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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSION400 NORTH STREET, HARRISBURG, PA 17120 | **IN REPLY PLEASE REFER TO OUR FILE** |

April 12, 2019

Docket No. R-2019-3008948

Utility Code 2318090

THOMAS j sniscak

hawke mckeon and sniscak llp

100 north tenth street

hARRISBURG pa 17101

RE: Community Utilities of Pennsylvania, Inc. – Wastewater Division Supplement No. 2 to Tariff Wastewater – Pa. PUC No. 1 at Docket No. R-2019-3008948

Dear Attorney Sniscak:

On April 1, 2019, Community Utilities of Pennsylvania Inc. filed the above-captioned document with the Pennsylvania Public Utility Commission. For the Commission to complete its analysis of the filing, responses are required for the attached data requests. Please forward the requested information to the Commission within 10 working days of the date of this letter.

Please send all responses to the Secretary of the Commission at the following address:

|  |
| --- |
| Secretary, Pennsylvania Public Utility Commission400 North Street, 2nd FloorHarrisburg, Pennsylvania 17120 |

All documents requiring notary stamps must have original signatures. Some responses may be e-filed at <http://www.puc.pa.gov/efiling/default.aspx>. A list of allowable e-filing document types is available at <http://www.puc.pa.gov/efiling/DocTypes.aspx>.

**Please note that your answers must be verified per 52 Pa Code § 1.36.** Accordingly, you must provide the following statement with your responses:

*I,* [print name of appropriate company representative], *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).*

Signature \_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_

*I, \_* [print name of appropriate company representative], *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).*

Signature \_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_

Please contact the below staff person if any problems should arise that prevent a full response within ten working days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the application, please send a copy of the information to Paul Zander via e-mail at**pzander@pa.gov**. Questions may be directed to Paul Zander in the Bureau of Technical Utility Services, Water/Wastewater Division at telephone number (717) 783-1372. Thank you in advance for your cooperation.

****Sincerely,

Rosemary Chiavetta

Secretary

Enclosure

cc: Tanya McCloskey, Office of Consumer Advocate (w/enclosure)

John Evans, Office of Small Business Advocate (w/enclosure)

Richard Kanaskie, PUC Bureau of Investigation and Enforcement (w/enclosure)

Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

1. Supplement No. 2 to Tariff Wastewater-Pa. P.U.C. No. 1 (Supplement No. 2) appears to change the title page by removing the designation of “portions of” West Bradford Township. Please explain why Community Utilities of Pennsylvania, Inc. – Wastewater Division (CUPA-WD) is proposing to remove the “portions of” designation or revise the Supplement to reflect the language found in CUPA-WD effective wastewater tariff.
2. Supplement No. 2’s title page does not appear to conform with 52 Pa. Code § 53.21(10) (i.e., requisite notice language does not appear at the bottom of the title page). Please revise the Supplement to conform with this regulation.
3. Supplement No. 2 appears to increase the rates for different customer classes by different percentages ranging from 13.23% to 47.69%. Please explain how CUPA-WD determined the percentage increase required for each customer class and provide supporting calculations.
4. Supplement No. 2’s Second Revised Page No. 5 indicates School customers are charged per pupil. Please explain how CUPA-WD determines the number of pupils a School customer has and state how often this number is updated.
5. Supplement No. 2’s First Revised Page No. 25 appears to propose a change in the terms and conditions of service rendered or to be rendered. Please provide responses required pursuant to 52 Pa. Code § 53.52(a) for these proposed revisions.
6. Please state whether Supplement No. 2’s First Revised Page No. 25 will limit CUPA-WD’s liability for injuries or damages resulting from negligence or intentional torts. If so, consistent with 52 Pa. Code § 69.87, please indicate the specific dollar amount for the proposed limitation and provide work papers to substantiate the dollar amount.
7. The filing’s amended Supporting Data Page 1-1 indicates Supplement No. 2 will increase annual wastewater service revenue by $378,770 or 20.80%. However, the filing’s Supporting Data Page 1-9 indicates existing rates will generate revenues of $1,819,306 and Supplement No. 2 will generate additional revenues of $378,770, which is an increase of approximately 20.82%. Please provide calculations that quantify the percentage increase in additional revenues under proposed rates.
8. The filing’s amended Supporting Data Page 1-4 indicates a plant acquisition adjustment of $58,573. Please provide additional information for this acquisition adjustment including the plant acquired and the Commission docket number associated with the acquisition.
9. The filing’s Supporting Data Page 1-8 does not appear to provide a calculation of the number of customers, by tariff subdivision, whose bills will be increased. Rather, it appears to provide a calculation of the number of “Equivalent Residential Customers” whose bills will be increased. Please provide a breakdown of the number of customers, by tariff subdivision, whose bills will be increased.
10. Please explain any differences between the 3,259 customer count provided in the filing’s Supporting Data Page 1-8 and the 3,101 customer connections identified in CUPA-WD’s letter dated September 8, 2017, at Docket No. A-2017-2583679.
11. Please provide a definition for the term “Equivalent Residential Customers” and explain how this definition differs from CUPA-WD’s tariff definition for Equivalent Dwelling Units.
12. The filing’s Supporting Data Page 1-8 indicates CUPA-WD has 57 availability customers. Please provide responses for the following:
	1. Please quantify the number of availability customers CUPA-WD anticipates will connect to CUPA-WD’s system by the end of the fully-projected future test year (FPFTY);
	2. Please explain why the filing’s Supporting Data Page 2-2 indicates fewer than 684 bills for the 57 availability customers CUPA-WD bills each month; and
	3. Please quantify the amount of availability charge revenue billed by CUPA-WD as of December 31, 2018 for the 112-unit single family townhome development identified in CUPA-WD’s application at Docket No. A-2019-2583679.
13. The filing’s Supporting Data Page 1-8 indicates CUPA-WD does not anticipate any net customer growth by the end of the FPFTY. However, CUPA-WD’s annual reports over the last several years indicate CUPA-WD has added several dozen customers every year. Please explain the basis of CUPA-WD’s assumption of no net growth in its customer count.
14. Although the filing’s Supporting Data Page 2-3 indicates Supplement No. 2 will increase the value of uncollectible accounts, the filing’s Supporting Data Page 1-9 indicates CUPA-WD does not anticipate proposed rates will result in additional Forfeited Discounts revenue. Please explain why CUPA-WD made this assumption regarding Forfeited Discounts.
15. The filing’s Supporting Data Page 1-9 indicates a contra-revenue account for Miscellaneous Service Revenues. Please provide responses to the following:
	1. Please provide a breakdown of Miscellaneous Service Revenues; and
	2. Please indicate whether Miscellaneous Service Revenues includes returned check fees, turn-on, and turn-off fees, and, if not, provide these values for each test year.
16. The filing’s Supporting Data Pages 1-11 and 1-19 appear to indicate a contra-revenue claim for Allowance for Uncollectible Accounts. This account appears similar to NARUC Account No. 143 - Accumulated Provision for Uncollectible Accounts, which is a balance sheet account that is credited concurrent with debits to NARUC Account No. 770 – Bad Debt Expense. Please indicate the NARUC Account Number for CUPA-WD’s contra-revenue claim for Allowance for Uncollectible Accounts and explain whether this claim should be reflected as an operating revenue or an operating expense.
