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December 8, 2016

Via Electronic Filing

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

RE: Community Utilities of Pennsylvania, Inc.; Docket No. R-2016-2538660;
**SUPPLEMENT NO. 4 TO TARIFF - WATER PA PUC NO. 1; COMPLIANCE
FILING**

Dear Secretary Chiavetta:

In compliance with the Order entered on November 9, 2016 by the Pennsylvania Public Utility Commission (“Commission”) in the above-captioned proceeding, enclosed is Supplement No. 4 to Community Utilities of Pennsylvania, Inc.’s (“CUPA”) Tariff – Water Pa. P.U.C. No. 1. This Tariff Supplement makes increases in rates charged by CUPA in compliance with the Commission’s Order.¹ In accordance with Ordering Paragraph No. 5 of the Commission’s Order, the rates set forth in the enclosed Supplement No. 4 are permitted to be effective for service rendered on and after January 5, 2017.

A copy of the enclosed Tariff Supplement has been served as indicated on the attached Certificate of Service.

Thank you for your attention to this matter. Please contact me with any questions you may have.

Very truly yours,

Thomas J. Sniscak
William E. Lehman
Counsel to
Community Utilities of Pennsylvania, Inc.

TJS/WEL/das

Enclosure

cc: Per Certificate of Service

¹ This filing supplement contains 2 pages that were inadvertently omitted from Appendix A to the Joint Petition for Settlement. The two pages, Second Revised Page No. 10 and Third Revised Page No. 11, however, were contained in the originally-filed tariff and have only been renumbered here and included for consistency sake.

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).

BY ELECTRONIC AND FIRST CLASS MAIL

Phillip C. Kirchner
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265
phikirchne@pa.gov

Adrian Martenco
3137 Greenbrier Dr.
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Thomas J. Sniscak
Christopher M. Arfaa
William E. Lehman

Dated this 8th day of December, 2016

COMMUNITY UTILITIES OF PENNSYLVANIA INC.

RATES, RULES AND REGULATIONS GOVERNING

THE PROVISION OF WATER SERVICE

TO THE PUBLIC IN STROUD AND POCONO TOWNSHIPS IN MONROE COUNTY, AND
A PORTION OF HANOVER TOWNSHIP IN NORTHAMPTON COUNTY,

PENNSYLVANIA

Service Territory Formally Known as Penn Estates Utilities, Inc., and
Utilities, Inc. - Westgate

ISSUED: December 8, 2016

EFFECTIVE: January 5, 2017

ISSUED BY:

Steven M. Lubertozzi, President
2335 Sanders Road
Northbrook, IL 60062
(800) 860-4512

NOTICE: THIS TARIFF SUPPLEMENT UPDATES THE SCHEDULE OF RATES
FOR ALL CUSTOMERS PURSUANT TO THE PENNSYLVANIA PUBLIC UTILITY
COMMISSION'S FINAL ORDER IN DOCKET NO. R-2016-2538660

LIST OF CHANGES

Supplement No. 4 increases the schedule of rates applicable to all metered customers and fire protection customers in accordance with the Pennsylvania Public Utility Commission's Final Order in Dkt. No. R-2016-2538660. The increase moves rates toward unitization as stated in the Joint Petition filed at the foregoing docket. The increase in annual operating revenue is intended to produce an additional \$345,000 per year.

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(C) Indicates Change

PART I: SCHEDULE OF RATES AND CHARGES
(Service Territory Formally Known as Penn Estates Utilities, Inc.)

All water supplied by the Company shall be metered and the water usage shall be paid for in accordance with the following schedule of rates:

Section A - Rates for Metered Service

Residential

1. **Customer Charge:** Each customer will be assessed a customer service charge based upon the size of the customer's meter as follows:

Meter Size

5/8 inch	\$17.25/per month	(I)
1 inch	\$43.13/per month	(I)
1 1/2 inch	\$86.25/per month	(I)
2 inch	\$138.00/per month	(I)

2. **Consumption Charge:** In addition to the customer charge, the following water consumption charges will apply:

Rate per 1,000 Gals.	\$6.26	(I)
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Pool

1. **Customer Charge:** Each customer will be assessed a customer service charge based upon the size of the customer's meter as follows:

Meter Size

5/8 inch	\$17.25/per month	(I)
1 inch	\$43.13/per month	(I)
1 1/2 inch	\$86.25/per month	(I)
2 inch	\$138.00/per month	(I)

2. **Consumption Charge:** In addition to the customer charge, the following water consumption charges will apply:

Rate per 1,000 Gals.	\$6.26	(I)
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Rates will be payable in arrears and will be billed monthly.

