



April 30, 2018

David P. Zambito

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VIA HAND DELIVERY

CONTAINS PROPRIETARY INFORMATION

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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2018 APR 30 PM 1:32
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Re: Pennsylvania Public Utility Commission v. SUEZ Water Pennsylvania Inc.
Docket No. R-2018-3000834

SUEZ WATER PENNSYLVANIA INC. 2018 GENERAL BASE RATE FILING;
Supplement No. 53 to Tariff Water - Pa. PUC No. 7

Dear Secretary Chiavetta:

Enclosed please find the original and one (1) copy of SUEZ Water Pennsylvania Inc.'s ("SWPA") Supplement No. 53 to Tariff Water – Pa. P.U.C. No. 7 ("Supplement No. 53"). Supplement No. 53 contains an issued date of April 30, 2018 and an effective date of July 1, 2018. In Supplement No. 53, SWPA proposes an increase in rates designed to produce an increase in base rate revenues of approximately \$6.2 million per year. The \$6.2 million increase does not include the current surcharges assessed to customers.

Also enclosed please find an original and one (1) copy of the following materials submitted as supporting data as required pursuant to 52 Pa. Code §§ 53.52 and 53.53:

1. Statement of Reasons, Supplement No. 53
2. Testimony Binder
 - a. Direct Testimony of John D. Hollenbach, SWPA Statement No. 1, Operations and Capital Additions
 - b. Direct Testimony of Constance E. Heppenstall, SWPA Statement No. 2, Income Statement, Operating Revenue, Expense Adjustments, and Rate Base
 - c. Direct Testimony of James C. Cagle, SWPA Statement No. 3, Tax Impact
 - d. Harold Walker, SWPA Statement No. 4, Lead Lag Study

- e. Direct Testimony of Dylan W. D'Ascendis, SWPA Statement No. 5, Rate of Return
 - f. Direct Testimony of Paul R. Herbert, SWPA Statement No. 6, Cost of Service Allocation and Customer Rate Design
 - g. Direct Testimony of John Spanos, SWPA Statement No. 7, Depreciation Expense
- 3. Exhibit Binder
 - 4. Exhibit JJS-1
 - 5. Exhibit JJS-2
 - 6. Exhibit JJS-3
 - 7. Minimum Filing Requirements I Through IV Binder
 - 8. Minimum Filing Requirements V Through XI Binder
 - 9. Confidential Filing Requirements Binder (Sealed Envelope).

The sealed envelope contains proprietary information which is being submitted to the Commission in conjunction with the filing. SWPA respectfully requests that, in accordance with the Commission's internal operating procedures, the documents contained in the sealed envelope be afforded proprietary treatment and placed in a non-public, proprietary folder. Proprietary treatment is necessary because the documents contain sensitive business information.

SWPA will be represented in this proceeding by David P. Zambito, Esquire and Jonathan P. Nase, Esquire of Cozen O'Connor, and requests that all correspondence and inquiries regarding this rate filing be directed as follows:

David P. Zambito, Esquire, Attorney I.D. #80017
Jonathan P. Nase, Esquire, Attorney I.D. #44003
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
Telephone: 717-703-5892
Facsimile: (215) 989-4216
E-mail: dzambito@cozen.com
E-mail: jnase@cozen.com

SWPA has elected to use the alternative method of customer notification (bill insert) for existing customers for the proposed rates set forth in Supplement No. 53. See 52 Pa Code § 53.45(b)(4).

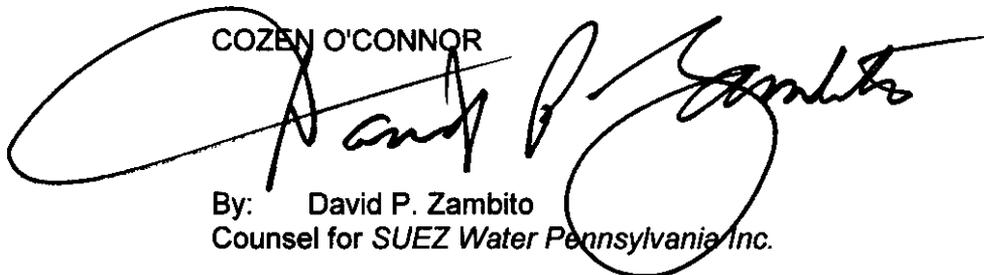
As indicated on the attached Certificate of Service, copies of the foregoing have been served upon the Commission's Bureau of Investigation & Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate.

