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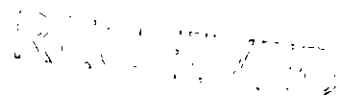
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April 26, 2019

*By Federal Express*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street – Second Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

  
APR 26 2019  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

RE: Community Utilities of Pennsylvania Inc. Wastewater Divisions; Docket No.  
R-2019-3008948; **RESPONSES TO BTUS DATA REQUESTS, SET I**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission on behalf of Community Utilities, Inc. are the responses to BTUS Data Requests, Set I, in the above-captioned matter. Due to the voluminous size of the requested documents, we are supplying them on a USB drive only.

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
April 26, 2019  
Page 2

Thank you for your attention to this matter. If you have any questions, please feel free to contact me at (717) 236-1300.

Very truly yours,

Handwritten signature of Thomas J. Sniscak in black ink.

Thomas J. Sniscak (Attorney ID No. 33891)  
Whitney E. Snyder (Attorney ID No. 316625)  
Bryce R. Beard (Attorney ID No. 325837)

*Counsel for  
Community Utilities of Pennsylvania Inc.*

WES/das  
Enclosures

cc: Per Certificate of Service

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

- R-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.

**RESPONSE:**

CUPA-WD will make the edits or changes to certain filing or tariff pages per the request of TUS.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

APR 26 2019

PA PUC

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

CUPA-WD will make the edits or changes to certain filing or tariff pages per the request of TUS.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

- R-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.

**RESPONSE:**

The amount of increase allocated to each customer class was determined through the performance and completion of a fully allocated class cost of service study. The study was prepared using the procedures promulgated by the American Water Works Association in its *Principles of Water Rates, Fees and Charges, Manual of Water Supply Practices M1* as well as the procedures enumerated in *Financing and Charges for Wastewater Systems Manual of Practice No. 27* by the Water Environment Federation. The purpose of the cost of service study is to conduct a detailed analysis of the cost drivers that influence the provision of service to a utility's customers. The goal of the study is to determine the appropriate level of cost recovery allocable to each customer class. The cost of service study is normally done in conjunction with and leads to the creation of a rate design that recovers costs from the appropriate customer class as closely as possible to the allocated cost of service.

Pursuant to 52 Pa. Code §5.324(a)(2), CUPA will provide a more detailed response to this request when it serves its expert testimony in this matter.

**Provided by: Scott A. Miller, CPA, Partner**

**Position: Partner, Baker Tilly Municipal Advisor, LLC**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The Company receives a count of pupils annually after the start of each school year from the Downingtown School district.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.’S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

- R-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.

**RESPONSE:**

The specific reason this provision has been added, is to mitigate any potential liability the Company may face, in the event of damage due to blockage, break or overload as a result of defects in the customer’s service pipes, or damage to property when not due to the lack of reasonable care on the part of the Company.

**Provided by: Justin Kersey**

**Position: Vice President of Operations, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The Company has not proposed a limitation with regard to liability for injuries or damages resulting from negligence or intentional torts. The Company has proposed the referenced provision to govern the liability of the Company against matters which are beyond the Company's reasonable control and are not due to the lack of reasonable care on the part of the Company.

**Provided by: Justin Kersey**

**Position: Vice President of Operations, Community Utilities**



**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.’S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

CUPA proposed increased should reflect the 20.80%, which is the increase over the per books base year revenue. Please see the table below showing the calculation.

		[A] Per Books Base Year Ended 12/31/2018	[B] Change	[C] Future Test Year Ended 12/31/2019	[D] Change	[E] Future Test Year Ended 12/31/2020	[F] Change	[G] Proposed FPFTY Ended 12/31/2020	[H] Increase %
<b>Wastewater Operations</b>									
<u>Operating Revenue</u>									
Gross Operating Revenue	(b)(2)	\$ 1,820,659	\$(1,352)	\$ 1,819,306	\$ -	\$ 1,819,306	\$ 378,770	\$ 2,198,077	20.80% [A]

[A] Calculated by dividing column [F] by column [A]

**Provided by: Perry Brown**

**Position: Senior Financial Analyst**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please refer to the attachment "DAS-R1-8 PAA Amortization".

