**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

Public Meeting held December 21, 2017

Commissioners Present:

Gladys M. Brown, Chairman

Andrew G. Place, Vice Chairman

Norman J. Kennard

David W. Sweet

John F. Coleman, Jr.

|  |  |
| --- | --- |
| Petition of Aqua Pennsylvania Wastewater Inc. for Approval of its Second Long-Term Infrastructure Improvement Plan  |  Docket Number: P-2017-2622818 |

**OPINION AND ORDER**

**BY THE COMMISSION:**

 Before the Commission for consideration is the Petition for approval of the Second Long-Term Infrastructure Improvement Plan (Second LTIIP) of Aqua Pennsylvania Wastewater Inc. (APW). APW filed its Second LTIIP on September 1, 2017. Copies of the Second LTIIP were served on the statutory advocates and the parties of record from APW’s most recent base rate case proceeding.[[1]](#footnote-1)

No comments were received.

**BACKGROUND**

 On February 14, 2012,Governor Corbett signed into lawAct 11 of 2012, (Act 11),[[2]](#footnote-2) which amends Chapters 3, 13 and 33 of Title 66. Act 11, *inter alia*, provides jurisdictional water and wastewater utilities, electric distribution companies (EDCs), and natural gas distribution companies (NGDCs) or a city natural gas distribution operation with the ability to implement a distribution system improvement charge (DSIC) to recover reasonable and prudent costs incurred to repair, improve or replace certain eligible distribution property that is part of the utility’s distribution system. The eligible property for the utilities is defined in 66 Pa. C.S. §1351. Act 11 states that as a precondition to the implementation of a DSIC, a utility must file a LTIIP with the Commission that is consistent with 66 Pa. C.S. §1352.

The Commission promulgated regulations relating to LTIIPs at 52 Pa. Code §§ 121.1 – 121.8 that became effective December 20, 2014. In accordance with the regulations, an NGDC must include the following elements in its LTIIP:[[3]](#footnote-3)

1. Types and age of eligible property;
2. Schedule for its planned repair and replacement;
3. Location of the eligible property;
4. Reasonable estimates of the quantity of property to be improved;
5. Projected annual expenditures and measures to ensure that the plan is cost effective;
6. Manner in which replacement of aging infrastructure will be accelerated and how repair, improvement or replacement will maintain safe and reliable service;
7. A workforce management and training program; and
8. A description of a utility’s outreach and coordination activities with other utilities, PennDOT and local governments on planned maintenance/ construction projects.

**APW’S FIRST LTIIP**

APW is the wastewater subsidiary of Aqua Pennsylvania, Inc., and was formed in 1996 with the purchase of the Little Washington Drainage Company.[[4]](#footnote-4) APW is a public utility as defined by the Public Utility Code, 66 Pa. C.S. § 102. APW states it currently owns and operates 34 wastewater collection and conveyance systems and serves over 21,000 customers in 15 counties within Pennsylvania.

 APW’s first LTIIP petition (First LTIIP) and DSIC petition were filed on May 31, 2013, and both were approved in an Order entered on September 12, 2013.[[5]](#footnote-5) APW’s First LTIIP covered the years 2013 through 2017, and proposed to increase its collection system infrastructure spending from a baseline of approximately $630,000 per year to approximately $1.9 million per year. APW's annual capital investments in its First LTIIP were documented in its Annual Asset Optimization Plans (AAOPs), filed with the Commission annually each October beginning in 2014. APW’s AAOPs were filed on a fiscal year (FY) basis.[[6]](#footnote-6) APW’s 2017 FY ends on August 31, 2017. APW’s First LTIIP was also subject to a periodic review in 2017, as required by 52 Pa. Code § 121.7(a). Our periodic review (Review Order) found that APW’s First LTIIP was sufficient and that APW had substantially adhered to its plan.[[7]](#footnote-7)

 APW notes that through its First LTIIP, it will have: cleaned and performed Closed Circuit Television (CCTV)[[8]](#footnote-8) inspections of approximately 57.7 miles of sanitary sewer main; repaired and replaced approximately 7.6 miles of sanitary sewer mains; repaired approximately 500 manholes; and made mechanical repairs and improvements to much of its 105 pumping stations. Tables 1 and 2, below, describe the projected collection system investments and quantities of property replaced/improved in APW’s First LTIIP. Tables 3 and 4, below, detail the actual expenditures and improvements.

