#### **COMMONWEALTH OF PENNSYLVANIA**



#### OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place Harrisburg, Pennsylvania 17101-1923 (717) 783-5048 800-684-6560

FAX (717) 783-7152 consumer@paoca.org

September 27, 2018

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

Re:

Pa. Public Utility Commission

V.

Aqua Pennsylvania, Inc. and

Aqua Pennsylvania Wastewater, Inc.

Docket Nos. R-2018-3003558

R-2018-3003561

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Very truly yours,

/s/ Christine Maloni Hoover Christine Maloni Hoover Senior Assistant Consumer Advocate PA Attorney I.D. # 50026 E-Mail: CHoover@paoca.org

#### **Enclosures:**

cc:

Honorable Angela T. Jones, ALJ Honorable F. Joseph Brady, ALJ

Certificate of Service

\*259666

#### CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission

.

Docket Nos. R-2018-3003558

Aqua Pennsylvania, Inc. and

R-2018-3003561

Aqua Pennsylvania Wastewater, Inc.

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 27<sup>th</sup> day of September 2018.

#### SERVICE BY E-MAIL & INTER-OFFICE MAIL

Carrie B. Wright, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2<sup>nd</sup> Floor
Harrisburg, PA 17120

#### SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

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Sharon E. Webb, Esquire Office of Small Business Advocate 300 North Second Street Commerce Building, Suite 202 Harrisburg, PA 17101-1303

David P. Zambito, Esquire Jonathan P. Nase, Esquire Cozen O'Connor 17 North Second Street, Suite 1410 Harrisburg, PA 17101 Christine Soares, Esquire Cozen O'Connor, PC 457 Haddonfield Road LibertyView, Suite 300 Cherry Hill, NJ 08002

Susan Simms Marsh, Esquire Pennsylvania-American Water Company 800 West Hershey Park Drive Hershey, PA 17033 Renee T. Marquis Aqua Pennsylvania, Inc. 762 W. Lancaster Ave. Bryn Mawr, PA 19010

C.J. Zwick, Esquire Matthew R. Zwick, Esquire Zwick & Zwick LLP 171 Beaver Drive P.O. Box 1127 DuBois, PA 15801

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Robert C. Kreisich 1017 Arbuta Road Abington, PA 19001

Susan Siensa 200 Honeycroft Blvd Cochranville, PA 19330 Carey and Sandra Terrell 323 Sweetwater Path Cochranville, PA 19330

/s/ Christine Maloni Hoover Christine Maloni Hoover Senior Assistant Consumer Advocate PA Attorney I.D. # 50026 E-Mail: CHoover@paoca.org

Phillip D. Demanchick Assistant Consumer Advocate PA Attorney I.D. # 324761 E-Mail: <u>PDemanchick@paoca.org</u>

Counsel for the Office of Consumer Advocate 555 Walnut Street 5<sup>th</sup> Floor, Forum Place Harrisburg, PA 17101-1923

Phone: (717) 783-5048 Fax: (717) 783-7152

Dated: September 27, 2018

\*259584

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

V.

R-2018-3003558

R-2018-3003561

Aqua Pennsylvania, Inc.

Aqua Pennsylvania Wastewater, Inc.

# PREHEARING MEMORANDUM OF THE OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. §333, and the Prehearing Conference Order of Administrative Law Judges (ALJs) Angela T. Jones and F. Joseph Brady issued on September 21, 2018, the Office of Consumer Advocate (OCA) provides the following:

#### I. INTRODUCTION AND BACKGROUND

On August 17, 2018, Aqua Pennsylvania, Inc. (Aqua or Company) on its own behalf and on behalf of its wholly-owned subsidiaries, Aqua Pennsylvania Wastewater, Inc. and Superior Water Company, Inc. (Superior Water), filed Original Tariff Water - Pa. P.U.C. No. 2 (Tariff Water No. 2) and Original Tariff Sewer - Pa. P.U.C. No. 2 (Tariff Sewer No. 2) with the Pennsylvania Public Utility Commission (Commission) to become effective October 16, 2018. Through the proposed tariffs, Aqua proposes to increase water and wastewater rates to produce additional annual operating revenue of approximately \$71.7 million per year, or approximately 16.13 percent, over the amount of annual revenues anticipated for the Fully Projected Future Test Year (FPFTY) ended March 31, 2020.

