

Manwalamink Sewer Company

River Road, Fort DePuy
P.O. Box 48
Shawnee-on-Delaware, PA 18356-0048

570-517-2390
Fax: 570-476-9909

April 28, 2017

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

Re: Manwalamink Sewer Company

Dear Ms. Chiavetta:

Enclosed please find one original paper copy of Supplement No. 21 to Tariff Water -- PA P.U.C. No. 1 and a report setting forth responses to information required by Pennsylvania Code at 53.52 effecting changes in terms and conditions of utility service. Supplement No. 21 proposes increases in rates for wastewater service.

This filing includes:

- Supplement No. 21 to Tariff Water -- PA P.U.C. No. 1; and
- Rate Study Report containing responses to Sections (A) 1 through (C) 6 of the Code as required and supporting data.

Also enclosed please find the following:

- Executed Affidavit regarding Customer Notice; and
- Notice sent to customers of Manwalamink Sewer Company along with the Supporting Documentation.

If you have any questions or need any additional information, please contact us. Thank you.

Very truly yours,



Robert A. Shebelsky
Chairman/Chief Executive Officer

Enclosures

RAS/cmc

cc: Bureau of Investigation and Enforcement
Pennsylvania Office of Attorney General
Office of Consumer Advocate
Office of Small Business Advocate

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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**Supplement No. 21
To Sewer -- PA P.U.C. No. 1**

**MANWALAMINK SEWER COMPANY
RATES, RULES AND REGULATIONS
GOVERNING THE
DISTRIBUTION OF
SEWER SERVICES
IN THE VILLAGE OF SHAWNEE-ON-DELAWARE
AND ADJOINING TERRITORY
AND TO
SHAWNEE INN
ALL IN THE TOWNSHIP OF SMITHFIELD AND MIDDLE SMITHFIELD
COUNTY OF MONROE
STATE OF PENNSYLVANIA**

Issued: April 28, 2017

Effective: July 1, 2017

**By: Robert A. Shebelsky, Chief Executive Officer
Manwalamink Sewer Company
P.O. Box 48, Fort DePuy, 2nd Floor
Shawnee-on-Delaware, PA 18356-0048**

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

*******NOTICE*******

THIS SUPPLEMENT PROPOSES INCREASES IN RATES

MANWALAMINK SEWER COMPANY

**SUPPLEMENT NO. 21
To Sewer – PA P.U.C. No. 1
Twelfth Revised Page No. 1
Canceling Eleventh Revised Page No. 1**

LIST OF CHANGES MADE BY THE SUPPLEMENT

The tariff supplement proposes an overall increase of 5 percent in the sewer rates.

The rate on Page 3 applicable to two large commercial users identified as Ridge Top Recreation Area Pool and River Village Recreational Area Pool has been removed and is no longer applicable.

MANWALAMINK SEWER COMPANY

**SUPPLEMENT NO. 21
To Sewer -- PA P.U.C. No. 1
Twelfth Revised Page No. 2
Canceling Eleventh Revised Page No. 2**

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MANWALAMINK SEWER COMPANY

**SUPPLEMENT NO. 21
To Tariff Sewer -- PA P.U.C. No. 1
Tenth Revised Page No. 3
Canceling Ninth Revised Page No. 3**

SCHEDULE OF RATES

Flat Rates (I)

Non-Metered Rates

<u>Customer Category</u>	<u>Monthly Rates</u>
1. Residential Users	\$ 47.04
2. Commercial Users (C)	
(a) Small Commercial Users	\$ 60.90
(b) Large Commercial Users	
1. Sun Mountain Recreational Area Pool	\$ 130.50
2. Shawnee Mountain Ski Area	\$ 447.43

Application

This schedule is available to all customers.

Terms of Payment

Bills for sewer service shall be due and payable monthly.

(I) Indicates Increase

(C) Indicates Change

MANWALAMINK SEWER COMPANY

**SUPPLEMENT NO. 21
To Tariff Sewer -- PA P.U.C. No. 1
Fifth Revised Page No. 3A
Canceling Fourth Revised Page No. 3A**

SCHEDULE OF RATES (cont.)

Metered Rates

(I)

SERVICE CHARGE:

\$17.77 Charge Per Month

VOLUME CHARGE:

In addition to a monthly service charge presented above, a volume charge based on metered water usage will be charged as follows:

		<u>RATE PER 1,000 GALLONS</u>
For the First	10,000 gallons per month	\$6.92
For All Over	10,000 gallons per month	\$2.66

MULTIPLE UNIT BILLING:

In cases where service is provided to several customers through a single meter, the bill is computed as follows:

Service Charge: Based on the actual number of units served through such meter.

Plus: Volume charge computed by dividing the metered volume by the number of units.
The dollar amount for a unit is calculated on the above rates and multiplied by the number of units.

Terms of Payment

Bill for sewer service shall be due and payable monthly.

(I) Indicates Increase

AFFIDAVIT

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COMMONWEALTH OF PENNSYLVANIA:

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

COUNTY OF MONROE:

Robert A. Shebelsky, being duly sworn (affirmed) according to law, deposes and says that he is the Chairman/Chief Executive Officer of Manwalamink Sewer Company; that he is authorized to and does make this affidavit for it; and that the attached Customer Notice identified as Exhibit "A" is an accurate representation of the customer notification that was mailed to all customers of the Manwalamink Sewer Company on April 28, 2017; advising said customers of the proposed increase in wastewater rates to become effective on July 1, 2017.

Robert A. Shebelsky

Sworn and subscribed before me this
28th day of April, 2017.

Cathy M. Conway

Notary Public

My Commission Expires: 02/10/2018

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cathy M. Conway, Notary Public
Smithfield Twp., Monroe County
My Commission Expires Feb. 10, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Exhibit "A"

Manwalamink Sewer Company

River Road, Fort DePuy
P.O. Box 48
Shawnee-on-Delaware, PA 18356-0048

570-517-2390
Fax: 570-476-9909

April 28, 2017

NOTICE OF PROPOSED RATE CHANGES

To Our Customer:

Manwalamink Sewer Company is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your sewer rates as of July 1, 2017. This notice describes the company's rate request, the PUC's role, and what actions you can take.

Manwalamink Sewer Company has requested an overall rate increase of \$29,007 per year. If the company's entire request is approved, the total bill for a residential flat rate customer would increase from \$44.80 to \$47.04 per month or by 5%.

The total bill for an average residential metered customer would increase from \$35.59 to \$37.38 per month or by 5%.

The total bill for an average flat rate commercial customer would increase from \$144.88 to \$152.12 per month or by 5%. The total bill for an average commercial metered customer would increase from \$118.77 to \$124.82 per month or by 5%.