**Table 1: APW’s Projected Annual Expenditures for Capital Improvement Projects 2013 through 2017 in Dollars**

|  |  |
| --- | --- |
| **Year** | **Projected Annual Budget** |
| 2013 | 656,000 |
| 2014 | 1,450,000 |
| 2015 | 1,900,000 |
| 2016 | 1,940,000 |
| 2017 | 1,940,000 |
| **5-Year Total** | **7,886,000** |

**Table 2: APW's Projected Annual Collection System Quantities Replaced/Improved Calendar Years 2013 through 2017**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Refurbish Wastewater Mains** | **Repair Manholes** | **Refurbish Pumping Stations** |
| 2013 | 870 linear feet | 2 | 3 |
| 2014 | 14,282 linear feet | 35 | 4 |
| 2015 | 14,282 linear feet | 37 | 4 |
| 2016 | 14,282 linear feet | 38 | 4 |
| 2017 | 14,284 linear feet | 38 | 5 |
| **Total** | **58,000 linear feet** | **150** | **20** |

**Table 3: APW's Actual Annual Collection System Expenditures Calendar Years 2013 through 2017 in Dollars**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** |  **Pump Stations** | **Manholes**  | **Mains** | **Total** |
| 2013 | 323,062 | 0 | 3,865 | 326,927 |
| 2014 | 502,913 | 86,048 | 856,732 | 1,445,692 |
| 2015 | 505,808 | 610,409 | 1,911,712 | 3,027,928 |
| 2016 | 216,286 | 237,494 | 720,755 | 1,174,535 |
| 2017\* | 1,431,110 | 539,000 | 3,840,800 | 5,810,910 |
| **Total** | **2,979,179** | **1,472,951** | **7,333,864** | **11,785,992** |

\* The 2017 expenditures include estimates for the months September through December 2017.

**Table 4: APW's Actual Annual Collection System Quantities Replaced/Improved Calendar Years 2013 through 2017**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** |  **Pump Stations** | **Manholes**  | **Mains (Linear Feet)** |
| 2013 | 36 | 1 | 30 |
| 2014 | 33 | 94 | 9,227 |
| 2015 | 36 | 174 | 14,067 |
| 2016 | 29 | 150 | 8,057 |
| 2017\* | 39 | 72 | 5,169 |
| **Total** | **173** | **491** | **36,550** |

\* The 2017 amounts include estimates for the months September through December, 2017

 As can be seen in Table 4, the linear feet of main replaced is far below the projections in the First LTIIP, but the number of manhole and pump station repairs has significantly increased. We noted the reasons for the change in project focus in our Review Order and we also reminded APW that such significant changes may be considered a major modification and require a petition for modification of the LTIIP. Review Order at 5-6. Our Review Order also noted that it appeared APW was on target in terms of its First LTIIP expenditures. *Id*. at 5. However, as can be seen in Table 3, the expected expenditures for 2017 far exceed the projections.

 We note here that APW’s 2017 expenditures in Table 3 are budgetary and include estimates for the months September through December 2017. APW states in supplemental information with the Commission that the estimated expenditure amounts for 2017 reported in their 2017 AAOP and Second LTIIP include projects related to systems that were acquired subsequent to the approval of the First LTIIP. These acquired systems are included in the assets listed for the Second LTIIP. However, those expenditures in 2017 would not be currently recoverable in APW’s DSIC as those assets were not in the First LTIIP and APW did not file a modified LTIIP. APW also notes in its supplemental information that actual *DSIC recoverable* spending for 2017 was projected at $2.8 million. The total DSIC recoverable spending for the First LTIIP is then approximately $8.75 million, which is 10.1% more than the original projection. This amount is a reasonable difference, given that moderate construction budget variations can be expected in a multi-year capital spending plan.

**APW’S SECOND LTIIP**

APW’s Second LTIIP is a five-year plan covering the years 2018 through 2022. APW is organized into two operating groups within Pennsylvania, Southeastern Pennsylvania (SEPA) and Greater Pennsylvania (GPA). APW’s Second LTIIP organizes the LTIIP projects by operating group.

 The GPA operating division serves approximately 10,700 customers in Adams, Carbon, Clarion, Clearfield, Lackawanna, Luzerne, Monroe, Pike, Schuylkill, Venango and Wyoming Counties. The GPA operating division collection and conveyance systems include approximately 305 miles of pipe, approximately 2,979 manholes, and 73 pump stations.

