section 1329 provides the Commission with six months from the filing of a Section 1329 application to issue an order.<sup>10</sup> I&E submits that Section 1329's six-month timeline contemplates "the development of a full and complete record for the Commission's review."<sup>11</sup>

Additionally, Aqua made this similar argument in its *New Garden* proceeding, disputing the fact that the Commission and other parties may review and analyze the fair market value appraisals of the UVEs to ensure that the public interest is protected. The Commission disagreed, stating in part "...we find that Section 1329 permits the Commission and the Parties to develop a record pertaining to the review and analysis of the fair market value appraisals of the UVEs."<sup>12</sup> As such, the Commission has recently determined that the parties to these proceedings, such as I&E and OCA, have the ability and the authority to challenge the UVE appraisals.

10. Denied. It is denied that the Section 1329 ratemaking rate base is not subject to adjustment. Section 1329 states that "each utility valuation expert shall determine fair market value in compliance with the Uniform Standards of Professional

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<sup>10</sup> 66 Pa. C.S. § 1329(d)(2).

<sup>11</sup> *Final Implementation Order*, M-2016-2543193, p. 35 (Order entered October 27, 2016).

<sup>12</sup> *New Garden Order*, p. 35.

Appraisal Practice, employing the cost, market and income approaches.”<sup>13</sup> Under this standard, any appraisal submitted by a UVE must be consistent with the Uniform Standards of Professional Appraisal Practice and it must utilize the three outlined approaches. Without parties’ ability to investigate the underlying basis of the UVEs’ fair market value appraisals, it will not be possible for the Commission to determine whether the UVEs complied with Section 1329.

The perfunctory review advocated by Aqua would require the Commission to accept any submitted appraisal on its face without any ability to verify its basis. While certification as a UVE qualifies an appraiser to submit a fair market value determination in this proceeding, it cannot act as an advance guarantee that any appraisal that the UVE submits is compliant with the Uniform Standards of Professional Appraisal Practice or that the UVE’s appraisal truly employs the cost, market and income approaches. Instead, by requiring a UVEs compliance with these standards, Section 1329 contemplates a level of oversight that can only be performed if the Commission is able to investigate the underlying bases of the UVEs’ fair market value appraisals.

Second, the perfunctory review advocated by Aqua is inconsistent with the timeline and procedure contemplated in Section 1329. More specifically, Section 1329 provides the Commission with six months from the filing of a Section 1329 application to issue an order.<sup>14</sup> Under Aqua’s scenario, there would be no need for the six-month review period allotted by Section 1329. This narrow interpretation is clearly contrary to the robust

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<sup>13</sup> 66 Pa. C.S. § 1329(a)(3).

<sup>14</sup> 66 Pa. C.S. § 1329(d)(2).

litigation procedure envisioned by the Commission as evidenced by the fact that the Commission has directed that testimony, hearings, briefs and exceptions occur during the six-month review period. The Commission recognized the importance of providing parties with due process and emphasized that the procedural schedule should “be tailored to the development of a full and complete record for the Commission’s review.”<sup>15</sup>

Aqua’s position is the antithesis of this directive as it contends that other parties have no authority to make recommendations concerning the fair market valuation. Accordingly, I&E avers that the scope of review advocated by Aqua does not comport with the plain language of Section 1329 or with the Commission’s implementation of this new code provision. Nowhere in Section 1329 does it imply that the ratemaking rate base must be the lesser of the FMV or the purchase price with no adjustment to the purchase price.

11. Admitted in part, denied in part. It is admitted that Aqua quoted part of Section 1329. It is denied that this quote deprives other parties of the ability to review and make adjustments to Section 1329 appraisals.

As noted above, the Pennsylvania Statutory Construction Act provides that the object of all statutory interpretation is to determine the General Assembly's intent based on the express words used in the statute.<sup>16</sup> The plain language of Section 1329 contemplates a thorough Commission review of the valuation process.

By accepting Aqua’s argument that issues of valuation are beyond the scope of this case and outside the purview of the Commission’s jurisdiction, the Commission

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<sup>15</sup> *Final Implementation Order*, M-2016-2543193, p. 35 (Order entered October 27, 2016).

<sup>16</sup> 1 Pa. C.S. § 1921(a).

would surrender its ability to enforce Sections 505<sup>17</sup> and 1103(b)<sup>18</sup> of the Code in Section 1329 proceedings. Section 505 acts to preserve the Commission’s right to conduct an inquiry into the value of the property that Aqua seeks to acquire. Additionally, because Aqua’s Application also seeks a Certificate of Public Convenience, Section 1103 explicitly affords the Commission the right to “make such inquiries, physical examinations, valuations, and investigations, and may require such plans, specifications, and estimates of cost, as it may deem necessary or proper...”<sup>19</sup> Each of these Sections individually provides the Commission with the authority to conduct an investigation into property valuation, and property valuation is the core purpose of Section 1329 proceedings.