To find out your customer class or how the requested increase may affect your sewer bill, contact Manwalamink Sewer Company at 570-517-2390. The rates requested by the company may be found in Supplement No. 21 to PA. P.U.C. No. 1. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at Manwalamink Sewer Company's office.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the company and shown above.

There are three ways to challenge a company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before July 1, 2014. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.

2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the company's service or management. This information can be helpful when we investigate the rate request.

Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the company's rate request and if there is a large number of customers interested in the case. At these hearings you have the opportunity to present your views in person to the PUC judge hearing the case and the company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the company.

Manwalamink Sewer Company

Supporting Documentation
for the
Notice of Proposed Rate Changes

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The Manwalamink Sewer Company
April 28, 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Effective Date: July 1, 2017

Overall Rate Increase \$ 29,007 Proforma Proposed Rate Adjustment based on a rate of return of 9.99%

Residential Customer	Total Gallons (per 1,000)	<u>40,704</u>	=	2.94 gallons
	Total Number of Bills	13,842		

Existing Rate

Customer Charge	\$16.92	\$ 16.92
* Average Volume Rate \$ 6.35 X 2.94		<u>\$ 18.67</u>
		\$ 35.59

Proposed Rate

Customer Charge	\$17.77	\$ 17.77
* Average Volume Rate \$ 6.67 X 2.94		<u>\$ 19.61</u>
		\$ 37.38

Percentage Increase 5%

Commercial Customer	Total Gallons (per 1,000)	<u>16,108</u>	=	32.54 gallons
	Total Number of Bills	495		

Existing Rate

Customer Charge	\$16.92	\$ 16.92
* Average Volume Rate \$ 3.13 X 32.54		<u>\$ 101.85</u>
		\$ 118.77

Proposed Rate

Customer Charge	\$ 17.77	\$ 17.77
* Average Volume Rate \$ 3.29 X 32.54		<u>\$ 107.05</u>
		\$ 124.82

Percentage Increase 5%

* See attached Volume Rate Calculation

ATTACHMENT

Manwalamink Sewer Company

Residential Customer

Existing Volume Rate Calculation

	1,000 Gallons	Rate	Revenue
0-10,000 Gallons	38,292	\$6.59	\$252,344
> 10,000 Gallons	2,412	\$2.53	\$6,102
	<u>40,704</u>		<u>\$258,447</u>

Average Volume Rate \$258,447 / 40,704 **\$6.35**

Proposed Volume Rate Calculation

	1,000 Gallons	Rate	Revenue
0-10,000 Gallons	38,292	\$6.92	\$264,981
> 10,000 Gallons	2,412	\$2.66	\$6,416
	<u>40,704</u>		<u>\$271,397</u>

Average Volume Rate \$271,397 / 40,704 **\$6.67**

Commercial Customer

Existing Volume Rate Calculation

	1,000 Gallons	Rate	Revenue
0-10,000 Gallons	2,370	\$6.59	\$15,618
> 10,000 Gallons	13,738	\$2.53	\$34,757
	<u>16,108</u>		<u>\$50,375</u>

Average Volume Rate \$50,375 / 16,108 **\$3.13**

Proposed Volume Rate Calculation

	1,000 Gallons	Rate	Revenue
0-10,000 Gallons	2,370	\$6.92	\$16,400
> 10,000 Gallons	13,738	\$2.66	\$36,543
	<u>16,108</u>		<u>\$52,943</u>

Average Volume Rate \$52,943 / 16,108 **\$3.29**

MANWALAMINK SEWER COMPANY

**Rate Study and Supporting Data
To
Supplement No. 21 to Tariff Sewer -- PA P.U.C. No. 1
Proposing Increases in Rates**

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

April, 2017

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Manwalamink Sewer Company
Supporting Data for Proposed Rate Increase
Supplement No. 21 to Tariff Sewer No. 1

DESCRIPTION OF WASTEWATER SYSTEM AND OPERATIONS

Manwalamink Sewer Company (Manwalamink or Company) is a small wastewater system that renders wastewater service to approximately 1,248 residential and commercial customers in the Village of Shawnee on Delaware and the Townships of Smithfield and Middle Smithfield in Monroe County, Pennsylvania. The Company was incorporated in July 1979 and was issued a Certificate of Public Convenience to render wastewater service in 1984.

Approximately 96 percent of the customers are billed on the basis of metered water consumption supplied by The Manwalamink Water Company. The remaining 4 percent of the customers are billed on a flat rate basis. These flat rate or un-metered customers draw water from private wells and metered water is not readily available.

Since 2014, the Company has experienced a decline in Operating Revenue of approximately 5% and an increase in Operating Expenses of approximately 4%. The decline in revenue is an overall decline in volume of wastewater. For example, at the time of the prior rate filing 2013 test year, revenue was established at \$595,251. For the test year 2016, revenue per books was \$576,143.

A wastewater utility requires sufficient cash flow to withstand unexpected events such as equipment repairs that occur with increased frequency as the system ages. In addition the Company has undertaken a program of repairing and replacing manholes and has experienced a trend of increased maintenance costs over recent years as explained in the expense adjustments for maintenance.

The Company is requesting an increased rate of return in this filing to help mitigate the costs associated with rendering wastewater service. The Company believes that the overall rate of return of 7.10% for the water and wastewater systems is reasonable along with the modest rate increase of 5% for the wastewater system.

The wastewater system consists of sections containing gravity sewers, low pressure collection mains and over a dozen sewage pumping stations. The treatment plant, constructed in 1991, is a 700,000 gallon per day sequential batch reactor process including pumping equipment, instrumentation controls and disinfection equipment. Manwalamink is authorized to discharge under the National Pollution Discharge Elimination System, Permit No. PA-0061786.

RESPONSES TO REGULATIONS

Pennsylvania Code at 53.52 requires specific information when a public utility files a tariff or supplement revision effecting changes in the terms and conditions of service rendered or to be rendered.

Responses pursuant to the requirements are set forth as follows:

Manwalamink Sewer Company
Supporting Data for Proposed Rate Increase
Supplement No. 21 to Tariff Sewer No. 1

(A) 1. The Specific Reasons for Each Change.

Manwalamink proposes an increase in wastewater rates for the following reasons:

- To cover lost revenue and an increase in operating expenses.
- To allow Manwalamink to earn at least a reasonable rate of return of 7.1 percent when looking at a consolidated rate of return for both water and wastewater systems.

OPERATING REVENUE

Manwalamink recorded \$576,143 in Annual Operating Revenue per books for the test year ended December 31, 2016. For rate purposes, adjustments are made to actual book revenue to reflect known and measurable changes that impact operating revenue as shown in Appendix A, Schedule A.