 The SEPA operating division serves approximately 10,600 customers in Bucks, Chester, Delaware, and Montgomery Counties. The SEPA operating division collection and conveyance systems include approximately 67 miles of pipe, 1,567 manholes, and 32 pump stations.

 APW states a significant portion of the capital to be spent in the Second LTIIP will be focused on troubled systems that have been acquired since the First LTIIP. APW states it will concentrate on replacing pumping station control panels in many of its acquired systems.

 APW states the condition of its collection systems varies depending upon age, materials employed, and quality of the initial installation. APW avers that many the acquired wastewater systems were in various states of disrepair and exhibiting aged infrastructure as well as significant inflow and infiltration (I&I) of ground and surface waters into the collection systems.

 APW notes that wet weather, including rain or snow melt, increases existing I&I sources. APW states that sanitary sewer systems that have exceeded capacity or become overloaded can affect sanitary fixtures located below this overload level and may cause household flooding and manhole lids to dislodge and release raw wastewater into the environment. I&I reduces the ability of sanitary sewer collection systems and treatment facilities to transport and treat domestic and industrial wastewater and may result in impact to the wastewater treatment process as well as possibly discharge poorly treated wastewater in to the environment.

 APW states its primary focus in its accelerated collection system refurbishment program will be to continue the systematic investigation of those sewer systems with moderate to severe I&I, to schedule corrective measures to reduce or eliminate the I&I, and to refurbish and/or replace aged pumping facilities.

APW, in their petition, addressed the eight LTIIP elements required by 52 Pa. Code § 121.3, as discussed below:

**(1) TYPES AND AGE OF ELIGIBLE PROPERTY**

**APW’s Position**

APW states it has developed a Geographic Information System (GIS) for all of its wastewater collection systems within the GPA operating division in 2013, with the exception of two systems: Tobyhanna, acquired in July 2017; and Emlenton, acquired in December 2016. Data from Tobyhanna and Emlenton will be included in the GIS as it becomes available. APW’s GIS system stores data on sewer mains, manholes, valves, pump stations, etc., and will be updated continually as the collection system changes. GIS is also utilized by APW to identify and rate mains, manholes, and pump stations on a priority basis for repair and replacement.

APW’s eligible asset properties include mains, manholes, and the equipment and facilities related to its pump stations. APW provided the following information in its Second LTIIP summarizing the eligible property for its SEPA and GPA territories:

* Main inventory by diameter, material, and installation age cohort
* Main linear feet by territory and material
* Manholes by material and territory
* Pump stations by material, installation year, and system location

**Comments**

No comments were received regarding the types and age of eligible property.

**Resolution**

Upon review of APW’s Second LTIIP, the Commission finds that APW’s Second LTIIP fulfills the requirements of 52 Pa. Code § 121.3(a)(1) by identifying the types and ages of eligible property for which it seeks DSIC recovery.

**(2) SCHEDULE FOR PLANNED REPAIR AND REPLACEMENT OF ELIGIBLE PROPERTY**

**APW’s Position**

 APW states it has been rehabilitating and replacing system components since acquiring each of its sewer systems and has prioritized pumping stations and sewer main renewal/rehabilitation candidates at both a macro and micro level.

 APW’s macro level includes general categories of sewer components such as old and broken terra cotta mains, deteriorating manholes, and aging pump stations. APW has identified areas of concern in certain geographic areas within its system. APW considers sewer components fitting these criteria as potential candidates for near-term replacement. APW notes that pipes and manholes that require repair/replacement and systems with significant I&I issues will be inspected and assessed and that older pump stations will be identified for evaluation and refurbishment. APW notes that systems with PVC pipe less than 20 years old that have only minor I&I issues will not be targeted for rehabilitation.

 APW states that I&I analyses are to be performed to demonstrate the degree of excessive I&I in each sewer system from the tributary to the treatment works. APW notes that its systematic investigations of the sewer systems should identify the presence, flow rate, and type of I&I conditions that exist in each sewer system. Systematic investigations include the following:

* Video inspections of pipes
* Estimates of average residential, industrial, commercial and institutional wastewater flows
* Continuous flow monitoring that in some cases include flow isolation monitoring and determination of I&I flow rates
* Rainfall monitoring

At the micro level, APW’s main replacement planning addresses the priority in which specific pipes and manholes within the broader categories are replaced or rehabilitated. APW utilizes the results of I&I elimination investigations and existing performance characteristics of the main such as cracks, sags and other performance criteria that are added to its GIS data.