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please refer to the attachment, "DAS-R-9-D: Customers Count". The Company has provided a revised customer count using active premises. An active premise is one at which the Company is billing for services at the end of the December 31, 2018 base year. All active wastewater customers will have increased average bills.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The Company only included the number of active ERC counts in the letter for Docket No. A-2017-2583679. The 3,259 ERC count represents the total number of ERC at the end of the December 31, 2018 base period. CUPA active wastewater ERC count was 3,171 at the end of the base period.

Community Utilities of Pennsylvania  
DAS-R-10-D: ERC Count

	8/31/2017	12/31/2019	Variance
Active ERC	3,101	3,171	70
Total ERC	3,221	3,259	38

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.’S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

ERC is a ratio assigned to a customer or class of customers based on a meter size and an average number of gallonage per day. The actual number of connections is then multiplied by the ERC to determine a total number of ERCs per subdivision or company. The following table depicts the ratios used:

<u>Meter Size</u>	<u>ERCs</u>
<u>Residential</u>	
Single family detached dwellings	1.0
Multiple family dwellings	0.8
Mobile homes	0.8
<u>Nonresidential</u>	
5/8”	1.0
¾”	1.5
1”	2.5
1 ½”	5.0
2”	8.0
3”	15.0
4”	25.0
6”	50.0
8”	80.0
10”	115.0
12”	215.0

For example, a nonresidential water and wastewater customer with a 2” meter would be considered 8 ERCs for water and 8 ERCs for wastewater for a total of 16 ERCs.

The Company considers a dwelling unit to be a structure or dwelling intended to be occupied as a whole by one family. The ERC is depended on the meter size whereas the EDU is determined based upon anticipated gallonage demand.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

- R-12. The filing's Supporting Data Page 1-8 indicates CUPA-WD has 57 availability customers. Please provide responses for the following:
- i. 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);
  - ii. 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
  - iii. 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.

**RESPONSE:**

- i. The Company does not anticipate any additional availability customers through the test fully projected future test year.
- ii. Wastewater availability revenue for the base period was \$7,388 which calculates to roughly 211 bills quarterly and 633 bills monthly at a billing rate of \$11.68 per month. Please find the attached file, "DAS-R1-12 Availability Bill 2018". At the end of test year, the Company had 52 active availability customers being billed. CUPA has 5 availability premises that are not active, and the Company is not billing for those premises.
- iii. The Company has only noticed a turnover of one availability customer within the past five years.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

CUPA does not anticipate any customer growth through the end of the fully projected future test year. CUPA's historical customer growth was the result of Utilities Inc, of Pennsylvania Buckhill Farms and Brightglade development agreements. Company currently has not forecasted for additional customer growth through the end of the FPFTY because there are no agreements in place nor anticipated which would increase CUPA's forecasted customer base.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The Company inadvertently did not adjust Forfeited Discounts. The Company should have included a FPFTY annual contra-revenue amount of (-15,350) for Forfeited Discounts which is an adjustment of (-2,640) to the December 31, 2018 base period. Please find the attached file, "DAS-R1-14 Forfeited Discounts" for the development of FPFTY amount.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**



**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

- R-15. The filing's Supporting Data Page 1-9 indicates a contra-revenue account for Miscellaneous Service Revenues. Please provide responses to the following:
- i. Please provide a breakdown of Miscellaneous Service Revenues; and
  - ii. 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.

**RESPONSE:**

- i. Please see the attached file "DAS-R-1-15: Misc. Revenue Breakdown (Revised Allocation)" which breaks down the Miscellaneous Service Revenue by type, as well as provides revised allocations for both Misc. Revenue and Forfeited Discounts; and
- ii. Miscellaneous Service Revenue only includes reconnection fees and NSF charges

**Provided by: Mitchell Higgins**

**Position: Financial Analyst II, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Allowance for Uncollectible Account should be reflected as an operating expense.