The nature of adjustments to Book Revenue is as follows:

- To annualize for customers added during 2016.
- To adjust error in rate code (R2) for multiple units that billed through a single meter.
- To reflect reduced volume charges by 2.07% due to decrease in water usage.

Proforma revenue at proposed rates includes Operation and Maintenance Expense, Annual Depreciation, Taxes Other Than Income Taxes and Return. As previously discussed, Return is based on a Rate of Return of 9.9 percent which is applied to the Original Cost Rate Base. The sum of these components produces a Revenue Requirement of \$609,137 and an adjustment to Proforma Revenue at Existing Rates of \$29,007, resulting in a 5 percent annual revenue increase. The adjustment is shown in Appendix A, Schedule B.

OPERATING EXPENSES

A comparative Schedule of Operating Expenses for 2014, 2015 and 2016 is shown in response to Statement (B) 2, of this report. As for Operating Revenue, Operating Expenses are adjusted to reflect known and measurable changes in operations that impact expenses. In this case, Operating Expenses have been adjusted to reflect changes in payroll related expenses, normalization of maintenance expense, and other expense items as detailed in Appendix A, Schedule C. The resulting adjustment to Operating Expenses for rate purposes, is an increase of \$40,780 over the test year expense.

Additional adjustment to Taxes Other Than Income Taxes are presented on Appendix A, Schedule E to reflect changes in payroll tax, elimination of Real Estate Tax which is not chargeable to customers because public utilities are exempt from such taxes. Schedule F presents the adjustment in the PUC Assessment Tax at the proposed level of revenue. The tax is calculated by applying the assessment factor of 0.0051486 to the proposed revenue increase of \$29,007.

**Manwalamink Sewer Company
Supporting Data for Proposed Rate Increase
Supplement No. 21 to Tariff Sewer No. 1**

RATE BASE

The Rate Base is based on the Original Cost as recorded per Books for the Year Ended December 31, 2016. The Original Cost is adjusted to deduct Accumulated Depreciation, less accumulated depreciation for land, add 50% shared transportation equipment from Water Company, less net loan forgiveness, plus addition of cash working capital as shown in Appendix B. The calculated Rate Base is \$836,508. The detail utility plant-in-service and accumulated depreciation by year and account is presented in Appendix B.

ANNUAL AND ACCRUED DEPRECIATION

Annual and Accrued Depreciation are calculated in Appendix C based on the Original Cost as adjusted above and using estimated service life as experienced by other utility property under similar conditions.

RATE OF RETURN

Manwalamink requests a reasonable overall Rate of Return of 9.99 percent.

RATE STRUCTURE

It is proposed to increase rates on an across-the-board basis. An across-the-board increases all flat rates and metered rates by an equal percentage.

Appendix D of this report presents a proof of revenue at existing and proposed rates and a schedule showing the impact on customer bills over a range of usage levels.

(A) 2. The Total Number of Customers Served by the Utility.

CLASSIFICATION	<u>Year Ended 12-31-2015</u>	<u>Year Ended 12-31-2016</u>
Unmetered		
Residential	38	40
Commercial	<u>5</u>	<u>5</u>
Total Unmetered	43	45
Metered		
Residential	1,145	1,161
Commercial	<u>43</u>	<u>42</u>
Total Metered	1,188	1,203
Total	1,231	1,248

(A) 3. Calculation of the Number of Customers by Tariff Subdivision, Whose Bills Will be Affected by the Change.

All customers bills will increase.

**Manwalamink Sewer Company
Supporting Data for Proposed Rate Increase
Supplement No. 21 to Tariff Sewer No. 1**

(A) 4. The Effect of the Change on the Utility's Customers.

The proposed change will increase the cost of wastewater service to customers. The increase in revenue will, however, allow the Company to cover increased capital and operating costs associated with the wastewater operations.

(A) 5. The Effect, Whether Direct or Indirect, of the Proposed Change on the Utility's Revenue and Expenses.

The increase in revenue will allow Manwalamink to cover the cost of providing wastewater service at the adjusted test year level of operations.

(A) 6. The Effect of the Change on the Service Rendered by the Utility.

The increase in revenue will allow Manwalamink to cover increased capital and operating costs associated with wastewater service to ensure safe reliable service to its customers.

(A) 7. List Factors Considered by the Utility in its Determination to Make the Change.

Manwalamink considered the following factors:

- The financial viability of the wastewater system.
- The concern of customers in connection with an increase in bills for wastewater service.
- The ability to maintain safe reliable wastewater service.

(A) 8. Studies Undertaken by the Utility in Order to Draft its Proposed Change.

The Company prepared an analysis of the wastewater system Revenue Requirement as presented in Appendix A to assess the magnitude of increase required which was used to determine the level of the rate increase.

(A) 9. Customer Polls Taken and Other Documents Which Indicate Customer Acceptance and Desire for the Proposed Change.

No polls were taken in connection with the proposed rate increase. Customers will be notified of the proposed increase in writing pursuant to Public Utility Commission requirements.

(A) 10. Plans the Utility has for Introducing or Implementing the Changes with Respect to its Ratepayers.

The utility plans to implement the change upon approval by the Commission.

(A) 11. F.C.C., F.E.R.C. or Commission Orders or Rulings Applicable to the Filing.

F.C.C., F.E.R.C. jurisdiction does not apply. There are no Commission orders or rulings that pertain to this matter.

**Manwalamink Sewer Company
Supporting Data for Proposed Rate Increase
Supplement No. 21 to Tariff Sewer No. 1**

(B) 1. The Specific Reason for Each Increase or Decrease.

Rates are increased to recover the cost of providing wastewater service. (See also response to (A) 1.)

(B) 2. The Operating Income Statement of the Utility for the Year Ended December 31, 2016.

See Attachment A.

(B) 3. A Calculation of the Number of Customers, by Tariff Subdivision, Whose Bills will be Increased.

Bills for all customers will increase. The customers are shown in response to (A) 2 above.

(B) 4. A Calculation of the Total Increases, in Dollars, by Tariff Subdivision, Projected to an Annual Basis.

	<u>Year End 12-31-2016 per Books</u>	<u>Proforma Exist. Rates Adjustment</u>	<u>Proforma Exist. Rates Adjusted</u>	<u>Proforma Prop. Rates Adjustment</u>	<u>Proforma Prop. Rates Adjusted</u>
Unmetered Service					
Residential	21,821	175	21,996	1,100	23,096
Commercial	<u>8,693</u>	<u>--</u>	<u>8,693</u>	<u>435</u>	<u>9,128</u>
	30,514	175	30,689	1,534	32,223
Metered Service					
Residential	486,868	4,855	491,723	24,586	516,309
Commercial	<u>58,761</u>	<u><1,043></u>	<u>57,718</u>	<u>2,886</u>	<u>60,604</u>
	545,629	3,812	549,441	27,472	576,913
Total	576,143	3,987	580,130	29,007	609,137

(B) 5. A Calculation of the Number of Customers by Subdivision, Whose Bills will be Decreased.

