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February 18, 2014

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor (filing room)  
Harrisburg, PA 17120

Re: The Columbia Water Company  
DSIC Quarterly Update / Tariff Supplement No. 65 to Water Pa. P.U.C. No. 7;  
Docket No. R-2013-2360798

Dear Secretary Chiavetta:

On February 6, 2014, Columbia Water Company ("Columbia") filed Supplement No. 64 to Tariff – Water Pa. P.U.C. No. 7, which increased rates effective February 7, 2014 in accordance with the Commission's Order dated January 23, 2014. On February 12, 2014, Columbia filed a letter indicating that its Distribution System Improvement Charge ("DSIC") had been reset to 0.0%. It has come to Columbia's attention that the tariff pages associated with the DSIC rate should have been included along with the February 12, 2014 DSIC letter filing. Therefore, after speaking with Commission personnel it was decided that Columbia would file the DSIC tariff pages associated with the February 12<sup>th</sup> letter as Supplement No. 65 to Tariff – Water Pa. P.U.C. No. 7. Enclosed, please find the associated tariff pages.

Thank you very much for your attention to this matter. Please to not hesitate to contact the undersigned with any questions you may have pertaining to this filing.

Very truly yours,

Thomas J. Sniscak  
William E. Lehman

*Counsel for Columbia Water Company*

WEL/bes  
Enclosure

cc: Per Certificate of Service  
Keith Mather ([kmather@pa.gov](mailto:kmather@pa.gov)) (with enclosures)

THE COLUMBIA WATER COMPANY

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RATES, RULES, AND REGULATIONS GOVERNING  
THE DISTRIBUTION OF WATER IN WEST HEMPFIELD, RAPHO,  
EAST DONEGAL AND MANOR TOWNSHIPS AND  
THE BOROUGHS OF COLUMBIA AND MOUNTVILLE, AND MARIETTA  
LANCASTER COUNTY, PENNSYLVANIA

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Issued: February 18, 2014

Effective: February 7, 2014

By: Donald H. Nikolaus, President  
The Columbia Water Company  
220 Locust Street  
Columbia, PA 17512

This Tariff updates the Distribution System Improvement Charge

(c)

See Page Two

(C) Indicates Change

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Issued: February 18, 2014

Effective: February 7, 2014

THE COLUMBIA WATER COMPANY

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List of Changes Made by this Supplement

Change:

Supplement No. 65 sets the distribution system improvement charge (DSIC) (C)  
effective February 7, 2014, in accordance with the Order of the Commission  
entered at Docket No. R-2013-2360798.

(C) Indicates Change

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Issued: February 18, 2014

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THE COLUMBIA WATER COMPANY

Table of Contents

Title Page	1	Supplement No. 65	(C)
List of Changes Made by this Supplement	2	Fifty-Third Revised	(C)
Table of Contents	3	Fifty-Third Revised	(C)
Schedule of Rates:			
Schedule of Rates – General Meter Rates	4	Thirteenth Revised	
Blank Page	5		
Schedule of Rates – Fire Protection	6	Ninth Revised	
Marietta Division			
Schedule of Flat Rates	6A		
Public Fire Protection	6B		
Private Fire Protection	6C		
Metered Rates	6D		
State Tax Adjustment Surcharge	7	Second Revised	
Blank Page	8		
Rules and Regulations:			
Index of Rules			
1. The Water Tariff	9		
2. Application for Service	9-10		
3. Customer's Service Pipes	10-12		
4. Meter and Meter Installation	12-13		
5. Meter Tests	14		
6. Credit	14-15		
7. Definitions	15-16		
8. Public Fire Hydrants	16-19		
9. Sales for Resale	20		
10. Payment Terms	20	Second Revised	
Payment Terms (continued)	21		
11. Turn-On Charge	21		
12. Discontinuance of Water Service	22		
13. Abatements and Refunds	22		
14. Service Continuity	23		
15. Liability of Company	23		
16. General	23-24		
17. Multiple Meters	24		
18. Separate Meter and Service Line	24		
19. Single Point Meter Service	24-28		
20. Lawn Sprinkler System	28		
21. Termination of Free Service	28-29		
22. Private Fire Service	29-35		
23. Cross-Connections and Interconnections	36-43		
24. Main Extensions	44-50	First Revised	
25. Water Conservation Contingency Plan	50-51		
26. Bulk Service Sales	52		
27. Distribution System Improvement Charge	53-55	Fourth Revised	
	56	Thirty-Eighth Revised	(C)

(C) Indicates Change

THE COLUMBIA WATER COMPANY

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF WATER**  
(Cont'd)

**27. Distribution System Improvement Charge (DSIC)**

Safeguards

**Cap:** The DSIC will be capped at 5% of the amount billed to customers under otherwise applicable rates and charges.

**Audit/Reconciliation:** The DSIC will be subject to audit at intervals determined by the Commission. It will also be subject to annual reconciliation based on a reconciliation period consisting of the 12 months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on May 1, of each year. If DSIC revenues exceed DSIC-eligible costs, such overcollections will be refunded with interest. Interest on the overcollections will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. sec. 101, et seq.) and will be refunded in the same manner as an overcollection.

**New Base Rates:** The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions, that have not previously been reflected in the Company's rate base, would be reflected in the quarterly updates of the DSIC.

**Earning Reports:** The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section.

**Customer Notice:** Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

27.1 In addition to the charges provided in this tariff, a distribution system improvement charge of 0.0% will apply to all charges for service, except public fire protection on or after February 7, 2014.

(C)  
(C)

(C) Indicates Change

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Issued: February 18, 2014

Effective: February 7, 2014

**VERIFICATION**

I, David T. Lewis, on behalf of Columbia Water Company, hereby state that the facts set forth in the foregoing document 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 in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

  
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David T. Lewis, P.E.  
General Manager  
Columbia Water Company

Dated: 2/18/14

**CERTIFICATE OF SERVICE**

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

**Service Via First Class Mail:**

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1921

Office of Small Business Advocate  
300 North Second St., Suite 1102  
Harrisburg, PA 17101

A handwritten signature in blue ink, appearing to read "William E. Lehman", is written over a horizontal line.

Thomas J. Sniscak  
William E. Lehman

Dated this 18th day of February, 2014