I have enclosed a CD-Rom of the filing (**without proprietary materials**) for your convenience and in accordance with 52 Pa. Code § 1.37(a)(3).

Thank you for your attention to this matter. Please date-stamp the extra copy and return it with our courier. Please do not hesitate to contact me if you have any questions.

Sincerely,

COZEN O'CONNOR

A large, stylized handwritten signature in black ink, appearing to read "David P. Zambito". The signature is written over the printed name and title below it.

By: David P. Zambito
Counsel for SUEZ Water Pennsylvania Inc.

DPZ/kmg
Enclosures

cc: Per Certificate of Service
Office of Administrative Law Judge (w/o enclosures)
Bureau of Technical Utility Services (w/o enclosures)

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SUEZ WATER PENNSYLVANIA INC.

Supplement No.53 to:
Water – Pa. P.U.C. No. 7

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SUEZ WATER PENNSYLVANIA INC.

Harrisburg, Pennsylvania,

Rates, Rules and Regulations

Governing the Distribution of Water in

(See Page 5 for Territories Served)

ISSUED: April 30, 2018

EFFECTIVE: June 29, 2018

BY: John Hollenbach, Vice President & General Manager
SUEZ Water Pennsylvania Inc.
4211 East Park Circle
Harrisburg, PA 17111

NOTICE

This tariff supplement is a general rate increase under Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1308(d). In accordance with Commission Order at Docket No. M-2018-2641242 adopted and entered on March 15, 2018, the rates and riders are declared to be temporary rates pursuant to Section 1310 (d) of the Public Utility Code, 66 Pa. C.S. § 1310(d) for a trial period ending September 15, 2018, unless otherwise determined by the Commission.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Schedule of Meter Rates, Page 6, 6A, 6B, 7, 8, 9, and 10 – reflects rate increase in this case.

Page 6A modifies to whom the rate is applicable.

Page 7 modifies Large Industrial Tariff language; adds fixed minimum charge.

Page 10 reflects changes in terms of classification from regular Schedule of Rates to fire-service only rates.

Addition of Page 10A provides for continuation of Rates for Private Fire Sprinkler and Hose Service.

Page 11 is modified to add Non-Residential Standby Rates.

- (I) Indicates an Increase
- (D) Indicates a Decrease
- (C) Indicates a Change

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SCHEDULE OF METER RATES

Application:

To all residential customers residing in all territories served by SUEZ Water Pennsylvania.

Volume Charges:

All consumption at \$0.96700 per 100 gallons

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8" – 3/4"	\$15.00	(I) (C)
1"	31.09	(I)
1 1/2"	62.18	(I)
2"	106.51	(I)
3"	199.78	(I)
4"	333.00	(I)
6"	666.00	(I)
8"	1,065.69	(I)
10"	1,531.91	(I)

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial/public authority, industrial, sales for resale, public fire and private fire customers, except as provided by law for governmental entities. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

SCHEDULE OF METER RATES

Application:

To all commercial, commercial residence/apartments and public authority customers residing in all territories served by SUEZ Water Pennsylvania.

(C)

Volume Charges:

	<u>Per Month</u>	<u>Rate Per 100 Gallons</u>
First	25,000 Gallons	\$0.96700 (I)
Over	25,000 Gallons	0.71020 (I)

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>
5/8" – 3/4"	\$15.00 (I) (C)
1"	31.09 (I)
1 1/2"	62.18 (I)
2"	106.51 (I)
3"	199.78 (I)
4"	333.00 (I)
6"	666.00 (I)
8"	1,065.69 (I)
10"	1,531.91 (I)

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial/public authority, industrial, sales for resale, public fire and private fire customers, except as provided by law for governmental entities. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

SCHEDULE OF METER RATES

Application:

To all regular industrial customers residing in all territories served by SUEZ Water Pennsylvania.

