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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSION400 NORTH STREET, HARRISBURG, PA 17120 | **IN REPLY PLEASE REFER TO OUR FILE** |

August 13, 2018

Docket No. R-2018-3001506

Utility Code 212920

RANDALL L RHODES

PO BOX 397

RENO PA 16343

RE: Sugarcreek Water Company Supplement No. 10 to Water – Pa. P.U.C. No. 3 at Docket No. R-2018-3001506

Dear Mr. Rhodes:

On July 26, 2018, Sugarcreek Water Company (Sugarcreek) filed the above-captioned tariff supplement with the Public Utility Commission. For the Commission to complete its analysis of the filing, responses are required for the attached data requests. Please forward the requested information to the Commission within 10 working days of the date of this letter.

Please send all responses to the Secretary of the Commission at the following address:

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| Secretary, Pennsylvania Public Utility Commission400 North Street, 2nd FloorHarrisburg, Pennsylvania 17120 |

All documents requiring notary stamps must have original signatures. Some responses may be e-filed at <http://www.puc.pa.gov/efiling/default.aspx>. A list of allowable e-filing document types is available at <http://www.puc.pa.gov/efiling/DocTypes.aspx>.

**Please note that your answers must be verified per 52 Pa Code § 1.36.** Accordingly, you must provide the following statement with your responses:

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| *I,* [print name of appropriate company representative], *hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.  I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).*Signature \_\_\_\_\_\_\_\_Title \_\_\_\_\_\_\_\_\_\_\_\_Date \_\_\_\_\_\_\_\_\_\_\_\_ |

Please contact the below staff person if any problems should arise that prevent a full response within ten working days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the application, please send a copy of the information to Paul Zander via e-mail at**pzander@pa.gov**or by fax at (717) 787-4750. Questions may be directed to Paul Zander in the Bureau of Technical Utility Services, Water/Wastewater Division at telephone number (717) 783-1372. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta

Secretary

Enclosure

cc: Tanya McCloskey, Office of Consumer Advocate (w/enclosure)

John Evans, Office of Small Business Advocate (w/enclosure)

Richard Kanaskie, PUC Bureau of Investigation and Enforcement (w/enclosure)

Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

1. The filing does not contain responses pursuant to 52 Pa. Code § 53.52. Supplement the filing by providing statements for the following:
	1. Provide a calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.
	2. State the effect of the change on customers.
	3. State the direct or indirect effect of the proposed change on Sugarcreek’s revenue and expenses.
	4. State the effect of the change on services rendered.
	5. Provide any customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, provide an explanation of why the change is in the public interest.
	6. Identify plans for introducing or implementing the changes with respect to ratepayers.
	7. Identify any Commission orders or rulings applicable to the filing.
	8. Quantify the number of customers, by tariff subdivision, whose bills will be increased.
	9. Quantify the number of customers, by tariff subdivision, whose bills will be decreased.
	10. Provide both of the following: (1) a statement showing Sugarcreek’s calculation of the rate of return or operating ratio earned as of December 31, 2017; and (2) a statement showing Sugarcreek’s anticipated rate of return or operating ratio to be earned when the tariff supplement becomes effective. If an operating ratio is used, please provide a comparison of the calculated operating ratio with the cost of service of similar companies which do not employ an operating ratio methodology.
	11. Provide a brief description of any major change in the operating or financial condition of Sugarcreek occurring between December 31, 2017 and July 26, 2018 (i.e., a change which materially alters the operating or financial condition of Sugarcreek from that reflected in the filing).
2. The customer notice in the filing does not comply with 52 Pa. Code § 53.45(b)(1)(i). Re-issue Sugarcreek’s customer notice containing the language required pursuant to 52 Pa. Code § 53.45(b)(1)(i) and verify that a compliant customer notice has been re-issued by Sugarcreek.
3. Provide a copy of the news release issued by Sugarcreek pursuant to 52 Pa. Code

§ 53.45(b)(3).

1. Provide the customer notice affidavit required pursuant to 52 Pa. Code § 53.45(h).
2. The filing’s Additional Information page identifies the rate increase is intended, in part, to cover the costs of maintaining compliance with current and upcoming regulations. Identify the upcoming regulations this statement is referring to, provide an outline of Sugarcreek’s plan for compliance and provide any cost estimates obtained for any required plant changes/upgrades.
3. The filing’s Comparison Statement of Operating Revenues (Comparison Statement) reflects operating revenues that do not match Sugarcreek’s 2017 annual report. The difference appears to be due to Sugarcreek including what is identified in the filing as late payment charges and other revenues as metered water revenue in Sugarcreek’s annual reports. Please confirm if Sugarcreek includes late payment charges and other revenues as metered water revenue in Sugarcreek’s annual reports. If so, please explain why such revenues are assigned as metered water revenue as opposed to being assigned to Uniform System of Accounts Account Nos. 470 (Forfeited Discounts) and 471 (Miscellaneous Service Revenues).
4. Provide a breakdown of the following operating expense categories identified in the filing’s Comparison Statement for the year ended December 31, 2016 and December 31, 2017: (1) operating labor; (2) operating supplies; and (3) maintenance labor.
5. Provide an electronic copy of the filing’s Adjusted Depreciation Schedule (Attachment-2).
6. Identify any assets in the filing’s Attachment-2 that are no longer used and useful in the public service (i.e., assets that have been retired or replaced) and specifically state if both storage tanks in Account No. 6 are used and useful in the public service.
7. Provide invoices supporting plant additions identified in the filing’s Attachment-2 since 2010.
8. Quantify rate filing costs incurred by Sugarcreek as of the date of Sugarcreek’s response to this Data Request and provide justification for the rate case filing’s 2-year amortization period for Sugarcreek’s rate case expense as specified in the filing’s Annualizations to Level of Operations, Attachment-6.
9. Provide a copy of one customer bill from each class of customer served by Sugarcreek (i.e., residential, commercial, etc.).
10. Provide calculations to quantify Sugarcreek’s share of the distribution of wages and benefits to affiliates pursuant to Schedule I of Sugarcreek’s amended AIA at Docket No. G-2014-2439212.
11. Identify any notices of violation or permit violations issued by the Pennsylvania Department of Environmental Protection for Sugarcreek’s system within the last three years and identify any measures Sugarcreek has taken or plans to take to address these violations.