 APW will utilize the results of I&I investigations and main inspections to target specific pipe segments and structures requiring rehabilitation. APW prioritizes repairs and replacements based upon environmental impact, public health, and severity and capacity needs of the area. APW states that excavating defective sewer pipe is utilized in cases in which the structural integrity of the pipe is severely degraded beyond repair, the pipe is seriously misaligned, or when other rehabilitation methods are not deemed practical or cost effective. APW notes that it will utilized trenchless, or in-place, rehabilitation technologies for those pipes not requiring excavation as this method is cost effective and has eliminated much of the need to excavate and replace sewer piping. Sewer mains determined to require repair will be evaluated by APW to determine the most cost-effective repair or replacement.

 APW's states its preferred methods of sewer rehabilitation are slip lining and cured-in-place pipe liners (CIPP). Slip lining is a process of installing a slightly smaller diameter HDPE pipe inside an existing pipe. CIPP is formed by inserting a flexible polyester or epoxy resin-filled felt tube into a pipe, which is inverted against the inner wall of the existing pipe and then allowed to cure.

**Comments**

No comments were received regarding the schedule for planned repair and replacement of eligible property.

**Resolution**

Upon review of APW’s Second LTIIP, the Commission finds that APW’s Second LTIIP fulfills the requirements of 52 Pa. Code § 121.3(a)(2) by providing a schedule for planned repair and replacement of eligible property.

**(3) LOCATION OF THE ELIGIBLE PROPERTY**

**APW’s Position**

 APW provided details on the location of eligible asset property by collection system in its Second LTIIP. APW’s GPA operating division consists of 17 wastewater systems containing 19 wastewater treatment plants (WWTPs). APW describes these systems to be in "fair" to "poor" condition, with moderate to severe I&I issues and structural defects.

 APW’s SEPA operating division serves 17 collection and conveyance systems and contains 16 WWTPs. APW describes these systems to be in "fair" to "good" condition and have minor I&I issues and structural defects, with the exception of the APW’s Media system.

**Comments**

No comments were received regarding the location of eligible property.

**Resolution**

Upon review of APW’s Second LTIIP, the Commission finds that APW’s Second LTIIP fulfills the requirements of 52 Pa. Code § 121.3(a)(3) by providing a general description of the location of eligible property.

**(4) REASONABLE ESTIMATES OF THE QUANTITY OF PROPERTY TO BE IMPROVED and**

**(5) PROJECTED ANNUAL EXPENDITURES AND MEASURES TO ENSURE THAT THE PLAN IS COST EFFECTIVE**

**APW’s Position**

 Tables 5 through 8, below, identify by eligible property type the collection system capital projects planned to be performed in APW’s Second LTIIP as well as the anticipated expenditures for each year. APW states the specified projects are subject to change based upon updated information and changes in priority that may occur. Cost estimates may change as specific projects are planned and constructed. APW states that actual quantities of pipe replacement and manhole repairs will be determined based upon the results of I&I investigations and sewer main inspections.

**Table 5: GPA Quantity of Property to be Improved 2018 through 2022**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **2018** | **2019** | **2020** | **2021** | **2022** | **Total** |
| Sewer Mains (linear feet) | 24,500 | 17,500 | 14,000 | 12,000 | 9,000 | **77,000** |
| Manholes (each) | 335 | 120 | 15 | 15 | 15 | **500** |
| Pump Stations (each) | 44 | 5 | 8 | 8 | 8 | **73** |
| Clean & TV (linear feet) | 154,000 | 20,000 | 40,000 | 40,000 | 40,000 | **294,000** |

**Table 6: SEPA and Total Quantity of Property to be Improved 2018 through 2022**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** | **2018** | **2019** | **2020** | **2021** | **2022** | **Total** | **Total GPA and SEPA** |
| Sewer Mains (linear feet) | 7,000 | 2,000 | 1,400 | 3,800 | 3,800 | **18,000** | **95,000** |
| Manholes (each) | 0 | 0 | 0 | 0 | 0 | **0** | **500** |
| Pump Stations (each) | 16 | 8 | 8 | 0 | 0 | **32** | **105** |
| Clean & TV (linear feet) | 0 | 0 | 0 | 0 | 0 | **0** | **294,000** |