<b>OBJECT ACCOUNT</b>	<b>ACCOUNT DESCRIPTION</b>	<b>NARUC ACCOUNT</b>
5505	AGENCY EXPENSE	670/770
5510	UNCOLLECTIBLE ACCOUNTS	670/770
5515	UNCOLL ACCOUNTS ACCRUAL	670/770

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-17. Please provide additional explanation for the \$7,788 adjustment to NARUC Acct. No. 741 on the filing's Supporting Data Page 1-12.

**RESPONSE:**

Utilities, Inc.'s ("UI") current head office, which houses Corporate Accounting, Corporate Finance, Accounts Payable, IT, Human Resources, Executive, Administrative and Finance and Leadership positions for thirteen states, is located about 25 miles Northwest of the City of Chicago. The current head office is old farm house was partly converted to office space that has been UI's head office for over 40 years, and is not located near public transportation (i.e., Metra Trains and Chicago's elevated transit system). The current location does not meet the accessibility standard of the American with Disabilities Act, and individuals needing accommodations have not been able to attend meeting as desired. There are other shortcomings that make the current location not acceptable, for example:

- No handicap accessible bathrooms or conference rooms;
- No fire suppression system;
- UI's IT department is located in the farmhouse's old dining room;
- One bathroom was converted into storage;
- One large single office was converted to a four-person office;
- Two planter boxes near an emergency exit were removed and the space was converted to cubicles for employees;
- The largest parking lot is covered in gravel (not blacktop or concrete) due to impervious lot restriction, which is not an ideal for walking on in rain, ice and snow events;
- Bathrooms are similar to bathrooms you find in a home (i.e., coed) with one toilet and a sink;
- Many trip hazards caused by older stair design and grade;

Additionally, potential employees have turned down interviews and job offers due to the distance from Chicago.

Therefore, in the Summer of 2018 the Company decided to relocate its head office to downtown Chicago. This location was chosen because it offered access to public transportation, convenient to highways, offered the ability to recruit from Chicago suburbs and good recruiting ability for younger workers from Chicago.

The lease was executed on December 11, 2018, and the moving date is set for Friday, May 24, 2019. Therefore, the \$7,788 represents CUPA pro rata share of the annual rent expense.

**Provided by: Steve Lubertozi**

**Position: President, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the attached file, "DAS-R1-18 CUPA Allocated O&M Expenses"

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-19. Please provide a detailed breakdown of the amount shown as “A/P – Assoc. Companies”  
on the filing’s Supporting Data Page 1-16.

**RESPONSE:**

Please see the attached file, “DAS-R1-19 Break Down of AP- Assoc. Companies Wastewater”

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the attached document "R-20 CUPA Affiliate Interest Agreement"

**Provided by: Mitchell Higgins**

**Position: Financial Analyst II**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the following attached files:

“DAS-R1-21 - CUPA Asset Original Cost and Accrued Dep”

- 2018 Plant Balances

“DAS-R1-24 Supporting Data Page 2-4 wp-p2 Vehicles”

- Vehicle additions and depreciation reserves

“DAS-R1-24 Supporting Data Page 2-4 wp-p3 Computers”

- Computer additions and depreciation reserves

“DAS-R1-24 Supporting Data Page 2-4 wp-r Depreciation”

- Plant depreciation and reserve

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

These accounts reflect asset cost that are used for both water and wastewater service. These assets are allocated using water and wastewater ERC percentages.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**



**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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).

**RESPONSE:**

Please see the attached file, "DAS-R-23 Revised Supporting Data Page 1-20".