No customer bills will decrease.

(B) 6. A Calculation of the Total Decreases in Dollars by Tariff Subdivision Projected to an Annual Basis.

Not applicable since no decreases are anticipated.

**Manwalamink Sewer Company
Supporting Data for Proposed Rate Increase
Supplement No. 21 to Tariff Sewer No. 1**

(C) 1. A Statement of Rate of Return per Books for Year Ended December 31, 2016 and Anticipated Rate of Return.

<u>Category</u>	<u>12/31/2016</u>	<u>Rates</u>	<u>Rates</u>
Utility Operating Income	<u>per Books</u>	<u>Adjusted Exist. Rates</u>	<u>Proposed Rates</u>
Available for Return	69,974	54,726	83,583
Original Cost Rate Base*	\$836,508		
Rate of Return	8.37%	6.54%	9.99%

* Estimated Rate Base is calculated in Appendix B.

(C) 2. Detailed Balance Sheet as of December 31, 2016.

See Attachment B of this report.

(C) 3. Summary of Detailed Plant Accounts, of Book Value of the Utility as of December 31, 2016.

See Attachment C of this report.

(C) 4. Statement Showing the Amount of Depreciation Reserve as of December 31, 2016.

The Depreciation Reserve per Books as of December 31, 2016 was \$2,208,890.
See Appendix B.

(C) 5. Statement of Operating Income, Setting Forth Operating Revenue and Expenses by Detailed Account for the Year Ended December 31, 2016.

See Attachment A of this report.

(C) 6. A Brief Description of a Major Change in Operating or Financial Condition of the Utility.

As demonstrated, there has been a decline in the Company's financial circumstances as expenses increase and the need to meet on-going increases due to inflation as well as a decline in sales volume.

(B) 2. Operating Income Statement of the Utility for the Years Ended December 31, 2014, 2015 and 2016.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
	\$	\$	\$
Operating Revenue			
Wastewater Sales:			
Residential	489,538	520,235	508,689
Commercial	60,867	71,571	67,454
Total Operating Revenue	550,405	591,806	576,143
Operating Expenses			
Salaries and Wages:			
Employees	125,567	131,105	141,976
Officers & Directors	22,992	22,989	36,342
Employee Pensions and Benefits	33,475	32,176	21,738
Sludge Removal Expense	14,300	24,640	18,840
Purchased Power	59,932	68,536	60,777
Chemicals	31,789	32,207	24,283
Contract Services:			
Engineering	-	-	-
Accounting	7,881	7,501	8,158
Legal	-	-	-
Testing	4,691	5,389	5,340
Other Maintenance - Plant & Equipment	37,237	26,630	49,527
Transportation Expenses	14,199	7,692	8,818
Insurance:			
Vehicle	2,080	2,055	2,008
General Liability	10,809	10,469	11,146
Workman's Compensation	3,448	3,401	3,616
Other - Flood	5,440	5,616	5,552
Amort. Of Rate Case Expense	2,151	2,151	2,151
Bad Debt Expense	3,186	3,839	2,740
Miscellaneous	738	1,065	1,153
Bank Charges	456	533	559
Office Expenses and Utilities	17,861	12,368	11,138
Mailing	2,415	2,599	2,417
Education	288	130	145
Charitable Contributions	666	696	696
Total Operating Expenses	401,601	403,787	419,120
Depreciation Expense	82,205	81,086	79,686
Taxes Other Than Income Taxes	7,677	7,789	7,363
Operating Income	58,922	99,144	69,974

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Marwalamink Sewer Company

(C) 2. Detailed Balance Sheet as of December 31, 2016

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ASSETS

CURRENT ASSETS

Cash	\$	24,213	
Customer Accounts Receivable		72,902	
Accounts Receivable from Affiliated Company		59,087	
Prepayments		5,671	
Total Current Assets	\$		161,873

FIXED ASSETS

Utility Plant in Service		3,276,226	
Accumulated Depreciation		(2,208,890)	
Total Property, Plant & Equipment			1,067,336

TOTAL ASSETS

\$ 1,229,209

LIABILITIES & EQUITY CAPITAL

CURRENT LIABILITIES

Accounts Payable	\$	6,841	
Accounts Payable to Associated Companies		-	
Miscellaneous Current and Accrued Liabilities		20,509	
Total Current Liabilities	\$		27,350

LONG-TERM DEBT

Other Long-term Debt			-
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TOTAL LIABILITIES

27,350

EQUITY CAPITAL

Other Paid-In Capital		880,760	
Unappropriated Retained Earnings		321,099	
Total Equity Capital			1,201,859

TOTAL LIABILITIES & EQUITY CAPITAL

\$ 1,229,209

Manwalamink Sewer Company

(C) 3. Summary by Detailed Plant Accounts, of Book Value of the Utility as of December 31, 2016

Acct #	Accounts Title	Per Books December 31, 2016
<u>Collection System</u>		
361.20	Collection Sewers - Gravity	138,070
371.20	Pump Station Pumping Equipment	<u>93,549</u>
	Total Collection Sysytem	\$ 231,619
<u>Treatment and Disposal Facilities</u>		
353.40	Land & Right-of-Ways	37,407
354.40	Structures & Improvements	3,003,989
385.40	Instrumentation & Computer Equip	<u>3,211</u>
	Total Treatment & Disposal Facilities	3,044,607
TOTAL WASTEWATER UTILITY PLANT ACCOUNTS		<u>\$ 3,276,226</u>

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APPENDIX A

**Manwalamink Sewer Company
Statement of Operating Income
At Existing & Proposed Rate**

	<u>Schedule Reference</u>	<u>Year Ended 12/31/16 per Books</u> \$	<u>Proforma Existing Rates</u>		<u>Proforma Proposed Rates</u>	
			<u>Adjustment</u> \$	<u>Amount</u> \$	<u>Adjustment</u>	<u>Amount</u>
Operating Revenue						
Sewer Service	A & B	576,143	3,987	580,130	29,007	609,137
		<u>576,143</u>		<u>580,130</u>		<u>609,137</u>
Operating Expenses						
O & M Expense	C	405,692	40,780	446,472		446,472
Depreciation Expense	D	79,686	(18,964)	60,722		60,722
Taxes Other Than Income	E & F	20,791	(2,581)	18,210	149	18,359
Total Operating Expenses		<u>506,169</u>		<u>525,404</u>		<u>525,553</u>
Net Operating Income		<u><u>69,974</u></u>		<u><u>54,726</u></u>		<u><u>83,583</u></u>