Regarding the Company's water operations, the Company serves approximately 430,000 customers located in municipalities and territories in portions of Adams, Berks, Bradford, Bucks, Carbon, Chester, Clarion, Clearfield, Columbia, Crawford, Cumberland, Delaware, Forest, Juniata, Lackawanna, Lawrence, Lehigh, Luzerne, Mercer, McKean, Monroe, Montgomery, Northampton, Northumberland, Pike, Schuylkill, Susquehanna, Snyder, Venango, Warren, Wayne, and Wyoming Counties.

Currently, Aqua has multiple water rate zones within its service territory. Through Tariff Water No. 2, the Company seeks to consolidate its water rate zones to approximately three distinct zones.<sup>1</sup> As a result, the rate effect of the proposed increase varies by territory. By way of example, a typical residential customer with a 5/8" meter in the Company's Main Division, the Company's largest division, using approximately 4,080 gallons per month would experience an increase in the monthly rate from \$59.85 to \$69.07, or 15.41 percent. A similar customer in the Company's Concord Park Division would experience an increase in the monthly rate from \$30.88 to \$45.43, or 47.11 percent. See Appendix A for a further listing of water rate increases among Aqua's water service territories.

Regarding the Company's wastewater operations, the Company serves approximately 30,000 customers located in municipalities and territories in portions of Adams, Bucks, Carbon, Chester, Clarion, Clearfield, Delaware, Lackawanna, Luzerne, Monroe, Montgomery, Pike, Schuylkill, Venango, and Wyoming Counties.

Currently, Aqua has multiple wastewater rate zones within its service territory. Through Tariff Sewer No. 2, the Company seeks to consolidate its wastewater rate zones to approximately

<sup>&</sup>lt;sup>1</sup> The Company proposes to keep the Bunker Hill Division and the Sun Valley Division separate and apart from its three proposed rate zones. <u>See</u> Tariff Water No. 2 at Original Pg. 10.

six distinct zones. As a result, the rate effect of the proposed increase varies by territory. For example, a typical residential customer in the Company's Brandywine WW Division using approximately 5,400 gallons would experience an increase in the monthly rate from \$106.43 to \$125.84, or 18.24 percent. A similar customer in the Company's Bridlewood WW Division would experience an increase in the monthly rate from \$45.46 to \$74.88, or 64.72 percent. See Appendix A for a further listing of wastewater rate increases among Aqua's wastewater service territories.

Additionally, on August 17, 2018, the Company, on behalf of Superior Water, filed an Application for Approval of Merger between the Company and Superior Water and an Abandonment Application for Superior Water, docketed at A-2017-3004108 and A-2017-3004109, respectively. On September 7, 2018, the Company filed a Motion to Consolidate the Superior Water's Merger and Abandonment Applications with the current base rate proceeding. The OCA does not object to the Company's Motion to Consolidate.

On August 28, 2018, the OCA filed a Formal Complaint, Public Statement, and Notice of Appearance. On August 29, 2018, the Bureau of Investigation & Enforcement (I&E) filed a Notice of Appearance. On August 31, 2018, the Pennsylvania-American Water Company (PAWC) filed a Formal Complaint. The Office of Small Business Advocate (OSBA) filed a Notice of Appearance on September 18, 2018 and a Formal Complaint on September 26, 2018. On September 25, 2018, the Treasure Lake Property Owners Association, Inc. filed a Petition to Intervene and the Links at Gettysburg Master Association filed a Formal Complaint. Formal Complaints were also filed by Albert Bowman, Ralph and Lauretta Camardelli, Thomas Davis, Darren Distasio, Phyllis Genauer, Byron Goldstein, Jordan Goretti, Carl and Kathy Haybedian, Robert Kreisich, Arnold Kring, Robert Leupold, Joseph Lorusso, Michael Luciano, Marilyn Marbo, Ben Mroz, Robert and Dorothy Shafer, Brian Sheppard, Susan Siensa, and John Stull.

