

SUEZ WATER PENNSYLVANIA INC.

Harrisburg, Pennsylvania,

Rates, Rules and Regulations

Governing the Distribution of Water in

(See Page 5 for Territories Served)

ISSUED: January 14, 2019

EFFECTIVE: February 1, 2019

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), and updates the schedule with rates for customers pursuant to the Pennsylvania Public Utility Commission's Final Order at Docket No. R-2018-3000834.

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.

Page 63 is modified to reduce DSIC.

Addition of Page 64 to include Federal Tax Adjustment Credit ("FTAC").

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

INDEX

List of Changes Made by this Tariff	Page 2	(C)
Index	Page 3 -3A	(C)
Surcharge	Page 4	
Territories Served	Page 5	
Schedule of Rates		
Meter Rates - Residential	Page 6	(C) (I)
Meter Rates – Commercial/Public Authority	Page 6A	(C) (I)
Meter Rates – Industrial Service	Page 6B	(C) (I)
BLANK	Page 6C	
Meter Rates - Large Industrial Customers	Page 7	(C) (I)
Rates for Public Fire Hydrant Service	Page 8	(C) (I)
Rates for Private Fire Hydrant Service	Page 9	(C) (I)
Rates for Private Fire Sprinkler and Hose Service	Page 10 – 10A	(C) (I)
Non-Residential Standby Rate	Page 11	(C) (I)
Miscellaneous Fees and Charges	Pages 12 - 14	
Industrial Economical Rate	Page 15	

INDEX (cont'd.)

Rules and Regulations Index	Page 16	
Rules and Regulations	Pages 17 - 56	
Water Conservation Contingency Plan	Pages 57 - 58	
Distribution System Improvement Charge	Pages 59 - 63	(C)
Federal Tax Adjustment Credit ("FTAC")	Page 64	(C)

SCHEDULE OF METER RATES

Application:

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

Volume Charges:

All consumption at \$0.90510 per 100 gallons (l)

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8" – 3/4" (C)	\$14.50	(l)
1"	30.05	
1 1/2"	60.11	
2"	102.96	
3"	193.12	
4"	321.90	
6"	643.80	
8"	1,030.16	
10"	1,480.85	

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>	Rate Per <u>100</u> <u>Gallons</u>	
First	25,000 Gallons	\$0.90510	(I)
Over	25,000 Gallons	0.65790	

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8" – 3/4" (C)	\$14.50	(I)
1"	30.05	
1 1/2"	60.11	
2"	102.96	
3"	193.12	
4"	321.90	
6"	643.80	
8"	1,030.16	
10"	1,480.85	

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</u> <u>Gallons</u>	
First	25,000 Gallons	\$0.90510	(I)
Over	25,000 Gallons	0.74700	

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8" – 3/4" (C)	\$14.50	(I)
1"	30.05	
1 1/2"	60.11	
2"	102.96	
3"	193.12	
4"	321.90	
6"	643.80	
8"	1,030.16	
10"	1,480.85	

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 \$28,490, with usage over 7 million gallons per month to be charged at \$0.407 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"	\$193.12
4"	321.90
6"	643.80
8"	1,030.16
10"	1,480.85

(I)

Consumption Charge

All usage over 7 million gallons per month to be charged at \$0.407 per 100 gallons. (I)

Fixed minimum charge per month \$28,490.00. (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.

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	
(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	\$47.30	(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)	\$ 21.23	(I)
For each 3" service line	57.26	
For each 4" service line	73.44	
For each 6" service line	122.08	
For each 8" service line	181.96	
For each 10" service line	260.05	
For each 12" service line	361.50	
For each 14" service line	664.08	

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.

(C)

Rates for Private Fire Sprinkler and Hose Service (continued)

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

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 \$14.18 per 100 gallons of daily requirement as nominated as well as a usage charge of \$2.87 per thousand gallons for any actual usage.

Standby Charge:

A monthly charge of \$14.18 per 100 gallons of daily requirement as nominated

Consumption Charge

All usage per 100 gallons	\$0.287
---------------------------	---------

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.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

EXCEPT PUBLIC FIRE PROTECTION

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all charges for bills rendered on or after February 1, 2019.

(D)
(C)

The above charge will be recomputed quarterly, using the elements prescribed by the Commission in its Order dated August 26, 1996 at Docket No. P-00961031.

FEDERAL TAX ADJUSTMENT CREDIT (“FTAC”)

The FTAC will refund the difference in revenue requirement created by the TCJA plus interest. A credit value of 4.91% will apply to all charges except the DSIC during the period February 1, 2019 through January 31, 2020 to pass the January 1, 2018 through January 31, 2019 tax expense effects of the Tax Cuts and Jobs Act (TCJA) to customers.

The difference between the actual reduction in required revenue and the reduction in revenues produced by the FTAC as applied will be subject to refund or recovery in the Company’s next base rate case. The actual reduction in required revenue will be calculated as the grossed-up difference between the tax expense for the period January 1, 2018 through January 31, 2019 after the TCJA and the tax expense for the same period as it would have been calculated pre-TCJA plus interest.

If, after the twelve-month refund period elapses, the calculated amount of tax expense savings to be refunded to customers is greater than the estimated refund amount of \$2.42 million or if the Company has not refunded the full tax expense savings amount, the Company will provide interest on any necessary reconciliation at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101 *et seq.*). If the calculated amount of tax expense savings to be refunded to customers is less than the estimated refund amount of \$2.42 million or the Company has refunded more than the actual tax expense savings amount, the Company will forego interest on any necessary reconciliation.