Rate increase is based on a 5% increase

Rate of Return $\frac{83,583}{836,508} = 9.99\%$

Manwalamink Sewer Company

Schedule A - Adjustments to Operating Revenue, Existing Rates

		Adjustments to Revenue \$
Test Year Measured Revenues	545,629	
Annualization of Residential Customers added to the system during 2016		
Thirteen inactive Residential Customers have requested services to resume during 2016.		
Actual Revenue	1662	
Annualized Revenue	<u>3627</u>	1,965
Add 2 unsold homes in July 2016 and remain unsold as of April 2017		
ABD - 6 Months Actual Revenue	203	
Annualized Revenue	<u>406</u>	203
Add 1 water customer connect to sewer system in July 15, 2016		
Maher - 5.5 Months Actual Revenue	363	
Annualized Revenue	<u>793</u>	429
Two inactive Flat Rate Residential Customers have requested services to resume during 2016		
Dennis - 9 Months Actual Revenue	403	
Annualized Revenue	<u>538</u>	134
PA Prp - 4 Months Actual Revenue	179	
Annualized Revenue	<u>538</u>	358
Two Flat Rate Residential Customers have been charged as Small Commercial Users. Customer has been charged \$58/unit per month instead of \$44.80; adjustment of \$13.20/unit		
Service Charge - 2 units x 12 mo x \$13.20/unit =		-317
Adjustment to Residential Revenue	<u>2,773</u>	2,773
No Annualization of Commercial Customer		
One commercial customer left in January 2016 and that unit remains unoccupied as of April 2017.		
		0
Rate code (R2) for multiple units that billed through a single meter was not updated after the approval of the new rate increase that was effective as of September 1, 2014.		
<u>Monthly Service Charge</u>		
- Customer has been charged \$15.38/unit instead of \$16.92; adjustment of \$1.54/unit		
<u>Volume Charge</u>		
- Customer has been charged \$6.12/1000 gallons instead of \$6.59/1000 gallons; adjustment of \$0.47/1000 gallons		

River Village I (R1-R36) = 36 units		
Service Charge - 36 units x 12 mo x \$1.54/unit =	665	
Volume Charge - 906,000 gallons x \$0.47/1000 gallons =	426	
	<u>1,091</u>	1,091

River Village II (R37-R42, R45-48, R61-R76, R79-R90 & R93-96) = 40 units		
Service Charge - 40 units x 12 mo x \$1.54/unit =	739	
Volume Charge - 916,000 gallons x \$0.47/1000 gallons =	431	

R2 rate code was omitted in service charge:

River Village II (R43-44, R49-R60, R77-R78 & R91-92) = 18 units		
Service Charge - 18 units x 12 mo x \$16.92/unit =	3,655	
	<u>4,824</u>	4,824

Crestview (C260-300) = 41 units		
Service Charge - 41 units x 12 mo x \$1.54/unit =	758	
Volume Charge - 1,986,000 gallons x \$0.47/1000 gallons =	933	
	<u>1,691</u>	1,691

Base on the number of gallons of water sold for the past 7 year period, the overall water usage has steadily decreased at the rate of 2.07% per year. This downward trend has continued for the first three months of 2017 with a decrease of 0.82% comparing January, February and March of 2016. The on-going erosion of sales volume continues to negatively impact revenue and erode return. The Company proposes a proforma adjustment to reflect the drop in revenue for rate purposes as follows:

Per Bill Analysis at present rate	- Residential	258,447	
	- Commercial	<u>50,375</u>	
		<u>308,822</u>	x 2.07% =
			-6,393
Total Adjustment to Operating Revenue			<u><u>3,987</u></u>

Manwalamink Sewer Company

Schedule B - Adjustments to Operating Revenue, Proposed Rates

<u>Summary of Revenue Requirement</u>	\$
O & M Expense	446,472
Annual Depreciation	60,722
Taxes Other Than Income	18,359
Return	83,583
	<hr/>
Total Revenue Requirement	<u><u>609,137</u></u>

Manwalamink Sewer Company

Schedule C - Adjustments to Operation & Maintenance Expense

The following adjustments were made to O & M Expense to reflect known and measurable changes to Test Year operations:

**Adjustments
to Expense
\$**

Salaries

(a) Annualized Salaries with pay increase to reflect pay rate effective 4/1/2017.

	Salaries	Medical Ins. Adjustment	Total	
- Operating Labor/Office	131,938	14,514	146,452	
- Officers/Director	21,065	11,500	32,565	
	<u>153,003</u>	<u>26,014</u>	<u>179,017</u>	179,017

	Salaries	Medical Ins. Adjustment	Total	
Less Test Year Amount				
- Operating Labor/Office	129,672	1,766	131,438	
- Officers/Director	22,948	10,504	33,452	
	<u>152,620</u>	<u>12,270</u>	<u>164,890</u>	
Remove vacation wages included in test year	-2,417		-2,417	
	<u>150,203</u>	<u>12,270</u>	<u>162,473</u>	162,473

Adjustment to Salaries	<u>16,544</u>	16,544
------------------------	---------------	--------

(b) Adjustment to reflect reduction in employee benefits

Company group medical plan was cancel effective 1/1/2017 due to the termination of one officer and three employees were eligible for Medicare. They receive medical insurance adjustment through payroll.

Employee Benefits	2,634	
Less Test Year Amount	-21,738	
Adjustment to Benefits	<u>-19,104</u>	-19,104

Sludge Removal Expense

2014	14300	
2015	24640	
2016	18840	
Total 3 year expense	<u>57780</u>	
Normalized Annual Expense	57780 / 3 =	19,260
		<u>19,260</u>
Less Test Year Expense		-18,840
Adjustment to Transportation Expenses		<u>420</u>
		420

Purchased Power

2014	59932		
2015	68536		
2016	60777		
Total 3 year expense	<u>189245</u>		
Normalized Annual Expense	189245 / 3 =	63,082	
		<u>63,082</u>	
Less Test Year Expense		-60,777	
Adjustment to Power Expense		<u>2,305</u>	2,305

Chemicals

2014	31789		
2015	32207		
2016	24283		
Total 3 year expense	<u>88279</u>		
Normalized Annual Expense	88279 / 3 =	29,426	
		<u>29,426</u>	
Less Test Year Expense		-24,283	
Adjustment to Chemicals Expense		<u>5,143</u>	5,143

Contract Service - Maintenance Expense

Adjustment to normalize maintenance expense excluding rehabilitation of manhole.

