



COMMONWEALTH OF PENNSYLVANIA

August 8, 2019

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. City of Lancaster - Sewer Fund / Docket
No. R-2019-3010955**

Dear Secretary Chiavetta:

Enclosed please find the Complaint, Public Statement, and Verification, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Shelby A. Linton-Keddie'.

Shelby A. Linton-Keddie
Assistant Small Business Advocate
Attorney ID No. 206425

Enclosures

cc: Brian Kalcic
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|----------------------------------|
| Pennsylvania Public Utility Commission | : | |
| | : | |
| v. | : | Docket No. R-2019-3010955 |
| | : | |
| City of Lancaster - Sewer Fund | : | |

**COMPLAINT OF
SMALL BUSINESS ADVOCATE**

1. The Complainant is:

John R. Evans
Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
(717) 783-2525

2. The name and address of the Complainant's attorney is:

Shelby A. Linton-Keddie
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
(717) 783-2525
slinton-ke@pa.gov

3. The respondent utility is:

City of Lancaster
Lancaster, Pennsylvania

4. The Complainant is authorized and directed by the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50, to represent the interests of small business consumers of utility services in matters before the Pennsylvania Public Utility Commission ("Commission").

5. This complaint is filed against the rates, terms, and other provisions of Supplement No. 39 to Tariff Sewer - Pa. P.U.C. No. 7 ("Supplement No. 39"), which was filed on July 19,

2019, by the City of Lancaster (“City” or “Company”). The proposed tariff supplement, if approved by the Commission, would increase the Company’s minimum charge, volumetric charges, and industrial waste surcharge for all customers served by the City’s PUC jurisdictional wastewater division. The total requested increase for Outside-City customers would be \$646,727.

6. Upon preliminary review of the materials filed by the Company in support of its proposed Supplement No. 39, Complainant believes, and therefore avers, that those materials may be insufficient to justify the rate increase requested, and that the Company’s present and proposed rates, rules, and conditions of service may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law, particularly as they pertain to small business customers.

7. The Company is requesting a rate of return on common equity of 10.85%.

8. Under proposed Supplement No. 39, the Company’s total Outside-City revenues would increase by 46.7%, inclusive of an approximate 52.6%% increase to commercial customers’ rates.


9. Complainant believes, and therefore avers, that the Company’s requested return on common equity will provide an excessive return on the Company’s investments and is unjust, unreasonable and contrary to law.

10. Complainant believes, and therefore avers, that the Company’s present and proposed rates, rate design and cost and revenue allocation are or may be unjust, unreasonable and unlawfully discriminatory in violation of, inter alia, Sections 1301 and 1304 of the Public Utility Code, 66 Pa. C.S. §§1301 and 1304, and contrary to appropriate public policy and sound ratemaking considerations, and may not be supported by the materials filed by the Company.

11. In view of the foregoing, the Small Business Advocate respectfully requests that the Pennsylvania Public Utility Commission:

- A. Suspend and investigate the operation of proposed Supplement No. 39;
- B. At the conclusion of such investigation, reject the proposed new rates and other tariff changes in Supplement No. 39 to the extent required to ensure that the Company's rates are lawful, just, reasonable and not unduly discriminatory to any class of customers, including small business consumers; and
- C. Grant such other relief as may be necessary or appropriate.

Respectfully submitted,



Shelby A. Linton-Keddie
Assistant Small Business Advocate
Attorney ID No. 206425

For: John R. Evans
Small Business Advocate

Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)

Dated: August 8, 2019

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | |
|---|---|
| Pennsylvania Public Utility Commission | : |
| | : |
| v. | : |
| | : |
| City of Lancaster - Sewer Fund | : |

Docket No. R-2019-3010955

**PUBLIC STATEMENT OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“Act”). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by his initiation of or intervention in any proceeding involving those interests before the Public Utility Commission or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of a complaint against proposed Supplement No. 39 to its Tariff- Sewer PA P.U.C. No. 7 of the City of Lancaster (“City” or “Company”).

The Company’s proposed Supplement No. 39 would increase the City’s minimum charges, volumetric charges and industrial waste surcharges for all customer classes, including those for small businesses. The requested rate, if approved by the Commission, would allegedly produce enough incremental revenue for the City that will be used to purportedly allow the Company to maintain its level of service and reliability.

The Small Business Advocate filed a Formal Complaint against the Company's proposed rate to protect the interests of the utility's small business customers. A preliminary review of the data filed by the Company in support of its request for this rate indicates that the revenue projections and reliability enhancements claimed by the utility may need further investigation. A thorough inquiry by the Public Utility Commission into all the elements of the Company's requested rate modification is necessary to ensure that the Company's rates, including any new rates that may be set in this proceeding, are just and reasonable.

In view of the foregoing, the Small Business Advocate will participate in proceedings before the Public Utility Commission to investigate the reasonableness of the proposed rates in the Company's proposed Supplement No. 39. The Small Business Advocate will ask the Commission to deny any proposed rate increase or other changes in the Company's present tariffs that apply to small business customers that are not proven by the Company to be lawful, just, reasonable and non-discriminatory to all of its customer classes.

Dated: August 8, 2019

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility
Commission**

:
:
:
:

Docket No. R-2019-3010955

v.

City of Lancaster - Sewer Fund

VERIFICATION

I, John R. Evans, hereby state that the facts set forth herein above 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).

Date: August 8, 2019



(Signature)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
: **Docket No. R-2019-3010955**
v. :
: **City of Lancaster - Sewer Fund** :

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).


The Honorable Charles E. Rainey Jr.
Chief Administrative Law Judge
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
crainey@pa.gov
(Email and Hand Delivery)

Harrison W. Breitman, Esquire
Phillip D. Demanchick, Esquire
Christine Maloni Hoover, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101
HBreitman@paoca.org
PDemanchick@paoca.org
CHoover@paoca.org
(Counsel for OCA)
(Email and Hand Delivery)

Carrie B. Wright, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
carwright@pa.gov
(Counsel for BIE)
(Email and Hand Delivery)

John J. Gallagher, Esquire
711 Forrest Road
Harrisburg, PA 17112
jgallagher@jglawpa.com
(Counsel for City of Lancaster)

DATE: August 8, 2019



Shelby A. Linton-Keddie
Assistant Small Business Advocate
Attorney ID No. 206425