On September 20, 2018, the Commission suspended the tariff filings for investigation and assigned the proceeding to the Office of Administrative Law Judge. This matter was further assigned to ALJs Angela T. Jones and F. Joseph Brady. On September 21, 2018, a Prehearing Conference Order was issued convening a telephonic prehearing conference for September 28, 2018.

#### II. OCA ISSUES

Based upon its preliminary analysis of the Aqua filing, the OCA anticipates it will address the following topics in its testimony. The OCA also anticipates that additional issues may arise upon receipt and analysis of complete answers to OCA interrogatories. The OCA reserves the opportunity to present any new or unanticipated issues in accord with the procedural schedule set for this matter.

#### A. Rate of Return

- 1. Cost of Common Equity: The OCA will perform a detailed analysis of the cost of common equity claimed by Aqua. The OCA will carefully examine the Company's methodologies and supporting data used to develop its final cost of common equity claim. The OCA will examine the Company's claimed risk profile to determine if it supports the claimed cost of equity. The OCA will demonstrate that various discretionary upward adjustments sought by Aqua are without merit and contrary to the public interest.
- 2. Capital Structure: The OCA will examine whether the capital structure claimed by Aqua is representative of the period in which rates will be in effect and is otherwise appropriate for ratemaking purposes.
- 3. Embedded Cost of Debt: The OCA will examine the embedded cost of debt claimed by Aqua.

#### B. Rate Base/Measure of Values

- 1. The OCA will examine the reasonableness and accuracy of the projections of Aqua related to its water/wastewater utility plant in service including, but not limited to, whether Aqua will complete its test year plant as its claims and whether it accurately reflects retirements.
- 2. The OCA will review the Company's claim for plant additions during the Future Test Year (FTY) and FPFTY to determine if the Company has demonstrated that all such costs are prudently incurred.
- 3. The OCA will investigate whether the Company's adjustment to rate base for depreciation reserve is appropriate.
- 4. The OCA will examine the Company's projections of non-investor supplied funds, including but not limited to, customer deposits, customer advances for construction and contributions in aid of construction.
  - 5. The OCA will examine the Company's claim for materials and supplies.
- 6. The OCA will examine the Company's calculation and amount of cash working capital.
- 7. The OCA will review the acquisitions adjustments reflected in the filing to ensure it complies with the requirements set forth in Section 1327 of the Public Utility Code.
- 8. The OCA intends to examine the reasonableness and accuracy of the Company's claimed valuation of its investment.

#### C. Revenues and Expenses

1. The OCA will examine whether the number of customers projected on the Company's water and wastewater systems at the time periods relevant to this proceeding is reasonable and accurate.

- 2. The OCA will examine whether the Company's estimates of the volume of water to be sold during future periods is reasonable and accurate.
- 3. The OCA will examine whether the Company's projection of revenues in the FTY and FPFTY are reasonable and accurate including, but not limited to, its billed days adjustments, metered water sales and the impact of conservation measures, and miscellaneous revenue adjustments.
- 4. The OCA will examine whether the salary and wage annualizations and increases included by the Company in the FTY and FPFTY are reasonable and accurate including, but not limited to, whether the vacancies and new positions will be filled as claimed.
- 5. The OCA will examine the costs associated with the accrual of retirement benefits other than pensions for the Company's employees or increased contributions to pension funds.
- 6. The OCA will examine the justness and reasonableness of the Company's Employee Healthcare Expense.
- 7. The OCA will examine the appropriateness of the Company's pro forma claim for rate case expense.
- 8. The OCA will examine the legality and reasonableness of the Company's proposed purchased water agreement expense claims, and its request for a purchased water adjustment mechanism.
- 9. The OCA will examine the reasonableness of the Company's increases for electric power purchased, and its request for a purchased power adjustment mechanism.
- 10. The OCA will examine the miscellaneous other expense items which appear to be based upon company projections of future price levels.