Volume Charges:

	<u>Per Month</u>	<u>Rate Per</u> <u>100 Gallons</u>
First	25,000 Gallons	\$0.96700 (I)
Over	25,000 Gallons	0.79500 (I)

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>
5/8" – 3/4"	\$15.00 (I) (C)
1"	31.09 (I)
1 1/2"	62.18 (I)
2"	106.51 (I)
3"	199.78 (I)
4"	333.00 (I)
6"	666.00 (I)
8"	1,065.69 (I)
10"	1,531.91 (I)

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial/public authority, industrial, sales for resale, public fire and private fire customers, except as provided by law for governmental entities. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

SCHEDULE OF METER RATES

Application:

To all large industrial customers.

Large Industrial Tariff – Applicable to all Industrial customers that elect to be on the Large Industrial Tariff rate. Those Industrial customers will take or pay for 7 million gallons per month at a fixed minimum charge of \$30,800, with usage over 7 million gallons per month to be charged at \$0.440 per 100 gallons. Once an Industrial customer elects to be on the Large Industrial Tariff, they must remain on the Large Industrial Tariff for a minimum of six consecutive months before electing to be removed from the Large Industrial Tariff with a 30 day written notice to SUEZ PA's customer service department.

(C)

<u>Service Charge</u>	<u>Per Month</u>	
3"	\$199.78	(I)
4"	333.00	(I)
6"	666.00	(I)
8"	1,065.69	(I)
10"	1,531.91	(I)

Consumption Charge

All usage over 7 million gallons per month to be charged at \$0.440 per 100 gallons. (C)

Fixed minimum charge per month \$30,800.00 (C)

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial/public authority, industrial, sales for resale, public fire and private fire customers, except as provided by law for governmental entities. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

SUEZ WATER PENNSYLVANIA INC.

Rates for Public Fire Hydrant Service

Application:

To all political subdivisions.

Rates:

For fire hydrant installed and maintained by the Company at its expense.

		<u>Per Month</u>	
(Harrisburg)	Each fire hydrant	\$25.83	(I)
(Dallas)	Each fire hydrant	\$20.00	(I)
(Mechanicsburg)	Each fire hydrant	\$25.83	
(Bloomsburg)	Each fire hydrant	\$20.00	(I)

Conditions:

Water from fire hydrants is intended to be used for fighting fires. Any water used for purposes other than fighting fires shall be billed at the Residential rate on Page 6.

Water used from fire hydrants for other than fighting fires should be based on meter readings where possible. If a meter cannot be used, the Company will estimate the usage.

Rates for Private Fire Hydrant Service

Application:

To all customers having private fire hydrant installations.

Rates:

For a lateral connection from the main in a private easement to a hydrant valve at the curb, easement boundary or property line to serve a fire hydrant installed and maintained by the customer at his expense:

	<u>Per Month</u>	
Each fire hydrant	\$50.31	(I)

Conditions of Contract:

The Company reserves the right to meter any fire line where evidence indicates that water is being taken from the line for purposes other than fire fighting, and such metered service shall then be billed in accordance with the regular Schedule of Meter Rates in addition to the above rates, with proper allowance for water consumed in fire fighting.

Rates for Private Fire Sprinkler and Hose Service

Application:

To all customers having a separate fire sprinkler system and/or inside hose connection for fire fighting purposes.

Rates:

For fire service through a separate fire service line.

	<u>Per Month</u>
For each 2" service line(or smaller)	\$ 22.58 (l)
For each 3" service line	60.90 (l)
For each 4" service line	78.11 (l)
For each 6" service line	129.85 (l)
For each 8" service line	193.54 (l)
For each 10" service line	277.13 (l)
For each 12" service line	384.51 (l)
For each 14" service line	706.35 (l)

There will be no additional charge for sprinkler heads, or hose connections, supplied from the service line. There shall be no additional charge for hydrants installed on a private fire sprinkler line

Conditions of Contract:

All new fire services will be metered by a meter approved by the Company. The Company reserves the right to determine the location of the meter/meter vault. All piping appurtenances and the vault will be at the sole cost of the customer and be maintained by the customer.