**Table 7: GPA Planned Annual Expenditures, in Dollars**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **2018** | **2019** | **2020** | **2021** | **2022** | **Total** |
| Sewer Mains | 3,056,000 | 2,200,000 | 1,770,000 | 1,465,000 | 1,165,000 | **9,656,000** |
| Manholes | 435,000 | 160,000 | 20,000 | 20,000 | 20,000 | **655,000** |
| Pump Stations | 2,045,000 | 250,000 | 380,000 | 380,000 | 380,000 | **3,435,000** |
| GIS | 0 | 0 | 0 | 0 | 0 | **0** |
| Clean & Televise | 230,000 | 30,000 | 60,000 | 60,000 | 60,000 | **440,000** |
| Engineering Studies | 0 | 25,000 | 0 | 0 | 0 | **25,000** |
| **Total** | **5,766,000** | **2,665,000** | **2,230,000** | **1,925,000** | **1,625,000** | **14,211,000** |

**Table 8: SEPA and Total Annual Planned Expenditures, in Dollars**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **2018** | **2019** | **2020** | **2021** | **2022** | **Total** |
| Sewer Mains | 475,000 | 250,000 | 180,000 | 480,000 | 480,000 | 1,865,000 |
| Manholes | 0 | 0 | 0 | 0 | 0 | 0 |
| Pump Stations | 884,000 | 434,000 | 354,000 | 4,000 | 4,000 | 1,680,000 |
| GIS | 0 | 0 | 0 | 0 | 0 | 0 |
| Clean & Televise | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **1,359,000** | **684,000** | **534,000** | **484,000** | **484,000** | **3,545,000** |
| **Total GPA and SEPA** | **7,125,000** | **3,349,000** | **2,764,000** | **2,409,000** | **2,109,000** | **17,756,000** |

 APW’s notes that it will use the more cost effective trenchless sewer rehabilitation methods described in element 2, above, where possible. APW notes that the benefits of utilizing trenchless sewer rehabilitation techniques include requiring less installation time and therefore less bypass pumping, minimization of utility conflicts, and restoration costs. APW also notes that trenchless methods are less disruptive to business, homeowners and traffic. Trenchless techniques can perform spot repairs as well as manhole-to-manhole lining.

 APW notes that all work under the Second LTIIP is expected to be performed by contractors. APW states that through competitive bidding it can secure lower unit costs contracts with various utility contractors and assigns supervisors and inspectors to each project to ensure the quality and effectiveness of work performed. APW notes that it typically works with contractors that have performed work on successful projects for APW in the past. APW notes that any new contractors awarded bids are reviewed and vetted through various means such as reference checks, reviews of completed projects, industry and trade references, and a review of their financial position and insurance requirements. APW notes that it monitors contractor performance daily and during the course of each project. APW provided the Commission with a sample RFP, the instructions provided to bidders, and a sample contractor agreement.

**Comments**

No comments were received regarding the reasonable estimates of the quantity or expenditures of property to be improved, and cost effectiveness of the plan.

**Resolution**

Upon review of APW’s Second LTIIP, the Commission finds that APW’s Second LTIIP fulfills the requirements of 52 Pa. Code §§ 121.3(a)(4)-(5) by providing reasonable estimates of the quantity of property to be improved and the projected annual expenditures and means to finance the expenditures and ensure cost effectiveness.

**(6) ACCELERATED REPLACEMENT AND MAINTAINING ADEQUATE, EFFICIENT, SAFE, RELIABLE AND REASONABLE SERVICE TO CUSTOMERS**

**APW’s Position**

APW states it plans to accelerate collection system capital spending to an average of $3.5 million per year for pipe repair, pump station refurbishment and I&I elimination programs for the calendar years 2018 through 2022. APW’s proposed capital spending represents an increase as compared to the baseline pre-DSIC investment of approximately $630,000 per year. APW notes that its Second LTIIP is also an increase as compared to the average $2.36 million per year spent during its First LTIIP.

APW notes that it will use construction methods that minimize service interruptions to customers while ensuring cost effectiveness and maintaining serviceability of mains and pumping facilities during construction projects. APW maintains both cost and service standards utilizing monitoring and oversight by inspectors, operations management and the licensed operators. APW also note it has additional inspection and oversight by APW safety administration personnel. APW employees will provide information letters and door to door notifications to affected customers before starting work within a community.

**Comments**

No comments were received regarding the manner in which the infrastructure replacement will be accelerated.