- 11. The OCA will examine the Company's request for depreciation expenses to determine whether it is just and reasonable.
- 12. The OCA will examine the expense effect of billing and associated bill processing costs.
- 13. The OCA will examine the justness and reasonableness of the Company's request for expenses related to serving additional customers.
- 14. The OCA will examine the justness and reasonableness of the Company's claim for customer education costs and social media costs.
- 15. The OCA will examine the justness and reasonableness of the Company's proposed inflation adjustment.
- 16. The OCA will examine the justness and reasonableness of the Company's justification and amortization of new acquisition adjustments.
- 17. The OCA will examine the justness and reasonableness of the Company's claim for insurance costs.
- 18. The OCA will examine the justness and reasonableness of the Company's claim for affiliated interest charges.
- 19. The OCA will examine the justness and reasonableness of the Company's proposed expense amortizations.
- 20. The OCA will examine the justness and reasonableness of the Company's claim for regulatory commission costs.
- 21. The OCA will examine the justness and reasonableness of the Company's claims for promotional, advertising, marketing, lobbying, and political activity.
  - 22. The OCA will examine the justness and reasonableness of the Company's

claims for other operations and maintenance expenses.

- 23. The OCA will examine the justness and reasonableness of the Company's claims for outside services and expenses.
- 24. The OCA will examine the justness and reasonableness of the Company's claimed rate case normalization period.
- 25. The OCA will examine other issues affecting the Company's revenue requirement as they are identified through discovery.

#### D. Taxes

- 1. The OCA intends to raise issues related to the calculation of taxes including, but not limited to, calculation of federal and state income taxes and the amount of those taxes included as expenses for ratemaking purposes, including an adjustment for consolidated tax savings pursuant to Act 40 (2016).
- 2. The OCA will examine the reasonableness of the Company's proposal regarding the maintenance and repair allowance, and its claim for income and property taxes.
  - 3. The OCA will examine the effect of the Tax Cuts and Jobs Act on the Company's 2018 tax expense and its accumulated deferred income tax (ADIT) accounts and the amount, if any, that needs to be returned to ratepayers as a result.

### E. <u>Rate Structure/Cost of Service/Rate Design</u>

- 1. The OCA will examine the reasonableness of Aqua's proposed distribution of the revenue increase among customer classes, ratemaking regions, and types of utility service.
- 2. The OCA will examine Aqua's proposal to allocate a portion of the wastewater cost of service to the combined water and wastewater customer base to ensure that it is consistent with Act 11 of 2012 and that it is reasonable and consistent with the public interest.

- 3. The OCA will examine whether the rate design changes proposed by Aqua are reasonable and appropriate.
- 4. The OCA will examine Aqua's cost of service studies, including whether the methodology is valid and whether the allocations are reasonable.
- 5. The OCA will examine the reasonableness and appropriateness of the Company's proposed tariff changes, including all proposed surcharges and revenue adjustment mechanisms.

### F. Quality of Service

- 1. The OCA will examine whether Aqua's main extension and other quality of service rules and regulations are enforced and applied in a fair and equitable manner.
- 2. The OCA will review the Company's quality of service to ensure that it is providing safe, adequate, and reliable service, and water that is usable for all household purposes, and that its wastewater plants and collections systems are operating as required.
- 3. The OCA will investigate the water quality and service complaints of Aqua customers.

#### G. Other Issues

- 1. The OCA will examine any relevant environmental issues that arise as a result of the Company's operations.
- 2. The OCA will investigate to ensure that the Company is complying with all prior orders.

