

**VENANGO WATER COMPANY
P. O. BOX 397
RENO, PA 16343**

Secretary, PA Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA 17120

USPS Tracking # 9114901496450304008000

September 20, 2018

Re: Venango Water Company - Docket Number R-2018-3001503
B. E. Rhodes Sewer Company - Docket Number R-2018-3001505
Sugarcreek Water Company - Docket Number R-2018-3001506
West Hickory Water Company - Docket Number R-2018-3001507
Filings for Rate Change

Dear Ms. Chiavetta,

Enclosed with this letter is one copy each of answers to the Public Utility Commission's data requests for the following along with Certificates of Service:

Venango Water Company:

Bureau of Technical Utility Service - R-18 through R-19

B. E. Rhodes Sewer Company:

Bureau of Technical Utility Service - R-15 through R-16


Sugarcreek Water Company:

Bureau of Technical Utility Service - R-15 through R-16

West Hickory Water Company:

Bureau of Technical Utility Service - R-16

Sincerely,



Randall L. Rhodes,
Secretary

RECEIVED

SEP 20 2018

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Bureau of Technical Utility Services
Water/Wastewater Division
Data Request Set 2

Venango Water Company Supplement No. 23 to Water – Pa. P.U.C. No. 3 at
Docket No. R-2018-3001503

R-18. Venango Water Company's (Venango's) response to Data Request R-7 identified certain expenses that appear to be capital expenditures. For example, 2017 Operating Labor included a \$8,070 expense for "Meter Reading/Changing", where the portion of the \$8,070 expense for initial meter installation should be capitalized. Please either quantify the value of each of the following items or state the amount was less than \$150:

- a. 2017 Operating Labor – meter changing;
- b. 2016 Operating Labor – pump installation;
- c. 2017 Operating Supplies – heaters and controls; and
- d. 2016 Operating Supplies – sump pump, antenna and control.

Answer (Randall Rhodes, Secretary):

- a. The labor amount for changing meters was \$70.00.
- b. The labor amount for the pump installation was \$140.
- c. 2 – electric heaters \$21.12, pH controller - \$225.00, testing reagents \$247.91, tubing kit – \$19.40, miscellaneous material - \$250.00
- d. Sump pump - \$242.00, Antenna - \$29.23, Process analyzer - \$151.24, New measuring cell for analyzer - \$229.51, testing reagents - \$185.60, material to hook up analyzer - \$46.40, magicjack module - \$48.46, pH probe \$61.37

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUILDING

Bureau of Technical Utility Services
Water/Wastewater Division
Data Request Set 2

Venango Water Company Supplement No. 23 to Water – Pa. P.U.C. No. 3 at
Docket No. R-2018-3001503

R-19. Venango’s response to Data Request R-15 indicated Venango’s total residential customer count for 2017 was 2,135. However, the filing’s ‘Attachment 3, cont.’ indicated Venango’s total residential customer count for 2017 was 2,199 and identified a customer sub-total of 2,135. Please explain why the 2,135 value was used in the Data Request R-15 response as opposed to the 2,199 value.

Answer (Randall Rhodes, Secretary):

This was an error that was made when pulling information for Schedule-I and Schedule-J. Sub-Total amounts for residential customers were pulled in error for Venango, Sugarcreek and Plumer. This error was not caught by the Company and it caused miscalculations for both Schedule-I and Schedule-J.

Corrected Schedules are attached as well as original Schedules (for comparison). Corrections for these amounts will be made in 2018 accounting year.

Below is a listing of the change that the correction would make to the representative companies.

