



The York Water Company

130 East Market St., York, PA 17401 NASDAQ: YORW

August 10, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Sincerely,

Re: M-2016-2543193, Implementation of Section 1329 to the Code
The York Water Company comments

Secretary Chiavetta:

In accordance with Tentative Implementation Order M-2016-2543193 we are providing the attached comments.

Sincerely,

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NASDAQ: YORW

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of Section 1329 of the : Docket No. M-2016-2543193
Public Utility Code :

**COMMENTS OF THE YORK WATER COMPANY TO THE
JULY 21, 2016 TENTATIVE IMPLEMENTATION ORDER**

Introduction

The York Water Company appreciates the opportunity to comment on this tentative implementation order entered July 21, 2016 regarding the implementation of Section 1329 of the Pennsylvania Public Utility Code. The York Water Company is America's oldest public utility and has been providing service for 200 years. York Water currently provides water and/or wastewater service to about 190,000 people in 48 municipalities in York and Adams Counties. We believe that Section 1329, as envisioned by the legislature and Governor Wolf's office, will facilitate partnerships between regulated water/wastewater utilities and local municipalities and authorities and provide those entities with expanded options which provide their constituents with high quality, regulated, water and wastewater services while also providing the municipalities with much needed resources while reducing their future liabilities.

Comments

Time Line- Judicial Process

According to the time line, the 6 month response time appears to be challenging for the Commission to attain. We believe this process could be completed in a non-judicial process, similar to the Section 1102 procedure that generally falls within TUS, BCS, and OCA. This would greatly reduce the demands on Commission resources.

Time Line- Time Limit

We believe the time line should include a time limit for the Commission to either accept the application as complete or returned to the applicant with specific questions that need to be addressed. Without this time limit, we are concerned that the application submission process could drag out many weeks or months before the Commission Staff reviews and responds. We suggest that the Staff have 10 days to accept or reject an application, and if no action is taken that the application would be deemed accepted.

Check List

Overall, we believe the Application Filing Checklist with approximately 68 specific items is onerous with many of the items regarding costs, values, and environmental issues either unnecessary or

redundant with other necessary filings. In recent years we have noticed similar issues with Section 1102 applications. We believe the Commission staff has been demanding too much data which is not pertinent nor material to an 1102 or, according to the proposed checklist, a 1329 application. The Commission Staff could save a considerable amount of time and resources, and streamline their process, by merely ascertaining that: 1) no conflicts arise and, 2) that the acquisition does not adversely impact the acquiring utility. The Commission should not ask any environmental questions because those are coordinated and resolved between the acquiring utility and the environmental regulator (DEP) when the acquiring utility transfers permits.

Check List – 11. Quantify the transaction and closing costs.

This should be an “estimate” since actual costs cannot be determined until completion of the project.

Check List – 13. Provide direct testimony.

This section should be eliminated (See Check List response above).

Check List – 14a. Plant in service.

This section should be eliminated. This information will be provided by the UVE. Also, since this is not relevant to the rate base established under Section 1329, we believe it is unnecessary for the application.

Check List – 14 b-d. Plant in Service.

These sections should be eliminated. We believe these are not pertinent nor material for the Commission Staff to process an application.

Check List – 18. Cost of Service

This section should be eliminated. None of these questions are relevant (See Check List above).

Check List – 15d. Written Description.

This section should be eliminated. A bearing angle and distance description is not material for the Commission Staff to process an application. The scalable map should provide enough clarity for the Commission Staff.

Check List – 15g-h. Depiction of all roads and route of proposed facilities.

This section should be eliminated. None of these questions are pertinent nor material for the Commission Staff to process an application.

Check List – 16a-b Customers.

Providing an estimate of the number of customers is reasonable. Projecting future customers and demonstrating our ability to serve them for the next 10 years is not pertinent nor material for the Commission Staff to process an application.

Check List – 16c. Number of Fire Hydrants (Water systems).

This section should be eliminated. This isn't pertinent nor material for the Commission Staff to process an application. Also, the acquiring utility may not have full documentation as to how many or which hydrants are private hydrants.

Check List – 18a-e. Cost of Service.

This section should be eliminated. None of these questions are pertinent nor material for the Commission Staff to process an application. Why does Commission Staff need past financial information? It seems irrelevant to the acquisition.

Check List – 19a-k. Proof of Compliance.

This section should be eliminated. None of these questions are pertinent nor material for the Commission Staff to process an application. The Commission should not ask any environmental questions because those are generally coordinated and resolved between the acquiring utility and the environmental regulator (DEP) when the acquiring utility transfers permits.

Check List – 20. Affected Persons.

This section should be eliminated. None of these questions are pertinent nor material for the Commission Staff to process an application.

Check List – 21a-e. Other requirements.

This section should be eliminated. None of these questions are pertinent nor material for the Commission Staff to process an application. The Commission should not ask any environmental questions because those are generally coordinated and resolved between the acquiring utility and the environmental regulator (DEP) when the acquiring utility transfers permits.

Check List – 23a-f. Asset Purchase Agreement.

This section should be eliminated. These questions are redundant to the Asset Purchase Agreement, which would be attached to the application.