#### III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of the following witnesses in this proceeding. Each witness will present testimony in written form and may also attach various exhibits, documents, and explanatory information which will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that, in addition to mailing copies to OCA counsel, parties send copies of all interrogatory answers and testimony directly to the expert witness(es) responsible for the appropriate area of the case. The OCA also requests that CDs containing any interrogatory responses be mailed directly to the applicable consultant.

Accounting/Regulatory Policy:

Ralph Smith

Larkin & Associates, PLLC 15728 Farmington Road

Livonia, MI

OCAAqua2018@paoca.org

Rate of Return:

Glenn Watkins

Technical Associates, Inc. 1503 Santa Rosa Road

Suite 130 Richmond, VA

OCAAqua2018@paoca.org

Rate Design/Cost of Service:

Scott Rubin, Esq.

333 Oak Lane

Bloomsburg, PA 17815 OCAAqua2018@paoca.org

The OCA reserves the right to call additional witnesses, as necessary. If the OCA determines that an additional witness or witnesses will be necessary for any portion of its case, it will promptly notify all parties of record and the presiding officers.

#### IV. EVIDENCE

The OCA will rely on the direct, rebuttal, and surrebuttal testimony of its expert witnesses, as well as the testimony of the other parties to the proceeding and testimony taken at public input hearings. The OCA will present relevant exhibits to support its own testimony, including but not limited to, materials obtained from the Company through discovery and cross-examination.

#### V. PUBLIC INPUT HEARINGS

The number of protests and formal complaints indicates significant public interest in this proceeding. To date, 22 individuals have filed Formal Complaints, and the OCA has reviewed approximately 240 Informal Complaints from the Company's consumers. In addition, State Representatives Tina Davis, Madeleine Dean, John Lawrence, and Harry Lewis and State Senator Andrew Dinniman have requested public input hearings within their districts. As set forth in Appendix B, the OCA respectfully requests that the Commission conduct six in-person public input hearings in Aqua's southeastern region and one smart public input hearing for Aqua's remaining regions. The OCA is actively working with Aqua and the legislators to determine specific locations in the areas under consideration. The OCA would request that it be permitted to provide specific suggested locations to the ALJs and the parties by close of business on October 2, 2018.

The OCA also requests that the Company be directed to extensively advertise these public input hearings. Newspaper notices should be advertised in the general readership sections of local newspapers, not in the legal section. Other methods of informing its customers of the public input hearings, including social media and the Company's website, should be utilized as well. In addition, the OCA requests the other parties involved in the proceeding be permitted to review these public input announcements prior to their publication and distribution and have input

into which publications the ads are placed.

VI. PROPOSED PROCEDURAL SCHEDULE

The OCA is working with the other Parties to propose a mutually convenient schedule.

VII. **DISCOVERY** 

To date, the OCA has served five (5) sets of interrogatories on the Company. The OCA

also anticipates using informal discovery. Additionally, the OCA is proposing to modify the

Commission's discovery regulations as set forth in Appendix C. The OCA believes that these

amendments will assist the parties in clarifying issues and lead to timely discovery responses.

VIII. REPRESENTATION

The OCA will be represented in this case by Senior Assistant Consumer Advocate

Christine Maloni Hoover and Assistant Consumer Advocate Phillip D. Demanchick. The OCA

has created a group e-mail address provided below. This is the only email address that is required

for service on the OCA; it will provide the emailed materials to all members of the OCA team

including the consultants listed above. Two copies of all documents should be served on the OCA

as follows:

Phillip D. Demanchick, Assistant Consumer Advocate

Christine Maloni Hoover, Senior Assistant Consumer Advocate

OCAAqua2018@paoca.org

Office of Consumer Advocate

555 Walnut Street

Forum Place, 5<sup>th</sup> Floor

Harrisburg, PA 17101-1923

Telephone: (717) 783-4529

Fax: (717) 783-7152

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#### IX. **SETTLEMENT**

The OCA is willing to participate in settlement discussions.