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.’S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the following attached files:

“DAS-R1-24 CUPA Trial Balance 12.31.2018”  
“DAS-R1-24 Supporting Data 2-4 Depreciation wp-p2”  
“DAS-R1-24 Supporting Data 2-4 Depreciation wp-p3”  
“DAS-R1-24 Supporting Data 2-4 Depreciation wp-r”  
“DAS-R1-24 Supporting Data 2-4 Depreciation wp-v”

The Company’s reference “wp-p1” refers to Supporting Data Page 2-10.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The \$38,500 represents the proposed estimate for the cost of service study. Please reference the attached document "DAS R1-25 Utilities Inc Pennsylvania COSS Proposal - CONFIDENTIAL"

**Provided by: Mitchell Higgins**

**Position: Financial Analyst II, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The \$11,100 is the estimated cost for (5) Company personnel to attend the evidentiary hearing in this proceeding, these are not associated with lobbying activities.

The estimate for Ronald F Weigel Consulting services include assisting in the approach to and preparation of the rate filing; assisting with discovery and testimony; and consultation regarding commission regulations and practices and procedures. The estimate for these services does not include an amount associated with lobbying activities.

**Provided by: Steve Lubertozi**

**Position: President, Community Utilities of Pennsylvania, Inc.**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.’S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the following attachments:

“DAS-R1-27 - Proforma Plant Balances”

- W/WW Split of Overhead assets
- Vehicle and Computer Depreciation

“DAS-R1-27 - Plant Additions Build”

- Project Listing with commentary for timing and scope along with forecasting methodologies
- GL Spending and Captime Forecast

“DAS-R1-24 Supporting Data 2-4 Depreciation wp-r”

- Deprecation for proforma capital

The company used a 6-year average assumption for forecasting for GL spending capitalized time. Also included was a cost increase for capital based upon a Bureau of Labor Statistic (BLS) 10-year price index average growth rate of 5.05% for water and sewer maintenance.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-28. Please explain why the filing's Supporting Data Page 2-10 indicates \$0 in retirements for each year.

**RESPONSE:**

The Company did not intentionally remove retirements in the current filing. CUPA does not forecast retirements for GL Spending and Capitalized. CUPA calculates retirements using the Handy Whitman index. The index requires the acquisition date of the assets being replacing to calculate the amount to retire. Without an accurate acquisition date, the Company is not able to accurately determine a retirement amount for proforma GL Spending and Capitalized Time. The 6-year average not related to capital project is \$18,950. Please see the attached file, "DAS-R1-28 – Retirements" for a calculation of retirements for capital projects involving replacements along with the 6-year average for retirements for GL spending and captime.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The Company objects to the inference that electric expense should not be included in the calculation of cash working capital. CUPA's electric expense is no different than any other maintenance expense required to operate the system, maintenance expenses which are rightfully included in the calculation of cash working capital. The premise of cash working capital's inclusion in rate base is to allow the investor to earn a return on the timing difference between the level of cash tied up to operate the business and the collection of revenue to cover those operating expenses. Given the size of CUPA's operations (they are relatively small), for simplicity, the Company uses a 1/8 method of calculating cash working capital on all expenses necessary for continuing operations. CUPA could not operate its plants without putting forth the necessary cash for electric expense needed to run aeration pumps, chemical feed pumps, pumping water into and out of storage tanks, operating lift stations and well pumps, electricity for office space, heating and air, and other electronic devices such as computers, phone lines, etc.

**Provided by: Robert Guttormsen**

**Position: Financial Planning & Analysis Manager, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-30. Please provide a copy, in working electronic file format, of all tables, charts, schedules and data included in the filing.

**RESPONSE:**

Please see the attached file, "DAS R1-30 CUPA - Filing Template WW"

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**



**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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 FPPTY.

**RESPONSE:**

Please see the attached file, "DAS-R-31 Utilities Inc. of Pennsylvania Report 94". This report is only populated for our Utilities Inc. of Pennsylvania service territory.

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the attached files for revised annual reports.

“DAS R1-32 CUPA Wastewater 2015 AR”

“DAS R1-32 CUPA Wastewater 2016 AR”

“DAS R1-32 CUPA Wastewater 2017 AR”

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the attached files, “DAS-R1-33 Scott Miller Discovery Verification” & “DAS-R1-33 CUPA Leadership Discovery Verification”

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

Please see the attached files.