	Maintenance Expense	Manhole Rehab.	Expense
2014	37,237	-4,515	32,722
2015	26,630		26,630
*2016	49,530		49,530
	<u>113,397</u>	<u>-4,515</u>	<u>108,882</u>

Normalized Annual Expense 108,882 / 3 = 36,294

Adjustment made to incorporate provision for on-going rehabilitation of manholes. Due to the aging of the 50 manholes, the company rehabilitate two manholes per year.

Estimated cost for 2 manholes/pump station 10,000

Add known current expense:

Flow Equalization Tank Cleaning (By Allstate) 4,000

Clean/Rehabilitation of the interceptor pump station (built in 1988)
(By Swerp & Allstate) 50,000

Amortized Over Three Years 50,000 / 3 = 16,667

Proforma Claim 66,961

Less Test Year Expense -49,530

Adjustment to Maintenance Expense 17,431 17,431

Note:

* In year 2016, the company has incurred a higher than normal expense in sewage pumping stations repairs. The total repair cost was \$36,000 in 2016 as compared to \$18,000 in 2015 and \$21,000 in 2014.

The company will resume the rehabilitation of manholes in 2017.

Transportation Expenses

2014	14199
2015	7692
2016	8818
Total 3 year expense	<u>30709</u>

Normalized Annual Expense 30709 / 3 = 10,236

Less Test Year Expense -8,818

Adjustment to Transportation Expenses 1,418 1,418

Adjustment to incorporate estimated rate case expense

Excess time spent on rate case charged back from affiliated Co.	5,345	
Outside Consultant	2,500	
Mailing cost	600	
	<u>8,445</u>	
Amortized Over Three Years	6945 / 3 =	2,815
Less Test Year Expense		<u>-2,151</u>
Adjustment to Rate Case Expense		<u>664</u>
		664

Bad Debt Expense

2014	3186	
2015	3839	
2016	2740	
	<u>9,765</u>	
Normalized Annual Expense	2740 / 3 =	3,255
Less Test Year Expense		<u>-2,740</u>
Adjustment to Bad Debt Expense		<u>515</u>
		515

Office Expenses & Utilities

Billing Software Service	2213	
Computer Service	474	
Training/Continuing Education	145	
Office Supplies	1146	
Stationary & Printing	957	
Postage & Shipping	2417	
Telephone/Internet Services	3455	
Ft Depuy Office Building Expenses	2,893	
Test Year Expense	<u>13,700</u>	
Adjustment to Ft Depuy Office Building Expenses 50% adjustment to Rent Income and Utilities Reimbursement allocated from Water Co.		15,444
Total Adjustment to Operation & Maintenance Expense		<u><u>40,780</u></u>

Schedule D - Adjustment to Annual Depreciation Expense

Proforma Annual Depreciation	60,722	
Less Test Year Depreciation	<u>-79,686</u>	
Adjustment to Depreciation Expense	<u>-18,964</u>	<u>-18,964</u>

Schedule E - Adjustment to Taxes Other than Income Taxes

Payroll Taxes

Payroll taxes reflect the current level of employees current pay rates		
Anticipated Payroll Taxes Expense	15,282	
Less Test Year Amount	<u>-13,428</u>	
Adjustment to Payroll Taxes	<u>1,854</u>	1,854

Real Estate Taxes

Adjustment to Remove Real Estate Taxes		-4,375
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Public Utility Realty Tax

Sewer facilities are not subject to Public Utility Realty Tax		0
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PUC Assessment Tax Based on Revenue

Proforma Assessments at Existing Sewer Rates		
PUC	0.0043981	x 580,130 = 2551
OCA	0.0006715	x 580,130 = 390
SBA	0.0000790	x 580,130 = 46
	<u>0.0051486</u>	<u>2987</u>
Less Test Year PUC Assessment		<u>-3047</u>
Adjustment to PUC Assessment Tax		<u>-60</u>
Total Adjustment to Taxes Other than Income Taxes		<u>-2,581</u>

Schedule F - Adjustment to Taxes Other than Income Taxes

Public Utility Assessment

Proforma Revenue at Proposed Sewer Rates	609,137	
Less Proforma Revenue at Existing Rates	<u>(580,130)</u>	
	<u>29,007</u>	
Adjustment	29,007	x 0.0051486 = <u>149</u>

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APPENDIX B

Manwalamink Sewer Company
Rate Base Calculation

		12/31/16
Depreciable Plant-In-Service		\$ 3,238,819
Less: Accumulated Depreciation		<u>(2,208,890)</u>
Net Depreciable Plant		1,029,929
Less: Loan Forgiveness (Docket No. R-00974003, Order entered January 16, 1998)	996,400	
Less Accumulated Depreciation	<u>-653,856</u>	
Net Loan Forgiveness		(342,544)
Depreciation Adjustments		
Service Life Change	-414	
Removed Accumulated Depreciation for Land	24547	24,133
Adjustments to Utility Plant		
Add: 50% shared Transportation Equipment from Water Co.	97,045	
Less Accumulated Depreciation	<u>(67,181)</u>	29,864
Add: Non-Depreciable Plant (STP Land)		37,407
Net Plant-in-Service		<u>778,789</u>
Add: Cash Working Capital (O&M + Payroll Taxes)	461,754 / 8 =	57,719
Rate Base Claim		<u><u>\$ 836,508</u></u>

Manwalamink Sewer Company
 Utility Plant-in-Service, Annual Depreciation Expense and
 Accumulated Depreciation at December 31, 2016
 (After Adjustments)