(I) Indicates Increase

PART I: SCHEDULE OF RATES AND CHARGES (CONT'D)
(Service Territory Formally Known as Penn Estates Utilities, Inc.)

Clubhouse

1. **Customer Charge:** Each customer will be assessed a customer service charge based upon the size of the customer's meter as follows:

Meter Size

5/8 inch	\$17.25/per month	(I)
1 inch	\$43.13/per month	(I)
1 1/2 inch	\$86.25/per month	(I)
2 inch	\$138.00/per month	(I)

2. **Consumption Charge:** In addition to the customer charge, the following water consumption charges will apply:

Rate per 1,000 Gals.	\$6.26	(I)
----------------------	--------	-----

Section B - Fire Protection Rates

1. **Private Fire Protection:**
 Not applicable.
2. **Public Fire Protection:**
 No separate fee is charged for public fire protection.

Rates will be payable in arrears and will be billed monthly.

(I) Indicates Increase

PART I: SCHEDULE OF RATES AND CHARGES (CONT'D)
(Service Territory Formally Known as Penn Estates Utilities, Inc.)

Section C - Returned Check Charge

A charge of \$25 will be assessed any time where a check which has been presented to the Company for payment on account has been returned by the payor's bank for any reason.

Section D - Availability Rates

The flat rate availability charge for a lot upon which no structure has been erected will be \$18.81 (I) per month. These charges will be payable in arrears and will be billed quarterly.

Section E - Service Termination or Resumption Rates

The fee for shut-off or turn-on of service at the curb stop shall be \$30.00 during regular business hours and \$75.00 during non-regular business hours.

Section F - Meter Test Rates

Consistent with Commission regulation at 52 Pa. Code §65.8(h), the fee schedule for testing of meters shall be as follows:

1 inch or less	\$10.00
1 1/4 inch - 2 inch	\$20.00

These amounts may vary without revision of this tariff so as to be consistent with Commission regulations.

Fees for testing meters over 2 inches or for testing meters so located that testing costs are disproportionate to the stated fees shall be as established by the Company based upon the actual cost of the test.

Section G – Tampering Fee

Unauthorized connections, repairs, or other tampering with the system will render the service subject to immediate discontinuation without notice and water service shall not be restored until such unauthorized connections, repairs, and other tampering with the system have been removed and unless settlement is made in full and for water service estimated by the Company to have been used by reason for such unauthorized connection. The fee for these unauthorized connections, repairs, and system tamperings shall be \$200 plus any actual costs to repair.

(I) Indicates Increase

PART I: SCHEDULE OF RATES AND CHARGES (CONT'D)
(Service Territory Formally Known as Utilities, Inc. - Westgate)

All water supplied by the Company shall be metered and the water usage shall be paid for in accordance with the following schedule of rates:

Section A - Rates for Metered Residential Service

1. **Customer Charge:** Each metered residential customer will be assessed a customer service charge based upon the size of the customer's meter as follows:

<u>Meter Size</u>	<u>Customer Charge per Month</u>	
5/8 inch	\$ 17.25	(I)
1 inch	\$ 43.13	(I)
1 1/2 inch	\$ 86.25	(I)
2 inch	\$138.00	(I)

2. **Consumption Charge:** In addition to the customer charge, the following water consumption charges will apply:
 Rate per 1,000 Gals. \$7.27 (I)

Purchased Water Adjustment Clause
 A Purchased Water Adjustment Clause of \$0.00 per 1,000 gallons is applied to metered sales. (D)

Section B - Rates for Metered Commercial Service

1. **Customer Charge:** Each metered commercial customer will be assessed a customer service charge based upon the size of the customer's meter as follows:

<u>Meter Size</u>	<u>Customer Charge per Month</u>	
5/8 inch	\$ 17.25	(I)
1 inch	\$ 43.13	(I)
1 1/2 inch	\$ 86.25	(I)
2 inch	\$138.00	(I)

2. **Consumption Charge:** In addition to the customer charge, the following water consumption charges will apply:
 Rate per 1,000 Gals. \$7.27 (I)

Purchased Water Adjustment Clause
 A Purchased Water Adjustment Clause of \$0.00 per 1,000 gallons is applied to metered sales. (D)

(I) Indicates Increase (D) Indicates Decrease

PART I: SCHEDULE OF RATES AND CHARGES (CONT'D)
(Service Territory Formally Known as Utilities, Inc. - Westgate)

Section C – Fire Protection Rates

1. **Public Fire Protection:** For public fire protection, the charge shall be \$28.13 per hydrant per month. (I)

Section D – Returned Check Charge

A charge of \$25 will be assessed any time where a check which has been presented to the Company for payment on account has been returned by the payor’s bank for any reason.