Information for response to Data Request R-19

	Venango	Sugarcreek	Plumer	Fryburg	B.E. Sewer	Cooperstown	West Hickory
Distribution of Wages							
Schedule-I Corrected	\$70,334.94	\$17,305.53	\$10,197.09	\$43,899.72	\$20,687.24	\$29,819.11	\$11,163.05
Schedule-I per filing	\$69,108.56	\$17,033.00	\$10,219.80	\$44,399.35	\$21,027.90	\$30,159.77	\$11,458.29
Wage Difference	\$1,226.38	\$272.53	(\$22.71)	(\$499.63)	(\$340.66)	(\$340.66)	(\$295.24)
Joint Expenses							
Schedule-J Corrected	\$5,257.41	\$1,291.37	\$1,017.50	\$3,280.39	\$3,720.18	\$2,228.91	\$3,194.43
Schedule-J per filing	\$5,155.46	\$1,269.38	\$1,017.50	\$3,312.38	\$3,758.16	\$2,250.90	\$3,226.42
Joint Exp Difference	\$101.95	\$21.99	\$0.00	(\$31.99)	(\$37.98)	(\$21.99)	(\$31.99)
Liability Insurance							
Schedule-J Corrected	\$1,038.32	\$255.04	\$200.95	\$647.87	\$734.72	\$440.20	\$630.89
Schedule-J Per Filing	\$1,018.19	\$250.70	\$200.95	\$654.18	\$742.22	\$444.54	\$637.21
Insurance Difference	\$20.13	\$4.34	\$0.00	(\$6.32)	(\$7.50)	(\$4.34)	(\$6.32)
Total Difference	\$1,348.46	\$298.86	(\$22.71)	(\$537.94)	(\$386.14)	(\$366.99)	(\$333.55)

SCHEDULE I (Corrected for Data Request R-19)
DISTRIBUTION OF WAGES AND BENEFITS TO REGULATED AFFILIATES

YEAR
2017

To distinguish the average residential customers, non-residential for Venango must be equated to residential. To equate to residential equivalent, perform the following equations:

A = Venango's total residential customers for the year:		2,199.00	A
B = Venango's average monthly residential customers:	A / 12	183.25	B
C = Venango's total gross residential revenues:		77,415.58	C
D = Venango's average monthly gross residential revenues:	C / 12	6,451.30	D
E = Venango's average monthly residential bill:		35.20	E
F = Venango's total gross non-residential revenues, including Fire Prot:		50,923.22	F
G = Venango's average monthly non-residential revenues:	F / 12	4,243.60	G
H = Venango's residential equivalent for non-residential customer:	G / E	120.54	H
I = Venango's average monthly customers equivalent:	B + H	303.79	I

For Plumer Water Company, B. E. Rhodes Sewer Company and West Hickory Water Company deductions are made to the average customers for the wage calculation.

J = Plumer's total customers for the year:		705.00	J
K = Plumer's average monthly customers:	J / 12	58.75	K
L = Plumer's average monthly customers after deduction:	K * .75	44.06	L
M = Rhodes Sewer's total customers for the year:		2,580.00	M
N = Rhodes Sewer's average monthly customers:	M / 12	215.00	N
O = Rhodes Sewer's average monthly customers after deduction:	N * .60	129.00	O
P = West Hickory's total customers for the year:		2,215.00	P
Q = West Hickory's average monthly customers:	P / 12	184.58	Q
R = West Hickory's average monthly customers after deduction:	Q * .60	110.75	R

For all other affiliates, use average customers:

S = Sugarcreek's total customers for the year:		896.00	S
T = Sugarcreek's average monthly customers:	S / 12	74.67	T
U = Fryburg's total customers for the year:		2,274.00	U
V = Fryburg's average monthly customers:	U / 12	189.50	V
W = Cooperstown's total customers for the year:		1,545.00	W
X = Cooperstown's average monthly customers:	W / 12	128.75	X

Calculation for Wages: $Y = I + L + N + P + S + U + X$

Y = Total average monthly customers for Regulated affiliates: 980.52 Y

I / Y = Venango Water Company's percentage:	0.3097
T / Y = Sugarcreek Water Company's percentage:	0.0762
L / Y = Plumer Water Company's percentage:	0.0449
V / Y = Fryburg Water Company's percentage:	0.1933
O / Y = B.E. Rhodes Sewer Company's percentage:	0.1316
X / Y = Cooperstown Water Company's percentage:	0.1313
R / Y = West Hickory Water Company's percentage:	0.1130
	1.0000

SCHEDULE J (Corrected for Data Request R-19)
DISTRIBUTION OF JOINT EXPENSES TO REGULATED AFFILIATES

YEAR
2017

To distinguish the average residential customers, non-residential for Venango must be equated to residential. To equate to residential equivalent, perform the following equations:

A = Venango's total residential customers for the year:		2,199.00	A
B = Venango's average monthly residential customers:	A / 12	183.25	B
C = Venango's total gross residential revenues:		77,415.58	C
D = Venango's average monthly gross residential revenues:	C / 12	6,451.30	D
E = Venango's average monthly residential bill:		35.20	E
F = Venango's total gross non-residential revenues, including Fire Prot:		50,923.22	F
G = Venango's average monthly non-residential revenues:	F / 12	4,243.60	G
H = Venango's residential equivalent for non-residential customer:	G / E	120.54	H
I = Venango's average monthly customers equivalent:	B + H	303.79	I