Description	Acct #	Date Acquired	First Year	Current Year	Cost	Life	Current Yr Deprec	Accum Deprec	Remaining Balance	Remaining Yrs
<u>COLLECTION SYSTEM</u>										
Collection Sewers - Gravity										
Distribution Mains	361.2	3/75	1975	2016	17,249.00	40	0.00	17,249.00	0.00	0
Distribution Mains	361.2	3/76	1976	2016	16,214.72	40	0.00	16,214.72	0.00	0
Distribution Mains	361.2	3/77	1977	2016	9,710.00	40	241.19	9,710.00	0.00	0
Distribution Mains	361.2	3/79	1979	2016	5,850.00	40	146.25	5,613.46	236.54	2
Transmission Mains	361.2	3/74	1974	2016	11,440.00	40	0.00	11,440.00	0.00	0
Transmission Mains	361.2	3/75	1975	2016	19,579.00	40	0.00	19,579.00	0.00	0
Transmission Mains	361.2	3/76	1976	2016	39,831.00	40	3.67	39,831.00	0.00	0
Transmission Mains	361.2	3/77	1977	2016	12,390.00	40	308.18	12,390.00	0.00	0
Transmission Mains	361.2	3/79	1979	2016	5,380.00	40	134.50	5,168.37	211.63	2
Transmission Mains	361.2	3/83	1983	2016	425.70	40	10.64	364.24	61.47	6
					138,069.42			844.43	137,559.79	509.64
Pump Station Pumping Equipment										
Pumping System Properties	371.2	3/85	1985	2016	23,936.80	25	0.00	23,936.80	0.00	0
Pumping System Properties	371.2	3/86	1986	2016	9,461.20	25	0.00	9,461.20	0.00	0
Pumping System Properties	371.2	3/87	1987	2016	4,397.83	25	0.00	4,397.83	0.00	0
Pumping System Properties	371.2	3/89	1989	2016	20,680.37	25	0.00	20,680.37	0.00	0
Pumping System Properties	371.2	3/90	1990	2016	1,864.20	25	0.00	1,864.20	0.00	0
Pumping System Properties	371.2	3/04	2004	2016	1,543.53	25	61.74	848.94	694.59	11
Duplex Pump Control	371.2	3/05	2005	2016	1,577.52	25	63.10	804.58	772.94	12
Valley View Pump Station	371.2	3/87	1987	2016	3,293.15	25	0.00	3,293.15	0.00	0
Add'l holding tank @ Goldsmith	371.2	12/09	2009	2016	17,596.50	25	703.86	5,278.95	12,317.55	17.50
New Bioxide PS @ Goldsmith	371.2	12/10	2010	2016	6,198.00	25	247.92	1,611.49	4,586.51	18.50
Used Bioxide PS @ Sh Inn	371.2	12/10	2010	2016	3,000.00	10	300.00	1,950.00	1,050.00	3.50
					93,549.10			1,376.62	74,127.51	19,421.59

TREATMENT AND DISPOSAL FACILITIES

Land & Right-of-Ways

Sewer Treatment Plant - Land	353.4	3/91	1991	2016	37,407.00	40	935.18	24,547.17	12,859.83	13.75
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Structures & Improvements

Sewer Treatment Plant	354.4	3/91	1991	2016	1,960,556.94	40	49,013.92	1,286,554.12	674,002.82	13.75
Sewer Treatment Plant (Loan Forgiveness)	354.4	3/91	1991	2016	996,400.00	40	24,910.00	653,856.31	342,543.69	13.75
Sewer Treatment Plant	354.4	3/91	1991	2016	13,890.74	40	347.27	8,768.91	5,121.83	14.75
Sewer Treatment Plant	354.4	3/04	2004	2016	1,772.91	40	44.32	587.26	1,185.65	26.75
Roots Blower - S'burg Electric	354.4	3/05	2005	2016	2,931.48	40	73.32	934.61	1,996.87	27.24
New Control Panel Software - Aqua	354.4	6/08	2008	2016	23,162.00	12	1,930.17	17,371.52	5,790.48	3.00
Sewer Treatment Plant (Roof Replacement)	354.4	12/10	2010	2016	5,275.00	25	211.00	1,371.50	3,903.50	18.50

Instrumentation & Computer Equip

Office Equipment	385.4	12/97	1997	2016	3,210.99	3	0.00	3,210.99	0.00	0.00
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3,044,607.06	77,465.17	1,997,202.39	1,047,404.67
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TOTAL WASTEWATER UTILITY PLANT AS AT 12/31/2016

<u>3,276,225.58</u>	<u>79,686.23</u>	<u>2,208,889.68</u>	<u>1,067,335.90</u>
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DEPRECIATION ADJUSTMENT

Structures & Improvements

Roots Blower - S'burg Electric	354.4	3/05	2005	2016	-2,931.48	40	-73.32	-934.61	-1,996.87	27.24
Service Life Change			2005	2016	2,931.48	25	117.26	1,348.48	1,583.00	13.50
					0.00		43.94	413.87	-413.87	

Land & Right-of-Ways

Sewer Treatment Plant - Land	353.4	3/91	1991	2016	-37,407.00	40	-935.18	-24,547.17	-12,859.83	13.75
	353.4	3/91	1991	2016	37,407.00		0.00	0.00	37,407.00	
					0.00		-935.18	-24,547.17	24,547.17	

Total Depreciation Adjustment

0.00	-891.23	-24,133.30	24,133.30
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ADJUSTMENTS TO UTILITY PLANT

Add Transportation Equipment - 50% shared basis with Water Co.

JD Backhoe	341.5	4/99	1999	2016	26,799.00	30	893.30	16,079.40	10,719.60	12
JD Tractor	341.5	11/99	1999	2016	9,199.50	20	459.98	8,279.55	919.95	2
Construction trailer	341.5	11/99	1999	2016	1,348.50	20	67.43	1,213.65	134.85	2
GMAC Truck 2008	341.5	6/08	2008	2016	17,107.20	10	1,710.72	15,396.48	1,710.72	1
Chevy Silverado 2013	341.5	12/13	2013	2016	20,549.98	10	2,055.00	7,192.49	13,357.49	6.5
2003 Ford Dump Truck (Used)	341.5	12/15	2015	2016	1,361.43	5	272.29	408.43	953.00	3.5
Stolen GMAC Dump Trk (undeprciated b	341.5	12/02	2003	2016	20,678.85	15	1,378.59	18,610.97	2,067.89	1.5
					97,044.46		6,837.29	67,180.97	29,863.49	

Less Loan Forgiveness per docket No. R-00974003, Order entered January 16, 1998.

Sewer Treatment Plant (Loan Forgiveness)	354.4	3/91	1991	2016	-996,400.00	40	-24,910.00	-653,856.31	-342,543.69	13.75
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TOTAL WASTEWATER UTILITY PLANT AFTER ADJUSTMENTS

<u>2,376,870.04</u>	<u>60,722.29</u>	<u>1,598,081.04</u>	<u>778,789.00</u>
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APPENDIX C

**Manwalamink Sewer Company
Calculation of Annual Depreciation**

	<u>Annual Depreciation</u> \$
Depreciable Plant-in-Service	
Annual Depreciation Plant in Service per Book in 2016	79,686
Adjustments	
Less Depreciation included in Non-Depreciable Plant-in-Service	-935
Less Depreciation included in Loan Forgiveness - Plant	-24,910
Add Depreciation for Service Life Change	44
Adjustments to Utility Plant	
Add: 50% Shared Transportation Equipment from Water Co.	6,837
Proforma Annual Depreciation	<u><u>60,722</u></u>

