

March 8, 2019

**VIA e-Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
Harrisburg, PA 17120

**Re: Application of Pennsylvania-American Water Company pursuant to Sections 507, 1102(a), and 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 507, 1102(a) and 1329, for approval of its acquisition of the water system assets of Steelton Borough Authority**

**Docket No. A-2019-3006880**

**Pennsylvania-American Water Company to Begin Providing Individualized Customer Notice**

Dear Secretary Chiavetta:

In compliance with the Secretarial Letter issued in above-referenced proceeding on January 17, 2019, and in compliance with the Final Supplemental Implementation Order entered at Docket No. M-2016-2543193 on February 28, 2019, this correspondence is to inform the Pennsylvania Public Utility Commission ("Commission") that Pennsylvania-American Water Company ("PAWC") will shortly begin providing individualized customer notice of the proposed acquisition to all potentially affected customers.

Enclosed please find a copy of the customer notice that PAWC intends to distribute to all PAWC water and wastewater customers and all Steelton Borough Authority water customers. It will be provided to PAWC customers with their water and wastewater bills during a billing cycle beginning March 11, 2019. The billing envelope will disclose the following: "Contains Notice of Proposed Rate Base Addition." Steelton Borough Authority water customers will be provided with an identical customer notice via a direct mailing on or about April 1, 2019.

Consistent with the directive of the January 17, 2019 Secretarial Letter, PAWC will also publish notice of the application once a week for two consecutive weeks in a newspaper having a general circulation in the area of the Steelton Borough Authority water system. Upon completion, PAWC will file a proof of publication with the Commission.

PAWC will file a verification at this docket when the required individualized customer notice process has been completed. At which time, PAWC respectfully asks that the Commission promptly accept the application for official filing purposes via Secretarial Letter and publish notice of the application in the April 27, 2019 edition of the *Pennsylvania Bulletin* with a May 14, 2019 protest and intervention due date.

Thank you for your attention to this matter. Please contact me if you have any questions.

Sincerely,

  
Susan Simms Marsh

Enclosure

cc: Shaun Sparks, Esq., Law Bureau  
Sean Donnelly, Bureau of Technical Utility Services

# NOTICE OF PROPOSED WATER ACQUISITION AND RATE BASE ADDITION (Docket No. A-2019-3006880)

Dear Customer:

On January 17, 2019, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Pennsylvania-American Water Co. for approval to acquire the Steelton Borough Authority water system assets. Steelton serves approximately 2,400 customers in Dauphin County. Pennsylvania-American's application also requests that the PUC authorize an addition of \$22.5 million to Pennsylvania-American's rate base pursuant to 66 Pa.C.S. § 1329. A utility's rate base is the value of property used by the utility to provide service to its customers and is one of many components used to establish customer rates.

This acquisition will not immediately, but may in the future, affect water bills of Pennsylvania-American customers, including the Steelton water customers. Pennsylvania-American is not requesting a rate increase as part of the acquisition. Your rates will not change until the conclusion of Pennsylvania-American's next rate case where Pennsylvania-American requests and receives PUC approval to increase its rates. Currently, it is not known when Pennsylvania-American will file its next rate case. At that time, based on a non-binding estimate of the potential rate impacts, Pennsylvania-American anticipates that the potential rate impact could be as follows:

| WATER       |                   |                            |
|-------------|-------------------|----------------------------|
| Rate Class  | Average Usage     | Estimated Monthly Increase |
| Residential | 3,630 gal/month   | \$0.12                     |
| Commercial  | 22,000 gal/month  | \$0.58                     |
| Industrial  | 476,000 gal/month | \$9.05                     |

| WASTEWATER  |                   |                            |
|-------------|-------------------|----------------------------|
| Rate Class  | Average Usage     | Estimated Monthly Increase |
| Residential | 3,630 gal/month   | \$0.00                     |
| Commercial  | 22,000 gal/month  | \$0.00                     |
| Industrial  | 476,000 gal/month | \$0.00                     |

These amounts could change and will depend on how the PUC chooses to apportion any increase among different types, rate zones and classes of customers.

## PUC ROLE

The state agency that approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve, modify or deny the requested addition to rate base.

## ACTIONS YOU CAN TAKE

You can support or challenge Pennsylvania-American's request by:

- 1. Sending a letter to the PUC.** You can tell the PUC why you support or object to the transaction in your letter. This information can be helpful when the PUC investigates the application. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Filing a protest or a petition to intervene.** If you want to be a party to the case, you must file a protest or a petition to intervene. You then have an opportunity to take part in all the hearings about the proposed acquisition. You can receive copies of all materials distributed by the other parties. Protests and petitions to intervene must be filed in accordance with 52 Pa. Code (relating to public utilities) on or before May 14, 2019. Filings must be made with the Secretary of the Pennsylvania Public Utility Commission at P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on Pennsylvania-American's counsel at

Susan Simms Marsh, Esq.  
Pennsylvania American Water  
852 Wesley Drive  
Mechanicsburg, Pennsylvania 17055

The documents filed in support of the application are available on the PUC's website at [www.puc.pa.gov](http://www.puc.pa.gov), for inspection and copying at the Office of the Secretary of the PUC between 8 a.m. and 4:30 p.m., Monday through Friday, and at Pennsylvania-American's offices at 852 Wesley Drive, Mechanicsburg, PA 17055. The PUC docket number is A-2019-3006880. For more information, you may contact the PUC's Bureau of Consumer Services at 1-800-692-7380.