**Resolution**

Upon review of APW’s Second LTIIP, the Commission finds that APW’s Second LTIIP fulfills the requirements of 52 Pa. Code §§ 121.3(a)(6) by providing a description of the manner in which infrastructure replacement will be accelerated and how repair, improvement, or replacement will ensure and maintain adequate, efficient, safe, reliable, and reasonable service to customers.

**(7) WORKFORCE MANAGEMENT AND TRAINING PROGRAM**

**APW’s Position**

APW states it utilizes construction inspectors to provide numerous services during the installation of mains, service lines, pump stations, and manholes in the collection system. APW notes that its construction inspectors perform the following tasks, as well as any other work that may be necessary:

* Monitor the installation of the lines to confirm that they are properly bedded and installed to APW specifications
* Monitor the backfill of the project for proper compaction as per APW specifications
* Confirm that all materials such as pipe, fittings, backfill, concrete, etc., in the project meet the APW specifications
* Capture the quantities of pipe and other materials for proper record keeping, plans, etc.
* Capture the quantities of pipe and other materials, labor, etc., for accurate billing and payments
* Document all locations of pipe, laterals, etc., for accurate mapping and record keeping
* Work with residential customers to lessen the impact of the project and answer or address any issues that occur within the project
* Work with businesses that are impacted by the project to insure deliveries, access, and service outages do not disrupt business
* Coordinate contractors with school districts, municipalities, and emergency services so that bus routes, trash pick-up, mail delivery, and emergency response are not impacted
* Monitor the temporary restoration during the project to make certain that roads are safely traveled
* Monitor the restoration required in projects to make certain they are done to state or municipal specifications, and insure that proper payment is achieved
* Observe contractor's implementation of contractor safety plans and advise contractor of any observed conditions of imminent danger. Inspectors can shut down a project until an imminent danger situation is addressed

APW states it requires its employees to have mandatory safety training throughout the year. Required annual training includes confined space, traffic safety, excavation/trenching, general safety hazards, and hazard communications. Personal protection equipment (PPE), electrical hazard, competent person, and other training programs are required but not given on an annual basis.

APW requires all employees and contractors to report immediately any injury that takes place to an employee of either party and to report any damage to utilities during the excavation process. APW records the damage and reports those incidents to a national database for underground damage reporting called Common Ground Alliance Damage Information Reporting Tool (DIRT).

Contractors are required at APW's request to provide APW with their safety policy and documentation of training to their employees. Contractors are also required by APW to follow all state, federal, and OSHA rules and regulations in the implementation of a project. APW states this is required in all contract documents for construction. Contractors are also mandated by APW to have a minimum of four safety checks per month on their projects by the contractor's safety professional or a safety consultant. Job Hazard Awareness forms are required to be completed daily, either utilizing the APW form or a similar form utilized by the contractor.

Contractors are required by APW to provide the PPE for their employees, and are responsible for reporting any injuries sustained on an APW project. APW’s contractors are responsible for following the requirements of PA One Call, and are responsible for all PA One Call requests.

**Comments**

No comments were received regarding the workforce management and training program*.*

**Resolution**

Upon review of the APW’s Second LTIIP, the Commission finds that APW’s Second LTIIP fulfills the requirements of 52 Pa. Code § 121.3(a)(7) by providing a workforce management and training program that is designed to ensure that APW will have access to a qualified workforce to perform the work in a cost‑effective, sage and reliable manner.

**(8) DESCRIPTION OF OUTREACH AND COORDINATION ACTIVITIES WITH OTHER UTILITIES, PENNDOT AND LOCAL GOVERNMENTS ON PLANNED PROJECTS**

**APW’s Position**

APW states potential refurbishment projects are vetted by the corresponding construction division's superintendent and are analyzed for practicability of construction in the pending budget year. APW accumulates information from PennDOT, counties, home owners associations, and municipalities for their proposed paving and other public works projects during the budget year. APW states that if it chooses to undertake a pipe or manhole refurbishment project on a road pre-scheduled for paving, the project will be coordinated with the state, county or municipality. APW notes it will work with the appropriate government agency to ensure that the design, permitting, and construction of the project will be completed in time to allow for the road to be paved. Paving of roads may be delayed to the subsequent year for large sewer projects. APW states that its rate payers benefit financially when APW avoids road surface restoration.