Section E – Tampering Fee

Unauthorized connections, repairs, or other tampering with the system will render the service subject to immediate discontinuation without notice and water service shall not be restored until such unauthorized connections, repairs, and other tampering with the system have been removed and unless settlement is made in full and for water service estimated by the Company to have been used by reason for such unauthorized connection. The fee for these unauthorized connections, repairs, and system tampering shall be \$200.00 plus any actual costs to repair.

Section F – Service Termination or Resumption Rates

The fee for shut-off or turn-on service at the curb stop shall be \$30.00 during regular business hours and \$75.00 during non-regular business hours. (I)

Section G – Meter Test Rates

Consistent with Commission regulation at 52 Pa. Code Section 65.8(h), the fee schedule for testing of meters shall be as follows:

1 inch or less	\$10.00
1 ¼ inch – 2 inch	\$20.00

These amounts may vary without revision of this tariff so as to be consistent with Commission regulations.

Fees for testing meters over 2 inches or for testing meters so located that testing costs are disproportionate to the stated fees shall be as established by the Company based upon the actual cost of the test.

Section H – Construction Rates

The rate charge for building construction shall be at regular tariff metered service rates. A monthly deposit of \$20.00, or an amount based on the estimated use for a monthly billing period, will be required in advance.

- (I) Indicates increase.

PART I: SCHEDULE OF RATES AND CHARGES (CONT'D)
(Service Territory Formally Known as Utilities, Inc. - Westgate)

Section I - Purchased Water Adjustment Charge

The Company may apply a Purchased Water Adjustment Clause ("PWAC") to its water rates set forth under Schedule of Rates and Charges to reflect an increase or decrease in the rates charged by its wholesale water supplier, the City of Bethlehem ("City").

The PWAC will be calculated based on changes in the customer charges contained in Schedule G Meter Rates-Sales for Resale of the City's Tariff Water PA. P.U.C. No. 6. For purposes of calculating the PWAC, the amount collected or refunded will be the difference between the consumption charge rate per 1,000 gallons contained in the Company's Schedule of Rates and Charges and the customer charges contained in Schedule G of the City's tariff. The Company will revise the Tariff consumption charge in its base rate cases to mirror the customer charges in Schedule G of the City's tariff and set its PWAC to zero. Between rate cases, the Company will use the PWAC to reflect changes in the rates contained in Schedule G of the City's tariff. The Company will provide notice to its customers of changes in rates resulting from application of the PWAC.

The baseline items determined in the Company's most recent PWAC calculation:

$$(61,358,245 \text{ gallons} \times \$3.969/\text{gallon}) + (\$16,307.00 \text{ fixed charges}) = \$259,837.88$$

Determination of Purchased Water Adjustment Charge

A PWAC may be implemented on the effective date of a change in the City's wholesale rates charged to the Company for purchased water but not on less than 45 days notice to the customer. The Company may, at its option, implement a PWAC to recover an increase in purchased water costs. However, if the rate change is a decrease, the Company must implement a credit PWAC to reflect the decrease.

The items used to calculate the PWAC are:

- A. The projected cost of the volume of water purchased from the City in the prior 12 months at the City's revised rate per 1,000 gallons.

PART I: SCHEDULE OF RATES AND CHARGES (CONT'D)
(Service Territory Formally Known as Utilities, Inc. - Westgate)

B. The actual cost for the volume of water purchased from the City for the prior 12 months at the City's prior rate per 1,000 gallons.

C. The total metered water sold for the prior 12 months measured per 1,000 gallons.

The PWAC, per thousand gallons, shall be computed to the nearest one-hundredth cent (0.01) in accordance with the formulae below:

$$\text{PWAC} = \frac{\text{A} - \text{B}}{\text{C}}$$

The PWAC will be charged for each thousand gallons of metered water sales supplied under the Schedule of Rates and Charges.

Safeguards

Annual Reconciliation

The Company will provide an annual reconciliation of PWAC revenues with the actual cost of purchased water from the City pursuant to Section 1307(e) of the Public Utility Code upon implementation of a PWAC. The revenue received under the PWAC 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 July 1 of each year. If PWAC revenues exceed PWAC-eligible costs, such overcollections will be refunded with interest. Interest on the overcollections will be calculated at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. § 101, et seq.) and will be refunded in the same manner as an overcollection. For the purposes of calculating such over or under collection, the reconciliation period shall be the annual period ended March 31.

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 PWAC. Thereafter, only new purchased water adjustments, which have not previously been reflected in the Company's base rate, are eligible for PWAC recovery.

CAP

The PWAC shall not exceed seven and one-half percent (7.5%) of the amount billed to customers, exclusive of the amounts recovered under the State Tax Adjustment Surcharge.

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