Respectfully submitted,

Christine Maloni Hoover

Senior Assistant Consumer Advocate

PA Attorney I.D. # 50026

E-Mail: CHoover@paoca.org

Phillip D. Demanchick

Assistant Consumer Advocate

PA Attorney I.D. # 324761

E-Mail: PDemanchick@paoca.org

Counsel For:

Tanya J. McCloskey

Acting Consumer Advocate

Office of Consumer Advocate 555 Walnut Street Forum Place, 5th Floor Harrisburg, PA 17101-1923 (717) 783-5048

DATED:

September 27, 2018

#### **APPENDIX A**

According to the customer notices included in the Company's filing, if the full rate increase is approved a typical residential water customer with a 5/8" meter using 4,080 gallons per month would see the following increases in their monthly bill as provided in the following table. Please note that to the extent a service territory is not listed separately, the Main Division increase applies.

Rate Zone	Water Territory	Present Rates	Proposed Rates	Increase Amount	Increase Percentage
1	Main Division	\$59.85	\$69.07	\$9.22	15.41%
1	Beech Mountain*	\$21.45	\$35.37	\$13.92	64.90%
1	Bristol*	\$24.24	\$38.90	\$14.66	60.48%
1	Bensalem*	\$55.80	\$69.07	\$13.27	23.78%
-	Bunker Hill	\$12.88	\$27.36	\$14.48	112.42%
2	Chalfont	\$47.27	\$69.07	\$21.80	46.12%
1	Clarendon	\$51.05	\$69.07	\$18.02	35.30%
2	Concord Park	\$30.88	\$45.43	\$14.55	47.12%
1	CC Gardens*	\$40.29	\$55.04	\$14.75	36.61%
3	Eagle Rock	\$59.85	\$69.07	\$9.22	15.41%
1	East Cameron	\$57.02	\$69.07	\$12.05	21.13%
1	Honesdale	\$52.20	\$69.07	\$16.87	32.32%
1	Kratzerville*	\$52.29	\$69.07	\$16.78	32.09%
3	Masthope	\$49.36	\$69.07	\$19.71	39.93%
1	Mifflin*	\$37.11	\$51.14	\$14.03	37.81%
1	Mt. Jewett*	\$45.95	\$69.07	\$23.12	50.32%
3	Oakland	\$57.04	\$69.07	\$12.03	21.09%
1	Robin Hood Lakes*	\$40.16	\$55.02	\$14.86	37.00%
1	Sand Springs*	\$40.73	\$55.04	\$14.31	35.13%
-	Sun Valley	\$15.00	\$19.50	\$4.50	30.00%
2	Superior	\$57.02	\$69.07	\$12.05	21.13%
2	Treasure Lake	\$27.20	\$43.31	\$16.11	59.23%

<sup>\*</sup> Consumption Charge exceptions, Private Fire Service Charge exceptions, and Public Fire Service Charge exceptions apply

According to the customer notices included in the Company's filing, if the full rate increase is approved a typical residential wastewater customer\* would see the following increases to their monthly bill:

Rate	Wastewater	Present	<b>Proposed Rates</b>	Increase	Increase
Zone	Territory	Rates		Amount	Percentage
3	Beech Mountain	\$56.04	\$80.00	\$23.96	42.76%
5	Brandywine	\$106.43	\$125.84	\$19.41	18.24%
2	Bridlewood	\$45.46	\$74.88	\$29.42	64.72%
1	Bunker Hill	\$31.92	\$61.40	\$29.48	92.36%
3	Chesterdale	\$54.92	\$72.35	\$17.43	31.74%
3	Deerfield	\$57.87	\$71.50	\$13.63	23.55%
2	Eagle Rock	\$39.67	\$51.39	\$11.72	29.54%
3	Emlenton	\$45.00	\$80.00	\$35.00	77.78%
5	Greens	\$106.38	\$107.60	\$1.22	1.15%
4	Honeycroft	\$66.67	\$100.00	\$33.33	49.99%
4	Kidder	\$47.07	\$70.65	\$23.58	50.10%
4	Lake Harmony	\$65.63	\$100.00	\$34.37	52.37%
3	Laurel	\$51.49	\$81.70	\$30.21	58.67%
4	Links at Gettysburg	\$63.58	\$87.65	\$24.07	37.86%
5	Little Washington	\$98.05	\$106.64	\$8.59	8.76%
1	Masthope	\$28.99	\$40.88	\$11.89	41.01%
1	Media	\$42.19	\$62.92	\$20.73	49.13%
4	New Daleville	\$74.17	\$100.00	\$25.83	34.83%
5	Newlin	-	-	-	-
4	Peddlers View	\$78.44	\$100.95	\$22.51	28.70%
3	Penn Township	\$40.70	\$74.90	\$34.20	84.03%
2	Pinecrest	\$44.05	\$68.40	\$24.35	55.28%
5	Plumsock	\$107.02	\$124.88	\$17.86	16.69%
3	Rivercrest	\$45.22	\$73.20	\$27.98	61.88%
5	Sage Hill	-	-	-	-
3	Stony Creek	\$54.86	\$67.25	\$12.39	22.58%
3	Thornhurst	\$52.36	\$68.10	\$15.74	30.06%
4	Tobyhanna	\$66.67	\$100.00	\$33.33	49.99%
1	Treasure Lake	\$40.52	\$53.80	\$13.28	32.77%
4	Twin Hills	\$70.15	\$101.90	\$31.75	45.26%
3	Woodloch Springs	\$51.87	\$63.00	\$11.13	21.46%

<sup>\*</sup> The amounts listed in the customer notices use different sets of assumptions. For example, Brandywine is calculated based on 5,400 gallons of monthly usage, whereas Penn Township is calculated based on 3,400 gallons of monthly usage.

#### APPENDIX B

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

:

R-2018-3003558 R-2018-3003561

Aqua Pennsylvania, Inc.

Aqua Pennsylvania Wastewater, Inc.

V.

J

#### PROPOSED PUBLIC INPUT HEARINGS

Based on the amount of Formal Complaints, Informal Complaints, and legislative requests, the OCA suggests that the Commission conduct public input hearings in the following areas. The OCA is actively working with Aqua and the legislators to determine specific locations in the areas under consideration. The OCA would request that it be permitted to provide specific suggested locations to the ALJs and the parties by close of business on October 2, 2018.

#### 1. Chester County

An afternoon and evening hearing in locations to be determined, upon request of Representative John Lawrence, Representative Harry Lewis Jr., and Senator Andrew Dinniman.

#### 2. Delaware County

One afternoon or evening hearing in a location to be determined.

#### 3. Montgomery County

An afternoon and evening hearing in locations to be determined, upon request of Representative Madeleine Dean.

#### 4. Bucks County

One afternoon or evening hearing in a location to be determined.

#### APPENDIX C

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

:

V.

R-2018-3003558 R-2018-3003561

Aqua Pennsylvania, Inc.

Aqua Pennsylvania Wastewater, Inc.

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#### PROPOSED AMENDMENTS TO DISCOVERY REGULATIONS

The OCA proposes to amend the Commission's discovery regulations in accordance with the following:

- A. Answers to written interrogatories will be served in-hand within ten (10) calendar days of service of the interrogatories. Discovery propounded after 12:00 noon on a Friday or the day before a holiday will be deemed served on the next business day for purposes of determining the due date of the responses.
- B. Objections to interrogatories will be communicated orally within three (3) days of service; unresolved objections in writing within five (5) days of service of interrogatories.
- C. Propounding parties will file Motions to dismiss objections and/or direct the answering of interrogatories within three (3) days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) days of service of such motions.
- E. Responses to requests for document production, entry for inspection, or other purposes will be served in-hand within seven (7) calendar days.
- F. Requests for admission will be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service.
- G. Answers to on-the-record data requests will be served in-hand within seven (7) calendar days of the request.