For all other affiliates, use average customers:

J = Sugarcreek's total customers for the year:		896.00	J
K = Sugarcreek's average monthly customers:	J / 12	74.67	K
L = Plumer's total customers for the year:		705.00	L
M = Plumer's average monthly customers:	L / 12	58.75	M
N = Fryburg's total customers for the year:		2,274.00	N
O = Fryburg's average monthly customers:	N / 12	189.50	O
P = Rhodes Sewer's total customers for the year:		2,580.00	P
Q = Rhodes Sewer's average monthly customers:	P / 12	215.00	Q
R = Cooperstown's total customers for the year:		1,545.00	R
S = Cooperstown's average monthly customers:	R / 12	128.75	S
T = West Hickory's total customers for the year:		2,215.00	T
U = West Hickory's average monthly customers:	T / 12	184.58	U

Calculation for percentages: $V = I + K + M + O + Q + S + U$

v = Total average monthly customers for all affiliates:		1,155.04	V
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I / V = Venango Water Company's percentage:	0.2630
K / V = Sugarcreek Water Company's percentage:	0.0646
M / V = Plumer Water Company's percentage:	0.0509
O / V = Fryburg Water Company's percentage:	0.1641
Q / V = B.E. Rhodes Sewer Company's percentage:	0.1861
S / V = Cooperstown Water Company's percentage:	0.1115
U / V = West Hickory Water Company's percentage:	0.1598
	1.0000

SCHEDULE I
DISTRIBUTION OF WAGES AND BENEFITS TO REGULATED AFFILIATES

YEAR
2017

To distinguish the average residential customers, non-residential for Venango must be equated to residential. To equate to residential equivalent, perform the following equations:

A = Venango's total residential customers for the year:		2,135.00	A
B = Venango's average monthly residential customers:	A / 12	177.92	B
C = Venango's total gross residential revenues:		77,415.58	C
D = Venango's average monthly gross residential revenues:	C / 12	6,451.30	D
E = Venango's average monthly residential bill:		36.26	E
F = Venango's total gross non-residential revenues, including Fire Prot:		50,923.22	F
G = Venango's average monthly non-residential revenues:	F / 12	4,243.60	G
H = Venango's residential equivalent for non-residential customers:	G / E	117.03	H
I = Venango's average monthly customers equivalent:	B + H	294.95	I

For Plumer Water Company, B. E. Rhodes Sewer Company and West Hickory Water Company deductions are made to the average customers for the wage calculation.

J = Plumer's total customers for the year:		698.00	J
K = Plumer's average monthly customers:	J / 12	58.17	K
L = Plumer's average monthly customers after deduction:	K * .75	43.63	L
M = Rhodes Sewer's total customers for the year:		2,580.00	M
N = Rhodes Sewer's average monthly customers:	M / 12	215.00	N
O = Rhodes Sewer's average monthly customers after deduction:	N * .60	129.00	O
P = West Hickory's total customers for the year:		2,215.00	P
Q = West Hickory's average monthly customers:	P / 12	184.58	Q
R = West Hickory's average monthly customers after deduction:	Q * .60	110.75	R

For all other affiliates, use average customers:

S = Sugarcreek's total customers for the year:		872.00	S
T = Sugarcreek's average monthly customers:	S / 12	72.67	T
U = Fryburg's total customers for the year:		2,274.00	U
V = Fryburg's average monthly customers:	U / 12	189.50	V
W = Cooperstown's total customers for the year:		1,545.00	W
X = Cooperstown's average monthly customers:	W / 12	128.75	X

Calculation for Wages: $Y = I + L + N + P + S + U + X$

Y = Total average monthly customers for Regulated affiliates:		969.24	Y
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I / Y = Venango Water Company's percentage:	0.3043
T / Y = Sugarcreek Water Company's percentage:	0.0750
L / Y = Plumer Water Company's percentage:	0.0450
V / Y = Fryburg Water Company's percentage:	0.1955
O / Y = B.E. Rhodes Sewer Company's percentage:	0.1331
X / Y = Cooperstown Water Company's percentage:	0.1328
R / Y = West Hickory Water Company's percentage:	0.1143
	1.0000