Importantly, nothing in Section 1329 eradicates or repeals Section 505 or Section 1103. The express language of Section 1329 makes no mention of either Section, nor does it impliedly repeal these Sections. Absent certain exceptions that do not apply here, a tenant of statutory construction is that a later statute shall not be construed to supply or repeal an earlier statute unless the two statutes are irreconcilable.<sup>20</sup> In this case, the Section 1329 fair market valuation process is reconcilable with the Commission’s authority under Sections 505 and 1103 of the Code.

Specifically, by use of its authorities under Sections 505 and 1103 to inquire into valuation, the Commission can ensure that UVEs have truly complied with the appraisal

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<sup>17</sup> 66 Pa. C.S. § 505 (“Section 505”).  
<sup>18</sup> 66 Pa. C.S. § 1103(b) (“Section 1103(b”).  
<sup>19</sup> 66 Pa. C.S. § 1103(b) (emphasis added).  
<sup>20</sup> 1 Pa. C.S. § 1971(c).

standards and methodology required by Section 1329. Additionally, this harmonious reading of the statutes respects the presumption in legislative intent that the General Assembly intends to favor the public interest as against any private interest.<sup>21</sup> In this case, the public interest is served by permitting the Commission to have some oversight of fair market appraisals relied upon in the establishment of Aqua's ratemaking rate base. Otherwise, if the Commission is forced to accept the rate base determination of non-regulators without any questions asked, it cannot fulfill its mandate to ensure that Aqua's rates will be just and reasonable, elevating private interests over the public interest.

12. Denied in part. Part of this paragraph is a request for relief to which no response is required. However, it is denied for the reasons set forth above that the Commission failed to follow and apply the clear and unambiguous language enacted by the General Assembly.

13. Denied. It is denied that the Commission failed to appropriately consider the "unbiased independence" of the UVEs in this proceeding. The Commission already determined in the *Aqua/New Garden* proceeding that review of the UVE appraisals is necessary to determine any instances of fraud, illegality or bad faith.<sup>22</sup> The Commission cannot automatically assume that the UVE appraisals are free from bias and errors.

14. Admitted. It is admitted that Aqua properly quoted a section of the Section 1329 Implementation Order.

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<sup>21</sup> 1 Pa. C.S. § 1922(5).

<sup>22</sup> Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, p. 35, footnote 6 (Order entered June 29, 2017).

15. Admitted in part, denied in part. It is admitted that Aqua has, once again, properly quoted a portion of the Section 1329 Implementation Order. It is denied, however, that the UVE application process by itself is enough to ensure that the UVE appraisals are unbiased.

In fact, the Commission addressed this very topic in the *Aqua/New Garden* proceeding. The Commission correctly rejected this argument in the *Aqua/New Garden* proceeding because it failed to provide the Commission with adequate oversight:

[W]e note that Aqua appears to agree with PAWC that the Commission has authority, in rare circumstances involving clear evidence of fraud, illegality or bad faith, to inquire whether the fair market value of the appraisals are valid and reliable. PAWC's reasoning appears based, in part, on the argument that the UVEs are presumptively valid and reasonable. However, it is unclear how such illicit actions would be uncovered without the ability of the Commission to investigate and analyze the bases of the UVE appraisals.<sup>23</sup>

Therefore, there is nothing new, novel or not previously considered about this argument.

As the *Duick* standard has not been met, it must be rejected.

16. Admitted in part, denied in part. It is admitted that HRG and Gannett are Commission approved UVEs. However, as noted above, the Commission has determined that this fact alone is simply not enough to establish that the appraisals conducted are valid.

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<sup>23</sup> Aqua/New Garden Section 1329 Case, Docket No. A-2016-2580061, p. 35, footnote 6 (Order entered June 29, 2017).

17. Admitted in part, denied in part. It is admitted that both HRG and Gannett Fleming are on the Commission's list of approved UVEs. However, it is denied that inclusion on the Commission's list of approved UVEs assures that an unbiased error-free appraisal that complies with USPAP must be assumed in 1329 cases. As the Commission has already determined, review of these appraisals is necessary to ensure any illicit actions are uncovered.

18. Admitted in part, denied in part. It is admitted that the UVE FMV appraisal report must be included with the Section 1329 application. It is denied that the General Assembly intended Section 1329 to deprive the OCA and other parties of the right to review and make adjustments to the UVE's appraisals.

As noted above, the Pennsylvania Statutory Construction Act provides that the object of all statutory interpretation is to determine the General Assembly's intent based on the express words used in the statute.<sup>24</sup> The plain language of Section 1329 contemplates a thorough Commission review of the valuation process. This would include review by OCA, I&E and other interested parties of the UVE appraisals. The Commission is then free to adopt any adjustments recommended to those appraisals as the General Assembly has not requested that the Commission abdicate any of its ratemaking authority to the UVEs.

