

**Application of Pennsylvania-American Water Company for Acquisition of
the Water Assets of the Steelton Borough Authority
66 Pa. C.S. § 1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2019-_____**

18. Rates.
- a. State the current rates of the seller.

RESPONSE:

- a. See **Schedule 6.04** of the APA, attached as **Appendix A-24-a**. Attached are copies of Resolution No. 2011-AR-3 and Resolution No. 2017-AR-01 that adopted the water rates that are currently in effect and the private fire protection rates were established by a Memorandum of Understanding between the Authority and UGI Energy Services, LLC. These were provided by the Authority.

A RESOLUTION
OF THE BOARD OF
STEELTON BOROUGH AUTHORITY

No. 2011-AR-3

**A RESOLUTION CHANGING THE RATE, RULES AND
REGULATIONS OF THE STEELTON BOROUGH AUTHORITY.**

WHEREAS, Steelton Borough Authority duly adopted Rates, Rules and Regulations for the water supply system of the Borough of Steelton adopted April 6, 1995, effective May 1, 1995 and;

WHEREAS, the Authority further amended the Rates, Rules and Regulations on January 3, 2002, January 27, 2003, April 24, 2006, January 11, 2010, and January 24, 2011 by Resolutions 2001-1, 2003-R-1, Resolutions 2006-R-2, 2006-R-3, 2010-R-2, and 2011-AR-1, respectively; and

WHEREAS, this Authority desires to further amend the Rates, Rules and Regulations by amending Section II, Section 2.01 Consumption Charges to revise the rates.

NOW THEREFORE, BE IT RESOLVED, the Board of Steelton Borough Authority, does amend the Rates as provided in Section II, Section 2.01 Consumption Charges, as follows:

1. Section II – Rates and Terms of Payment, Section 2.01 is amended to read as follows:

2.01 Consumption Charge

<u>Consumption</u>	<u>Rate per 1,000 Gallons</u>
5,001 to 60,000 gallons per quarter	\$8.26
60,001 to 150,000 gallons per quarter	\$9.12
All over 150,000 gallons per quarter	\$7.88

2.02 Minimum Charge (5,000 gallons per quarter)

<u>Meter Size</u>	<u>Minimum Quarterly Bill</u>
5/8" and 3/4"	\$ 44.35
1"	97.13
1 1/4" and 1 1/2"	174.87

2"	252.60
3"	573.19
4"	748.56
6"	1,197.69
8"	1,739.91

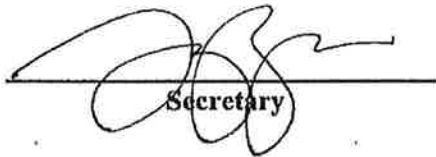
2. The Rates set forth in this resolution shall be reflected on the February 1, 2012, billing which represents the period between October 1, 2011 through December 31, 2011, and thereafter.

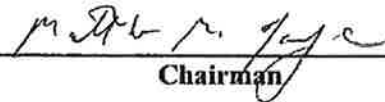
3. All other current Rates, Rules and Regulation shall remain in effect except those Rates changed by this Amendment.

DULY ADOPTED, this 12th day of December, 2011, by the Board of Steelton Borough Authority, in lawful session duly assembled.

ATTEST:

STEELTON BOROUGH AUTHORITY:


Secretary

By: 
Chairman

(Authority Seal)



A RESOLUTION
OF THE BOARD OF
STEELTON BOROUGH AUTHORITY

No. 2017-AR-01

**A RESOLUTION CHANGING THE RATE, RULES AND
REGULATIONS OF THE STEELTON BOROUGH AUTHORITY.**

WHEREAS, Steelton Borough Authority duly adopted Rates, Rules and Regulations for the water supply system of the Borough of Steelton adopted April 6, 1995, effective May 1, 1995 and;

WHEREAS, the Authority further amended the Rates, Rules and Regulations on January 3, 2002, January 27, 2003, April 24, 2006, January 11, 2010, January 24, 2011, April 9, 2012, and August 8, 2016 by Resolutions 2001-1, 2003-R-1, Resolutions 2006-R-2, 2006-R-3, 2010-R-2, 2011-AR-1, 2012-AR-3, and 2016-AR-01, respectively; and

WHEREAS, this Authority desires to further amend the Rates, Rules and Regulations by amending Section II, Section 2.02, Water Rates and Consumption Charges, to add a new 20-inch Meter Size category.