17. Please provide additional explanation for the $7,788 adjustment to NARUC Acct. No. 741 on the filing’s Supporting Data Page 1-12.
18. If any expenses indicated on the filing’s Supporting Data Page 1-12 were allocated from an affiliate of CUPA-WD, please provide calculations that quantify how such expenses were assigned to CUPA-WD.
19. Please provide a detailed breakdown of the amount shown as “A/P – Assoc. Companies” on the filing’s Supporting Data Page 1-16.
20. The filing’s Supporting Data Page 1-16 indicates a value for “Advances from Utilities, Inc.” Please provide a copy of the agreement governing any transactions between CUPA-WD and Utilities, Inc.
21. Regarding the filing’s Supporting Data Page 1-17, please provide additional information supporting the values assigned to CUPA-WD’s assets, in a working Excel file format, that identifies the original cost, accrued depreciation and the annual accrual rate for each utility plant account listed.
22. The filing’s Supporting Data Page 1-17 indicates several NARUC Account Nos. for water plant assets. Please explain why water plant assets are on CUPA-WD’s books. Also, if these assets are used for both water and wastewater service, please explain how shared assets are allocated between the two services.
23. The filing’s Supporting Data Page 1-20 does not provide a complete response pursuant to 52 Pa. Code § 53.52(c)(6) as the response only states that there were no major accounting changes. Please provide a complete response pursuant to 52 Pa. Code § 53.52(c)(6).
24. The filing’s Supporting Data Pages 2-4 and 2-9 appear to reference sources that are not included with the filing. Please provide a copy of these referenced documents.
25. The filing’s Supporting Data Page 2-8 indicates an expense of $38,500 for cost of service studies. Please provide a copy of these documents.
26. The filing’s Supporting Data Page 2-8 indicates an $11,100 expense for travel costs and a $9,000 expense for Ronald F. Weigel Consulting. Please provide additional details qualifying these expenses and confirm that these expenses were not associated with lobbying activities.
27. The filing’s Supporting Data Page 2-10 indicates pro-forma plant additions of approximately $1.9 million by the end of the FPFTY. Please provide a breakdown of the estimated value of each *pro-forma* plant addition including the nature of each project, the timeframe for project completion and the associated annual depreciation accrual rate and explain how CUPA-WD determined the estimated value of each *pro-forma* plant addition.
28. Please explain why the filing’s Supporting Data Page 2-10 indicates $0 in retirements for each year.
29. The filing’s Supporting Data Page 2-11 appears to include Purchased Power expenses in CUPA-WD’s cash working capital claim. Please either explain why these expenses are included in CUPA-WD’s cash working capital claim or remove these expenses and explain any impact this change has on CUPA-WD’s rate increase request.
30. Please provide a copy, in working electronic file format, of all tables, charts, schedules and data included in the filing.
31. If CUPA-WD is required to file a Chapter 94 Municipal Wasteload Management Report (Chapter 94 Report) with the Pennsylvania Department of Environmental Protection for one or more of its wastewater systems, please provide a copy of each of CUPA-WD’s most recent Chapter 94 Reports and indicate whether each report identifies additional customer connections by the end of the FPFTY.
32. CUPA-WD’s 2015, 2016 and 2017 Annual Report filed with the Commission combine values for water and wastewater operations on multiple schedules of the reports. Please indicate whether CUPA-WD is permitted to report balance sheet values on a consolidated basis. If not, please provide revised Annual Reports for each of these years that separates the values for individual utility operations.
33. Please provide a verification statement for the filing from an authorized officer or other authorized employee of CUPA-WD pursuant to 52 Pa. Code § 1.36.
34. Please provide CUPA-WD’s affidavit confirming notice requirements have been met pursuant to 52 Pa. Code § 53.45(h). Also, please provide a copy customer notices issued by CUPA-WD.
35. Ordering Paragraph 5 of the Commission’s Order entered August 31, 2017 at Docket No. A-2017-2583679 directed “That the matter regarding the apparent charging of non-tariff wastewater rates by [CUPA-WD] shall be addressed in the next rate case filed by [CUPA-WD] with a tariff supplement that establishes customer classes and rates for the existing commercial and miscellaneous customers and any other customers that do not fit into the customer classes enumerated in [CUPA-WD’s] current effective wastewater tariff.” Please explain whether the filing complies with this Commission directive.
36. Several of the filing’s Supporting Data pages indicate values for a Commercial customer class. However, CUPA-WD’s effective tariff does not appear to contain a definition for a Commercial customer class. Please provide responses for the following:
37. Please state whether CUPA-WD charges any rates for Nonresidential Service to any customer that does not have a defined rate for their customer class under CUPA-WD’s effective tariff;
38. Please indicate whether any rates charged by CUPA-WD for Nonresidential Service to any customers that do not have a defined rate for their customer class under CUPA-WD’s effective tariff were approved by the Commission; and
39. Please provide proposed tariff language to define CUPA-WD’s Commercial customer class, including whether the Commercial customer class includes CUPA-WD’s former Pool and Clubhouse customer classes.