“DAS-R1-34 CUPA Penn Estates Customer Notice”

“DAS-R1-34 CUPA UIP Customer Notice”

“DAS-R1-34 CUPA Wastewater Verification”

**Provided by: Perry Brown**

**Position: Senior Financial Analyst, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

R-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.

**RESPONSE:**

The Company inadvertently overlooked the Commission's directive in the order issued in Docket No. A-2017-2583679 in its direct filing by not specifically presenting commercial and miscellaneous customer types in its proposed tariff. With the exception of the School and Availability customer classes CUPA is proposing to charge all other wastewater customer types the same rate. CUPA is currently charging commercial customers at the residential tariffed rate, and while the tariffs specifically identify "Residential" customers, the Company's view is that the tariffs are categorically referring to and applicable for a customer that has a similar service demand as a residential customer regardless of how a particular customer is labeled in CUPA's billing system. The fact that the applicable rates are the same for residential, pool and clubhouse customers bears this out. They all place similar demands on the system based on their level of usage. Had a separate class been identified such as "gatehouse," "township building," etc. when the tariffs were last revised, the rate for these customers would have likely been the same as the "residential" rate. This is dramatically different than say a McDonalds, a hotel, a large industrial customer or even the schools which are specifically identified and have different rates. Furthermore, any potential difference in cost creation is also mitigated to some extent by the different base charges by meter size. Lastly, in most cases, it is impractical to list on the tariff every conceivable type of customer that might ultimately connect to the system. In this particular case, the Company recognizes the importance of following Commission directives and the need to have clear designations for its customer types in its tariffs and has included modifications to the tariff in the attachment provided in response to R1 to include the designations "Commercial" and "Miscellaneous". In the end, these customers are being charged correctly although they are billed a "residential" rate.

**Provided by: Robert Guttormsen**

**Position: Financial Planning & Analysis Manager, Community Utilities of Pennsylvania**

**COMMUNITY UTILITIES OF PENNSYLVANIA, INC.'S RESPONSES TO  
BUREAU OF TECHNICAL UTILITY SERVICES DATA REQUESTS, SET I**

- R-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:
- i. 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;
  - ii. 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
  - iii. 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.

**RESPONSE:**

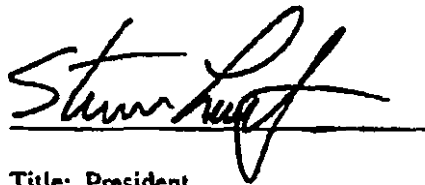
- i. Nonresidential Service has not been defined. Wastewater Customers who are labeled as Commercial in the Company's filing are being charged the tariffed Residential rate. The Company recognizes the need to plainly split out customer classes to avoid confusion. CUPA-WD will make a tariff filing amendment in this proceeding to address the issue, please see the response to R-1;
- ii. Nonresidential Service is not defined. Rates charged to customers classifies in the Company's billing system that do not have a defined rate for Commercial under CUPA-WD's effective tariff are charged at residential rates, which have been approved by the Commission;
- iii. Please see the response to please see the response to R-1, the Company's proposed rate design is such that all customers except "School" and "Availability" will be billed the same flat amount.

**Provided by: Robert Guttormsen**

**Position: Financial Planning & Analysis Manager, Community Utilities of Pennsylvania**

## VERIFICATION

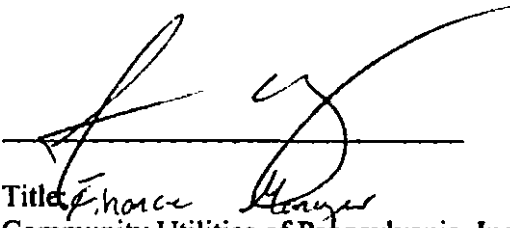
I, Steven Lubertozi, President, on behalf of Community Utilities of Pennsylvania, Inc., hereby state that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

A handwritten signature in black ink, appearing to read "Steven Lubertozi", written over a horizontal line.