19. Admitted in part, denied in part. It is admitted that OCA's witness in this proceeding was not a Commission approved UVE. As the OCA witness was not

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<sup>24</sup> 1 Pa. C.S. § 1921(a).

conducting an appraisal, as the UVEs do, there was no need for the witness to either be a Commission certified UVE or meet the requirements to be a Commission certified UVE. Therefore, it is denied that the Commission's adoption of the OCA witness' adjustments is a violation of the clear statutory mandate of Section 1329. As noted above, the public interest is served by permitting the Commission to have some oversight of fair market appraisals relied upon in the establishment of Aqua's ratemaking rate base. In this instance part of the Commission's oversight included accepting the adjustments put forth by OCA.

20. The averments of this paragraph represent the findings of the Commission's Order, which speaks for itself.

21. Admitted in part, denied in part. It is admitted that 1329 is a new fair market value procedure and that it is intended to encourage the acquisition of municipal water and wastewater systems. However, it is denied that the UVEs protect the public interest in these proceedings. Nothing in Section 1329 imposes any duty upon UVEs to protect the public interest. Accordingly, there is simply no basis to conclude that Section 1329 somehow confers a statutory duty upon UVEs, individuals hired to perform an appraisal for compensation, to protect the public interest.

Act 129 of 2008,<sup>25</sup> authorized the commission to establish bureaus, offices and positions to, *inter alia*, take appropriate enforcement actions that are necessary to ensure compliance with the Code and Commission regulations and orders.<sup>26</sup> In accordance with

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<sup>25</sup> 66 Pa. C.S. § 308.2.

<sup>26</sup> 66 Pa. C.S. § 308.2(a)(11).



Act 129, the commission established I&E to serve as the Prosecutory Bureau for the purposes of representing the public interest in ratemaking and service matters, and enforcing compliance with the code.<sup>27</sup> Section 1329 has not been repealed or replaced this provision. Therefore, the statutory duty to protect the public interest has not been transferred to the UVEs.

22. Denied in part. Part of this paragraph constitutes a request for relief to which no response is required.

However, it is denied that the Commission was mistaken in adopting the OCA adjustments in this proceeding. Aqua argues that in Section 1329 proceedings, the public interest is protected by two UVEs,<sup>28</sup> but Aqua offers no support for this conclusion. As noted above, I&E submits that there is no support for Aqua's conclusion because nothing in Section 1329 imposes any duty upon UVEs to protect the public interest.

23. Admitted in part, denied in part. It is admitted that ALJ Haas' Finding of Fact No. 52 indicated that the Gannett Fleming and HRG appraisals were performed in compliance with USPAP. However, it is denied that, as Aqua attempts to indicate, that this means that the appraisals were free from error or the need for adjustment.

24. Admitted in part, denied in part. It is admitted that the November 29 Order indicates that all Findings of Fact are incorporated by reference and adopted without comment unless they are expressly or by implication rejected or modified. However, as

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<sup>27</sup> 66 Pa. C.S. §§ 101 *et seq.*, and Commission regulations, 52 Pa. Code §§ 1.1 *et seq.* See *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

<sup>28</sup> Tr. at 95.

noted above, compliance with USPAP does not guarantee or prevent the Commission from making adjustments to the appraisals as the Commission sees fit consistent with the ratemaking authority bestowed upon it by the General Assembly.

25. Admitted in part, denied in part. It is admitted that the adjustments indicated by the Company were, in fact, the adjustments the Commission made to the HRG appraisal. However, it is denied that this presents an internal inconsistency on behalf of the Commission. As noted throughout this Answer, the Commission has not, by virtue of the existence of Section 1329, abdicated its ratemaking authority to the UVEs.

26. Denied. A reading of the Commission's November 29 Order shows that that the adjustments applied by the Commission were, in fact, explained.

27. This paragraph largely consists of a request for relief to which no response is required. However, as noted above, I&E disagrees that the other parties and ultimately the Commission are not allowed to make adjustments to the UVE appraisals. Further, the questions presented by Aqua in its Petition for reconsideration are those that have already been asked by the Company and answered by the Commission. Accordingly, since Aqua has failed to meet the *Duick* standard, reconsideration must be denied.

### III. CONCLUSION

For the reasons stated above, I&E respectfully requests that the Commission deny the Petition for Reconsideration of Aqua Pennsylvania Wastewater, Inc. The Company has neither raised any new or novel arguments, nor has the Company presented considerations which appear to have been overlooked or not addressed by the Commission. As the *Duick* standard has not been met, Aqua's Petition must be denied.

Respectfully submitted,



Carrie B. Wright

Prosecutor

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