NOW THEREFORE, BE IT RESOLVED, the Board of Steelton Borough Authority, does amend the Rates as provided in Section II, Section 2.02-Water Rates and Consumption Charges, as follows:

1. Section II – Water Rates and Terms of Payment, Section 2.02 is amended to read as follows:

2.02 Minimum Charge (5,000 gallons per quarter)

Minimum Quarterly Billing:

Meter Size

5/8" and ¾ "	\$44.35
1"	\$97.13
1 1/4 " and 1 ½"	\$174.87
2"	\$252.60
3"	\$573.19
4"	\$748.56
6"	\$1197.69
8"	\$1739.91

16"	\$3,479.82
18"	\$3,914.80
20"	\$4,349.78

2. The Rates set forth in this resolution shall be reflected on the May 1, 2017, billing which represents the period between January 1, 2017 through March 31, 2017, and thereafter.

3. All other current Rates, Rules and Regulations shall remain in effect except those Rates, Rules and Regulations changed by this Amendment.

DULY ADOPTED, this 21st day of March, 2017, by the Board of Steelton Borough Authority, in lawful session duly assembled.

ATTEST:

STEELTON BOROUGH AUTHORITY:


Secretary

By: 
Chairman

(Authority Seal)



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "Memorandum") is entered into on the dates shown below by and between the **STEELTON BOROUGH AUTHORITY**, a municipal authority with an office at 123 North Front Street, Steelton, PA 17113 (the "Authority") and **UGI ENERGY SERVICES, LLC**, a Pennsylvania limited liability company, with an office at One Meridian Blvd, Wyomissing, PA 19610 ("UGIES").

RECITALS:

- A. WHEREAS, UGIES has an existing Liquefied Petroleum Gas (LPG) facility (the "LPG Facility") and a currently-under construction Liquefied Natural Gas (LNG) facility (the "LNG Facility") located at a site (the "Site") along West Franklin Street, partially in Swatara Township and partially within the Borough of Steelton, Dauphin County; and
- B. WHEREAS, the LPG Facility is currently served by a 6-inch water main owned by the Authority; and
- C. WHEREAS, UGIES is exploring options for additional water service for the LPG Facility and new water service for the LNG Facility, which facility is scheduled for completion by mid-September 2017, for fire protection; and
- D. WHEREAS, UGIES anticipates the following fire service demands for the Site:
- (a) 2000 GPM @ 75 PSI for a minimum duration of two hours to service the LNG Site Control Valve Vault and the LPG Site Control Valve Vault ("Phase I"), and
 - (b) an as yet to be determined requirement of up to fourteen thousand (14,000) GPM to serve the LPG facility ("Phase II"); and
- E. WHEREAS, preliminary water modeling results and fire hydrant flow testing of the Authority system indicate that the LNG Phase I fire service demand can likely be met by the Authority through construction and installation of a 20-inch diameter water main extended from a to-be designated LPG Site Control Valve Vault, connected to the LNG Site Control Valve Vault and terminating at the existing 16-inch diameter transmission main adjacent to the Authority's water treatment facility plant at Christian Street; and
- F. WHEREAS, the anticipated Phase II service demands cannot be met alone by the Authority, the Authority and UGIES desire to examine the feasibility of interconnecting with existing and nearby Capital Region Water ("CRW") facilities in order to provide the necessary fire service compatibility expected in connection with Phase II; and
- G. WHEREAS, further to the completion of Phase II, CRW is completing a water feasibility study (the "Feasibility Study") to evaluate the provision for fire flow service to the

LPG Facility, which study will include the feasibility of interconnecting with the Authority system for potential future use during emergencies and for regular testing purposes; and

H. WHEREAS, with regard to Phase I, the Feasibility Study, as it relates to Phase I, is intended to gather necessary data to confirm feasibility of service by the Authority and evaluate alternatives for service upgrade and recommend alternatives for implementation based on water modeling results, estimated opinions of probable costs and compatibility with potential future Phase II facilities; and

I. WHEREAS, the parties hereto desire to set forth the terms for the construction and dedication of the Phase I improvements for the provision of water service to UGIES, according to the terms and conditions of this Memorandum.