Title: President  
Community Utilities of Pennsylvania, Inc.

**VERIFICATION**

I, Susan Kersey, on behalf of Community Utilities of Pennsylvania, Inc., hereby state that the facts set forth in the foregoing document 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 in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

  
Title Frances Wenger  
Community Utilities of Pennsylvania, Inc.



## VERIFICATION

I, Scott A. Miller, a cost of service and rate consultant, working on behalf of Community Utilities of Pennsylvania, Inc., hereby state that the facts set forth in the foregoing document 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 in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date:

April 22, 2019

Title:

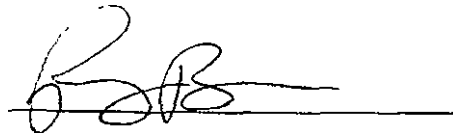
Partner

Signature:

Scott A. Miller


**VERIFICATION**

I, Perry Brown, Senior Financial Analyst on behalf of Community Utilities of Pennsylvania, Inc., hereby state that the facts set forth in the foregoing document 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 in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

  
Title: Senior Financial Analyst  
Community Utilities of Pennsylvania, Inc.

VERIFICATION

I, Rob Galtormsen, FPA Manager, on behalf of Community Utilities of Pennsylvania, Inc., hereby state that the facts set forth in the foregoing document 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 in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



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Title: FPA Manager  
Community Utilities of Pennsylvania, Inc.

## VERIFICATION

I, Mitchell Higgins, Financial Analyst II, on behalf of Community Utilities of Pennsylvania, Inc., hereby state that the facts set forth in the foregoing document 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 in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Mitchell Higgins

Title: Financial Analyst II  
Community Utilities of Pennsylvania, Inc.

## CERTIFICATE OF SERVICE

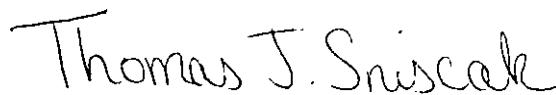
I hereby certify that I have this day served a true copy of the foregoing document on a USB drive upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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

Office of Small Business Advocate  
Commerce Building, Suite 202  
300 North 2nd Street  
Harrisburg, PA 17101

Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
P.O. Box 3265  
Harrisburg, PA 17105-3265



Thomas J. Sniscak  
Thomas J. Sniscak  
Whitney E. Snyder  
Bryce R. Beard

Dated this 26<sup>th</sup> day of April, 2019

ORIGIN ID:MDTA (717) 236-1300  
THOMAS J. SNISCAK  
HAWKE MCKEON & SNISCAK LLP  
100 N. TENTH STREET  
2ND FLOOR  
HARRISBURG, PA 17101  
UNITED STATES US

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ACTWGT: 2.00 LB  
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BILL SENDER

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PA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BLDG.  
400 NORTH ST, 2ND FL, FILING ROOM  
HARRISBURG PA 17120

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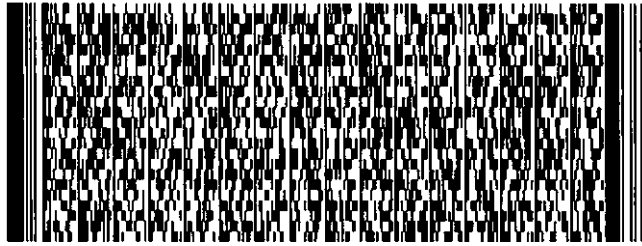
(717) 772-7777

REF: 1257.0010 TJS/DAS

Wastewater

INV.  
PO

DEPT:

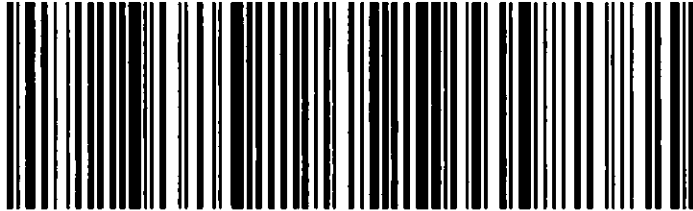


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