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APPENDIX D

**Manwalamink Sewer Company
Revenues Under Existing Rates**

WASTEWATER METERED CUSTOMERS - BILLS ANALYSIS

RESIDENTIAL	<u>No. of Bills</u>	<u>Rate</u>	<u>Revenue</u>
		\$	\$
<u>Customer Charges:</u>	13,842	16.92	234,207
Total Customer Charges			<u>234,207</u>
<u>Metered Charges</u>	<u>1,000 Gallons</u>	<u>Rate</u>	
Step 1 (Block 1)			
0-10,000 Gallons/month	38,292	6.59	252,344
Step 2 (Block 2)			
>10,000 Gallons/month	2,412	2.53	6,102
Total Metered Charges	<u>40,704</u>		<u>258,447</u>
<u>Flat Rates/Non Metered Rates</u>	<u>No. of Bills</u>	<u>Rate</u>	
	457	44.80	20,474
Total Flat Rate Charges			<u>20,474</u>
Total Residential Revenue			513,127

COMMERCIAL	<u>No. of Bills</u>	<u>Rate</u>	
<u>Customer Charges</u>	495	16.92	8,375
Total Customer Charges			<u>8,375</u>
<u>Metered Charges</u>	<u>1,000 Gallons</u>	<u>Rate</u>	
Step 1 (Block 1)			
0-10,000 Gallons/month	2,370	6.59	15,618
Step 2 (Block 2)			
>10,000 Gallons/month	13,738	2.53	34,757
Total Metered Charges	<u>16,108</u>		<u>50,375</u>
<u>Flat Rates/Non Metered Rates</u>	<u>No. of Bills</u>	<u>Rate</u>	
(A) Small Commercial Users			
3	36	58.00	2,088
(B) Large Commercial Users			
1	12	124.29	1,491
1	12	426.12	5,113
Total Flat Rate Charges			<u>8,693</u>
Total Commercial Revenue			67,444

Adjustment to reflect 2.07% decrease in Volume Charge			
Residential	258,447		
Commercial	50,375		
	<u>308,822</u>	-2.07%	-6,393

TOTAL REVENUE		<u>574,178</u>
Total Revenue-Metered Rates		545,012
Total Revenue-Flat Rates		<u>29,167</u>
		<u>574,178</u>

Note: Bill analysis produces less revenue than per books. Proforma bill analysis must be adjusted as follows:

Bill Analysis Revenue Existing Rates	574,178
Proforma Revenue per Books	580,130
Factor (574,178 / 580,130)	0.9897

**Manwalamink Sewer Company
Revenues Under Proposed Rates**

WASTEWATER METERED CUSTOMERS - BILLS ANALYSIS

RESIDENTIAL	<u>No. of Bills</u>	<u>Rate</u>	<u>Revenue</u>
		\$	\$
<u>Customer Charges:</u>	13,842	17.77	245,972
Total Customer Charges			<u>245,972</u>
<u>Metered Charges</u>	<u>1,000 Gallons</u>	<u>Rate</u>	
Step 1 (Block 1)			
0-10,000 Gallons/month	38,292	6.92	264,981
Step 2 (Block 2)			
>10,000 Gallons/month	2,412	2.66	6,416
Total Metered Charges	<u>40,704</u>		<u>271,397</u>
<u>Flat Rates/Non Metered Rates</u>	<u>No. of Bills</u>	<u>Rate</u>	
	457	47.04	21,497
Total Flat Rate Charges			<u>21,497</u>
Total Residential Revenue			538,866
COMMERCIAL	<u>No. of Bills</u>	<u>Rate</u>	
<u>Customer Charges</u>			
	495	17.77	8,796
Total Customer Charges			<u>8,796</u>
<u>Metered Charges</u>	<u>1,000 Gallons</u>	<u>Rate</u>	
Step 1 (Block 1)			
0-10,000 Gallons/month	2,370	6.92	16,400
Step 2 (Block 2)			
>10,000 Gallons/month	13,738	2.66	36,543
Total Metered Charges	<u>16,108</u>		<u>52,943</u>
<u>Flat Rates/Non Metered Rates</u>	<u>No. of Bills</u>	<u>Rate</u>	
(A) Small Commercial Users			
3	36	60.90	2,192
(B) Large Commercial Users			
1	12	130.50	1,566
1	12	447.43	5,369
Total Flat Rate Charges			<u>9,128</u>
Total Commercial Revenue			70,867
Adjustment to reflect 2.07% decrease in Volume Charge			
Residential	271,397		
Commercial	52,943		
	<u>324,340</u>	-2.07%	<u>-6,714</u>
Bill Analysis Revenue			603,020
Plus Adjustment	\$603,020	x 0.0103	6,118
Proforma Proposed Rates			<u>609,137</u>
Increase All Rates	1.0500		
Factor Adjustment	1.0000	- 0.9897 =	0.0103

Manwalamink Sewer Company
Comparison of Existing and Proposed Rates

<u>Lever of Usage (1,000 gal) per Month</u>	<u>Existing Rates</u>	<u>Proposed Rate</u>	<u>% Increase</u>
0	\$16.92	\$17.77	5%
1	\$23.51	\$24.69	5%
2	\$30.10	\$31.61	5%
3	\$36.69	\$38.53	5%
4	\$43.28	\$45.45	5%
5	\$49.87	\$52.37	5%
10	\$82.82	\$86.97	5%
15	\$115.77	\$121.57	5%
20	\$148.72	\$156.17	5%
25	\$181.67	\$190.77	5%
30	\$214.62	\$225.37	5%
40	\$280.52	\$294.57	5%
50	\$346.42	\$363.77	5%
75	\$511.17	\$536.77	5%
100	\$675.92	\$709.77	5%
125	\$739.17	\$776.27	5%
150	\$802.42	\$842.77	5%
200	\$928.92	\$975.77	5%
Service Charge	\$16.92	\$17.77	5%
Volume Rate:			
First 10,000	\$6.59	\$6.92	5%
Over 10,000	\$2.53	\$2.66	5%
Rate Revenue	\$580,130	\$609,137	5%
Flat Rate:			
Residential	\$44.80	\$47.04	5%
Commercial - Small	\$58.00	\$60.90	5%
Commercial - Large	\$124.29	\$130.50	5%
Commercial - Large (Ski Area)	\$426.12	\$447.43	5%



Retail

ED

P

US POSTAGE PAID
\$7.20

Origin: 18356

Destination: 17120

1 Lb 2.00 Oz

Apr 28, 17

4176520356-16

1026

PRIORITY MAIL® 2-Day

Expected Delivery Day: 05/01/2017

USPS TRACKING NUMBER



9505 5110 7551 7118 0394 43

FROM:

The Manwalamink Water Company
Manwalamink Sewer Company
P.O. Box 48
Shawnee-on-Delaware, PA 18356

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