All new fire services shall be equipped with a backflow preventer device. The Customer shall provide a Company specified meter installed in a Company specified meter vault with a Company specified back flow preventer for all fire services. The cost of any piping modifications needed to accommodate the appropriate backflow preventer and or detector check will be at the customer's expense.

The Company reserves the right to meter any existing fire line where evidence indicates that water is being taken from the line for purposes other than fire fighting, and such metered service shall then be billed in accordance with the regular Schedule of Meter Rates in addition to the above rates, with proper allowance for water consumed in fire fighting. The Company shall also have the right to reclassify the customer to the regular Schedule of Meter Rates, in the same manner, when two or more months of usage are recorded within a rolling 12-month period unless the customer can demonstrate, by evidence acceptable to the Company that the usage was in fact for the purpose of firefighting. Following a reclassification, the customer shall not be returned to a fire service-only rate until the customer has made a request for such service and can demonstrate, by evidence acceptable to the Company, 12 continuous months of no usage for purposes other than firefighting. The customer will be responsible for the cost of the meter and any piping modifications needed to accommodate the meter.

The Company reserves the right to require the fire service line to be separate from the domestic service line.

Rates for Private Fire Sprinkler and Hose Service (continued)

For existing private fire services that are not metered, the customer must notify the Company three business days prior to any testing of the fire flow system. The Company will determine the acceptable rate of flow for testing purposes. The Company will assess a charge of \$250 per fire flow test. A penalty charge of \$1,000 will be assessed for any fire flow test conducted without notifying the Company.

The Company reserves the right to make system changes that may impact both the static and residual pressures. In such events, as long as the pressures meet the PUC pressure requirements, the Company will not be held responsible, or otherwise liable, for any required changes to the customer's fire suppression system as a result of the change to the Company's pressure.

NON-RESIDENTIAL STANDBY RATE

(C)

Application:

This rate is available to all non-residential customers that have an alternative supply source or a non-residential customer that purchases water from the Company and develops or obtains a new source of supply.

The Non-Residential Standby Rate is available on a firm basis, not interruptible.

The daily requirement, as nominated by the customer, shall be equal to the maximum day capacity of the non-residential customer's alternative supply or the new source of supply or another reasonable amount agreed to by the Company and the non-residential customer.

A monthly charge of \$153.00 per 1,000 gallons of daily requirement as nominated as well as a usage charge of \$3.10 per thousand gallons for any actual usage.

Standby Charge:

A monthly charge of \$153.00 per 1,000 gallons of daily requirement as nominated

Consumption Charge

All usage per 1,000 gallons \$3.10

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service Charge and (C) the Standby rate agreed to by the Company and the non-residential customer.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial/public authority, industrial, sales for resale, public fire and private fire customers, except as provided by law for governmental entities. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission

v.

SUEZ Water Pennsylvania Inc.

Docket No. R-2018-3000834

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing 2018 Rate Case of SUEZ Water Pennsylvania Inc. (without Confidential materials) upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL:

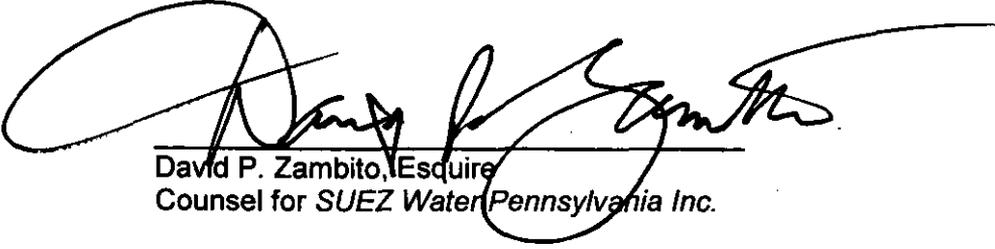
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120

Office of Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101-1303

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
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DATED: April 30, 2018



David P. Zambito, Esquire
Counsel for SUEZ Water Pennsylvania Inc.