SCHEDULE J
DISTRIBUTION OF JOINT EXPENSES TO REGULATED AFFILIATES

YEAR
2017

To distinguish the average residential customers, non-residential for Venango must be equated to residential. To equate to residential equivalent, perform the following equations:

A = Venango's total residential customers for the year:		2,135.00	A
B = Venango's average monthly residential customers:	A / 12	177.92	B
C = Venango's total gross residential revenues:		77,415.58	C
D = Venango's average monthly gross residential revenues:	C / 12	6,451.30	D
E = Venango's average monthly residential bill:		36.26	E
F = Venango's total gross non-residential revenues, including Fire Prot:		50,923.22	F
G = Venango's average monthly non-residential revenues:	F / 12	4,243.60	G
H = Venango's residential equivalent for non-residential customer:	G / E	117.03	H
I = Venango's average monthly customers equivalent:	B + H	294.95	I

For all other affiliates, use average customers:

J = Sugarcreek's total customers for the year:		872.00	J
K = Sugarcreek's average monthly customers:	J / 12	72.67	K
L = Plumer's total customers for the year:		698.00	L
M = Plumer's average monthly customers:	L / 12	58.17	M
N = Fryburg's total customers for the year:		2,274.00	N
O = Fryburg's average monthly customers:	N / 12	189.50	O
P = Rhodes Sewer's total customers for the year:		2,580.00	P
Q = Rhodes Sewer's average monthly customers:	P / 12	215.00	Q
R = Cooperstown's total customers for the year:		1,545.00	R
S = Cooperstown's average monthly customers:	R / 12	128.75	S
T = West Hickory's total customers for the year:		2,215.00	T
U = West Hickory's average monthly customers:	T / 12	184.58	U

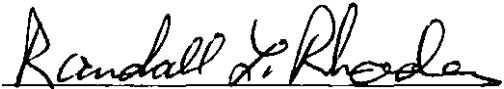
Calculation for percentages: $V = I + K + M + O + Q + S + U$

v = Total average monthly customers for all affiliates:		1,143.62	V
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I / V = Venango Water Company's percentage:	0.2579
K / V = Sugarcreek Water Company's percentage:	0.0635
M / V = Plumer Water Company's percentage:	0.0509
O / V = Fryburg Water Company's percentage:	0.1657
Q / V = B.E. Rhodes Sewer Company's percentage:	0.1880
S / V = Cooperstown Water Company's percentage:	0.1126
U / V = West Hickory Water Company's percentage:	0.1614
	1.0000

VERIFICATION

I, RANDALL L. RHODES, 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).

A handwritten signature in cursive script that reads "Randall L. Rhodes". The signature is written in black ink and is positioned above the printed name.

Randall L. Rhodes, Secretary

September 19, 2018

Instructions: You must serve a copy of the Application and any amendments upon the Office of Consumer Advocate, Office of Small Business Advocate, and the Bureau of Investigation and Enforcement.

Certificate of Service

I hereby certify that I have on this date September 20, 2018 , served a true copy of Venango Water Company's responses to the Commission's Bureau of Technical Utility Services Data Request Set 2 upon the participants, listed below, in accordance with the requirements of §1.54 (relating to service by a participant).

Signature Randall L. Rhodes

Name (printed) Randall L. Rhodes

Title (printed) Secretary

Office of Consumer Advocate

555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

Office of Small Business Advocate

Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Bureau of Investigation and Enforcement

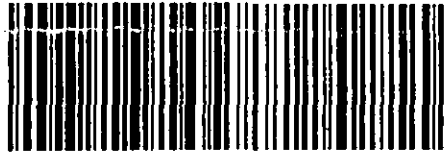
Pa PUC
PO Box 3265
Harrisburg, PA 17105

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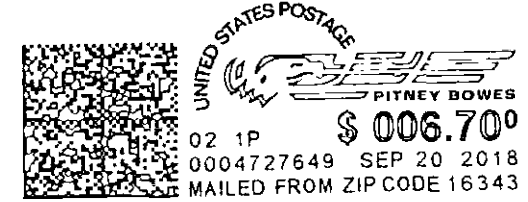
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Water Company
PO Box 397
Reno, PA 16343

Secretary, PA Public Utility Commission
400 North Street
Harrisburg, PA 17120

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