NOW, THEREFORE, in consideration of the mutual promises herein set forth, and intending to be legally bound, the parties agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are incorporated by reference as if stated herein, and form a material part of the Memorandum.
2. Provision of Service. The Authority confirms that it will cause sufficient water service to be provided to UGIES for Phase I as required by UGIES and will cause necessary system improvement, including but not limited to, pipe, meters, fire hydrants, etc. to be constructed and/or installed based on such needs as set forth in the Feasibility Study.
3. Cost of Improvements. All engineering, administrative, permitting, review and capital costs, with the exception of the Feasibility Study, necessary for design and implementation of Phase I will be the responsibility of UGIES.
4. Escrow Account. UGIES will fund an escrow account in the amount of \$39,900 for the purpose of creating a source of funds to cover anticipated engineering review, installation inspection and fees related to Phase I, as well as Authority staff costs and legal fees. The Authority will inform UGIES if additional funds are required and UGIES will replenish the escrow account, as necessary. Any funds remaining in the escrow account at completion of Phase I will be refunded to UGIES.
5. Submission of Design. UGIES shall submit the design for Phase I to the Authority for review by the Authority's engineer, whose approval shall not be unreasonably withheld and who shall promptly review the design without unreasonable delay.
6. Phase I Construction. UGIES, at its expense, shall construct all required Phase I facilities for the LNG Facility, which construction will be overseen and inspected by the Authority's engineer.
7. Provision of Water Service. Upon completion of construction and acceptance thereof after inspection by the Authority, the Authority will provide fire-protection water service to the LNG Facility.

8. Charges for Water Service. The Authority will charge UGIES for fire protection water service based upon the following rate schedule:

Minimum Service Charge (5,000 gallons per quarter)

<u>Meter Size</u>	<u>Minimum Quarterly Billing</u>
<u>16"</u>	<u>\$3,479.82</u>
<u>18"</u>	<u>\$3,914.80</u>
<u>20"</u>	<u>\$4,349.78</u>

Consumption Charge

<u>Consumption</u>	<u>Rate per 1,000 Gallons</u>
<u>5,0001 to 60,0000 gallons per quarter</u>	<u>\$8.26</u>
<u>60,001 to 150,000 gallon per quarter</u>	<u>\$9.12</u>
<u>All usage over 150,000 gallons per quarter</u>	<u>\$7.88</u>

*Rates based on current water rates as per the Steelton Borough Authority's Rates, Rules, and Regulations, and are subject to future revision as approved by the Authority.

9. Reimbursement of Authority Fees and Costs. UGIES will reimburse the Authority for reasonable costs of the Authority's staff in reviewing the extension of water service, and for legal fees incurred by the Authority to complete the documentation for the extension of Phase I water service, out of the escrow set forth in Paragraph 4 above.

10. Dedication of Phase I Improvements. UGIES will offer the improvements it opts to construct during Phase I to the Authority for acceptance and dedication. After acceptance, the Authority shall assume ownership responsibilities of the Phase I facilities.

11. Limit on Further Extension/No Commitment. No further extension of or connection to the Authority's service lines presently in place or to be constructed hereunder, including Phase II facilities, shall be permitted without the specific approval of the Authority and UGIES, by executing this Agreement, is not committing to completion of Phase II or Phase I with respect to service to the LPG Facility.

12. Miscellaneous.

(a) This Agreement supersedes all prior agreements only to the extent inconsistent herewith.

(b) This Agreement shall become effective upon execution hereof by all of the parties hereto and shall be binding upon the parties hereto, their successors and assigns.

(c) This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties have hereto set their hands and seals on the dates provided below for themselves, their successors and assigns.

STEELTON BOROUGH AUTHORITY

By: 

Name: Douglas E. Browne

Title: Secretary

Date: 4/17/17

UGI ENERGY SERVICES, LLC

Edm
By: 

Name: Michael Mara

Title: Vice President

Date: 4/17/17