

April 24, 2017

VIA ELECTRONIC FILING

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

In re: Docket No. R-2016-2554150, *et al.*  
Pa. P.U.C., *et al.* v. The City of DuBois – Bureau of Water

Dear Secretary Chiavetta:

We are counsel to Sandy Township, a Complainant in the above matter, and are submitting, via electronic filing with this letter, its Answer to the Petition for Reconsideration of the Office of Small Business Advocate. Copies of the Answer are being served upon the persons and in the manner set forth on the certificate of service attached to it.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By



Thomas T. Niesen

Encl.

cc: Certificate of Service (w/encl.)  
ra-OSA@pa.gov (w/encl.)  
David Monella (via email, w/encl.)

**Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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<b>Pennsylvania Public Utility Commission</b>	:	<b>R-2016-2554150</b>
<b>Office of Small Business Advocate</b>	:	<b>C-2016-2556342</b>
<b>Office of Consumer Advocate</b>	:	<b>C-2016-2556376</b>
<b>Sandy Township</b>	:	<b>C-2016-2557459</b>
	:	
<b>v.</b>	:	
	:	
<b>City of DuBois Bureau of Water</b>	:	

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**ANSWER OF SANDY TOWNSHIP TO THE PETITION FOR RECONSIDERATION  
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

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AND NOW, comes Sandy Township (“Township”), by its attorneys, and, pursuant to 52 Pa. Code § 5.572, answers the petition for reconsideration of the Office of Small Business Advocate (“OSBA”) as follows:

1. This proceeding concerns the City of DuBois – Bureau of Water’s (“City Water Bureau” or “City”) Supplement No. 22 to its Tariff Water Pa. P.U.C. No. 4. Through Supplement No. 22, the City Water Bureau sought Pennsylvania Public Utility Commission (“Commission”) approval of rates that would recover an estimated \$257,604 in additional annual revenue.

2. The Township filed a complaint in opposition to Supplement No. 22 and the City’s proposed rate increase. The complaint was assigned to docket C-2016-2557459. The Township is both a sale for resale customer and a commercial customer of the City.

3. By Opinion and Order entered March 28, 2017 (“Opinion and Order entered March 28”), the Commission, following evidentiary hearing and briefing, authorized the City to file a tariff supplement to produce an annual revenue increase over present revenue of \$71,133. In

respect to revenue allocation, the Commission concluded that the City’s proposed customer charges should be approved and that a proportional scale back of consumption charges should be performed to attain the allowed revenue increase.<sup>1</sup>

4. On April 12, 2017, the OSBA filed a petition for reconsideration asking that the Commission “reverse its decision to order that ‘the City proposed customer charges should be approved and that a proportional scale back of the consumption charges be performed.’” The OSBA argues that the City must be required to include customer charges in the proportional scale back of rates to attain the authorized revenue allowance.

5. On April 17, 2017, the City filed Supplement No. 24 to Tariff Water – Pa. P.U.C. No. 4 in purported compliance with the Opinion and Order entered March 28. On page 2 of the supporting information submitted with Supplement No. 24, the City appears to have allocated the authorized revenue increase as follows (retaining the originally proposed customer charges while scaling back consumption charges):<sup>2</sup>

<b>Outside-City</b>	<b>Percent Increase</b>	<b>Amount Increase</b>
Residential	9.2%	\$14,768
Commercial	8.9%	\$16,838
Industrial	9.7%	\$11,334
Sales for Resale	9.9%	\$28,283
Public Fire Protection	0.0%	<u>\$ 0</u>
Total	9.3%	\$71,224

6. Assuming the City has correctly calculated its proposed rates and the revenue to be produced from them, the City’s Supplement No. 24 will produce an approximate and roughly equivalent 9%–10% revenue increase to each Outside–City customer class for water service in

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<sup>1</sup> Opinion and Order entered March 28 at 119.

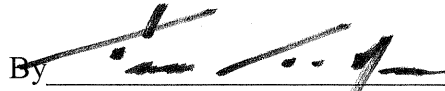
<sup>2</sup> Supplement No. 24 apparently will produce approximately \$90 in annual revenue more than the level authorized by the Opinion and Order entered March 28.

Sandy Township. An approximate and roughly equivalent 9%–10% increase to each customer class is acceptable to the Township for allocation of the \$71,133 revenue increase authorized by the Commission in this proceeding.

7. The end result of the OSBA's proposed rate allocation is not apparent from its petition for reconsideration. The Township, in that regard, cannot discern from the OSBA petition whether the OSBA's revenue allocation proposal would produce a result more acceptable for Sandy Township and its residents and businesses than the revenue allocation that would be effected through the City's Supplement No. 24.

WHEREFORE, Sandy Township answers the Petition for Reconsideration of the Office of Small Business Advocate as aforesaid.

Respectfully submitted,



By   
Thomas T. Niesen, Esq. (PA ID # 31379)  
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Harrisburg, PA 17101  
Tel: 717-255-7600

*Attorney for Sandy Township*

DATED: April 24, 2017

VERIFICATION

I, David Monella, Township Manager, being authorized to submit this Verification on behalf of Sandy Township, Clearfield County, Pennsylvania, hereby state that the facts set forth in the foregoing Answer to Petition for Reconsideration are true and correct to the best of my knowledge, information and belief, and that I expect Sandy Township 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).

   
David Monella  
Township Manager

**Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	<b>R-2016-2554150</b>
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<b>Sandy Township</b>	:	<b>C-2016-2557459</b>
	:	
v.	:	
	:	
	:	
<b>City of DuBois Bureau of Water</b>	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 24<sup>th</sup> day of April, 2017, served a true and correct copy of the foregoing Answer of Sandy Township to the Petition for Reconsideration of the Office of Small Business Advocate, upon the persons and in the manner set forth below:

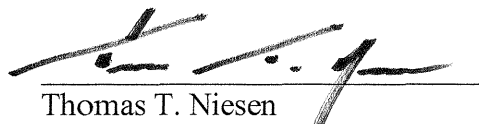
**EMAIL AND FIRST CLASS MAIL, POSTAGE PREPAID**

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