 APW avers it will be proactive in identifying opportunities to coordinate pipe replacement and road paving because most municipalities do not identify their paving plans prior to APW’s project selection. APW notes that its continuous outreach has resulted in additional coordination opportunities, including a recent project by the Southeastern Pennsylvania Transportation Authority within APW’s Media System.

**Comments**

No comments were received regarding the description of outreach and coordination activities with other utilities, PennDOT and local governments on planned projects.

**Resolution**

Upon review APW’s Second LTIIP, the Commission finds that APW’s Second LTIIP fulfills the requirements of 52 Pa. Code § 121.3(a)(8) by providing a description of APW’s outreach and coordination activities with other utilities, PennDOT and local governments on planned projects and roadways that may be impacted by the Second LTIIP.

**SECOND LTIIP SUMMARY**

 The Commission’s review of an LTIIP must determine if the LTIIP:[[9]](#footnote-9)

* Contains measures to ensure that the projected annual expenditures are cost‑effective.
* Specifies the manner in which it accelerates or maintains an accelerated rate of infrastructure repair, improvement or replacement.
* Is sufficient to ensure and maintain adequate, efficient, safe, reliable and reasonable service.
* Meets the requirements of 52 Pa. Code § 121.3(a).

 The utility has the burden of proof to demonstrate that its proposed LTIIP and associated expenditures are reasonable, cost effective and designed to ensure and maintain sufficient, safe, adequate, reliable and reasonable service to consumers.[[10]](#footnote-10)

The Commission has reviewed APW’s Second LTIIP. The Commission finds that APW has meet its burden of proof by demonstrating that its Second LTIIP contains measures to ensure that the projected annual expenditures are cost-effective, specifies the manner in which it accelerates or maintains an accelerated rate of infrastructure repair, improvement, or replacement, is sufficient to ensure and maintain adequate, safe, reliable, and reasonable service, and meets the requirements of 52 Pa. Code § 121.3(a). Accordingly, APW’s Second LTIIP is approved.

The Commission finds APW’s Second Long-Term Infrastructure Improvement Plan and manner in which it was filed conforms to the requirements of Act 11 and our Regulations. The plan, as approved herein, is designed to maintain safe, adequate and reliable service and, as such, APW’s shall be required to comply with the infrastructure replacement schedule and elements of that plan; **THEREFORE,**

**IT IS ORDERED:**

1. That the Petition for Approval of a Second Long-Term Infrastructure Improvement Plan filed by Aqua Pennsylvania Wastewater Inc. is approved, consistent with this Order.

2. That the proceeding at Docket No. P-2017-2622818 be closed.

**BY THE COMMISSION,**

 Rosemary Chiavetta

 Secretary

(SEAL)

ORDER ADOPTED: December 21, 2017

ORDER ENTERED: December 21, 2017

1. Docket No. R-2010-2207853. [↑](#footnote-ref-1)
2. <http://www.legis.state.pa.us/WU01/LI/LI/US/HTM/2012/0/0011..HTM>. [↑](#footnote-ref-2)
3. *See* 52 Pa. Code § 121.3. [↑](#footnote-ref-3)
4. Little Washington Drainage Company's name subsequently was changed to Aqua Pennsylvania Wastewater, Inc. effective January 1, 2014. *See* Docket No. A-2013-2395509. [↑](#footnote-ref-4)
5. *See Petition of Little Washington Wastewater Company (LWWC) for Approval of its Long-Term Infrastructure Improvement Plan,* at Docket No. P-2013-2366873. [↑](#footnote-ref-5)
6. APW’s FY 2014 through 2017 AAOPs may be found at Docket Nos. M-2014-2451926, M-2015-2511972, M-2016-2574841, and M-2017-2634990, respectively. [↑](#footnote-ref-6)
7. *See Periodic Review of Aqua Pennsylvania Wastewater Inc.’s Long-Term Infrastructure Improvement Plan*, Order entered May 4, 2017, at Docket No. M- 2017-2582914. [↑](#footnote-ref-7)
8. APW stated in supplemental information filed with the Commission that CCTV Main Inspections and Clean and Televise are eligible property under Pa. C.S. § 1351 (4) (iv) and will be recorded under Accounts 360 & 361. [↑](#footnote-ref-8)
9. *See* 52 Pa. Code § 121.4(e). [↑](#footnote-ref-9)
10. *See* 52 Pa. Code § 121.4(d). [↑](#footnote-ref-10)