

**Elizabeth Rose Triscari**

*Director, Corporate Counsel*

Pennsylvania-American Water Company

852 Wesley Drive, Mechanicsburg, PA 17055

P: 717.550.1574 F: 717.531.3399 C: 717.585.1934

elizabeth.triscari@amwater.com

December 18, 2019

**VIA ELECTRONIC FILING**

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

**In Re: Indian Springs Water Company – Docket Nos. M-2019-3011972 and  
C-2019-3012933**

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company, please find enclosed its Quarterly Status Report on receivership of the Indian Springs Water Company.

Hard copies have been sent to the parties on the attached Certificate of Service.

Sincerely,



Elizabeth Rose Triscari

cc: The Honorable Steven Haas (*via electronic and first-class mail*)  
All Parties on the Attached Certificate of Service (*via electronic and first-class mail*)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Indian Springs Water Company Section 529 : Docket Nos. M-2019-3011972  
Investigation : and C-2019-3012933

**CERTIFICATE OF SERVICE**

I hereby certify that I am this day serving the above-referenced Quarterly Status Report upon the persons via electronic and first-class mail, which service satisfies the requirements of 52 Pa. Code §1.54 (relating to service by a party).

**Service by electronic and first-class mail addressed as follows on December 18, 2019**

Christine Hoover, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Scott B. Granger, Esquire  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
400 North Street, Second Floor  
Harrisburg, PA 17120

Louise A. Knight, Esquire  
3610 Logan Court, Unit 3B  
Camp Hill, PA 1011

Thomas V. Tinsley, Jr.,  
286 White Birch Lane  
Mountain Top, PA 18707  
*(via first-class mail only)*



Elizabeth Rose Triscari, Esquire  
Attorney ID No. 306921  
Director, Corporate Counsel for  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
Phone: 717-550-1574

Dated: December 18, 2019



**QUARTERLY STATUS REPORT TO THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
OF THE  
INDIAN SPRING WATER COMPANY**

**DATED December 18, 2019**

BY PENNSYLVANIA-AMERICAN WATER COMPANY, AS RECEIVER

DOCKET NOS. M-2019-3011972 and C-2019-3012933



## **A. BACKGROUND AND PROCEDURAL HISTORY**

On August 8, 2019, the Pennsylvania Public Utility Commission (“Commission”) issued an Order at Docket No. M-2019-3011972 (“Order”), wherein it was directed that Pennsylvania-American Water Company (“PAWC”) act as receiver for the Indian Springs Water Company (“Indian Springs”), beginning on August 19, 2019, and an investigation be instituted into whether the Commission should order a capable public utility to acquire Indian Springs pursuant to Section 529 of the Public Utility Code (“529 Proceeding”). Such investigation was referred to the Office of Administrative Law Judge and assigned to Administrative Law Judge (“ALJ”) Steven K. Haas.

On August 16, 2019, counsel for Indian Springs entered a notice of appearance and letter petition requesting an expedited hearing. The Office of Consumer Advocate filed a notice of intervention and public statement on August 21, 2019. An initial prehearing conference was held on August 27, 2019, rather than an expedited hearing by agreement of the parties, at which time the parties discussed notice to customers and proximate providers.

The Commission’s Bureau of Investigation and Enforcement (“I&E”) entered a notice of appearance on August 29, 2019.

Notice to Indian Springs customers of the 529 Proceeding and PAWC’s receivership was mailed by PAWC, as receiver for Indian Springs, on September 30, 2019. The Commission’s Secretary served notice to proximate service providers and proximate municipalities on October 1, 2019. Both notices set a date to intervene of October 21, 2019.

On October 21, 2019, Glen Summit Company (“Glen Summit”) filed a Petition to Intervene.

A further prehearing conference was held on November 13, 2019, at which time Glen Summit’s Petition to Intervene was granted, the Formal Complaint of Thomas V. Tinsley at Docket No. C-2019-3012933 was consolidated with this proceeding, and it was agreed that a procedural schedule would not be established at this time to allow additional time for settlement discussions. ALJ Haas issued a Prehearing Conference Order on October 30, 2019 memorializing this and directing the parties to file a status report on settlement discussions with the Commission or before December 13, 2019 and every 30 days thereafter. PAWC timely filed the first settlement status report indicating that the parties were making progress towards settlement and did not at this time see a need to establish a procedural schedule.

Pursuant to the Commission’s Order, PAWC has also been directed to submit quarterly status reports on its receivership of Indian Springs. Below is a summary of the actions that have been taken by PAWC to date.

## **B. QUARTERLY STATUS REPORT**

### **1. “Do Not Drink the Water” Notice to Indian Springs Customers**

On February 7, 2019, the Pennsylvania Department of Environmental Protection (“PADEP”) issued a Field Order to Indian Springs requiring it to issue a Tier One Public Notification in the form of a Do Not Drink the Water Warning, citing unsanitary conditions and copper and lead in excess of regulated levels. Subsequently, PADEP informed Indian Springs that the public notices it issued were deficient.

PAWC’s first action as Receiver was to issue a PADEP compliant Do Not Drink the Water notice on August 18, 2019, advising customers that bottled water was being provided by PAWC. PAWC issued another Do Not Drink the Water notice on September 4, 2019 and has done so monthly thereafter in communication with PADEP. As mentioned above, PAWC also provided notice to all Indian Springs customer of the 529 Proceeding on September 30, 2019.

### **2. Operations**

PAWC has operated the Indian Springs water system as receiver since August 19, 2019. Staff from PAWC visit the site daily. Chlorine residuals are monitored and chemicals maintained. The tank/reservoir level is measured with a visual observation of the water and building and a level gauge has been installed to make this process safer. Well pump operation is checked and recorded. A 2020 Indian Springs sample schedule was developed by the Water Quality Supervisor. The sample schedule comprises of all required SDWA 2020 compliance samples.

PAWC staff has also sought to establish which Indian Springs customers either have or are in the process of drilling private wells and those that plan to do so in the near future. It is PAWC’s understanding that almost all of the Indian Springs customers either have already or intend to drill private wells and disconnect from the water system.

PAWC continues to supply potable water to Indian Springs customers via bottled water delivered to the Indian Springs tennis house.

### **3. System Improvements**

The following are improvements that have been made or are in the process of being made for PAWC to safely and adequately operate the water system during the pendency of the Section 529 Proceeding:

- Chemical containment was added at the pump building.
- Electrical upgrades are being made at the pump house. Service box is being replaced and lighting is being added.

- Two new chemical feed pumps were purchased.
- All door locks were changed to PAW blue locks.
- Chemical sprayer is being purchased.
- Winter maintenance has been setup with two different contractors. This is for snow removal and plowing.
- Installed sampling hydrant at the intersection of Oak Ln and Lake Rd. All distribution samples, which include RTCR bacti samples, DRR chlorine samples and Disinfectant By Product (DBP) samples are collected from this location.

#### **4. Finance**

Indian Springs has approximately \$5,000 cash-on-hand in its bank account. PAWC has been accumulating information on the Indian Springs customer base and has sent initial invoices to the customers for the period August 19, 2019 to September 30, 2019 in the total amount of \$1,371.18 payable on or before December 21, 2019. Total number of customers invoiced was 31, indicating that over 20 customers have already disconnected from the water system. The next invoices for the period October 1, 2019 to December 31, 2019 will be sent out on or before January 10, 2020.

PAWC is tracking the costs of receivership through internal project numbers. Currently, operational cost total through November 30, 2019 is \$8,749.89 and capital expenditures total is \$3,151.93.

#### **C. CONCLUSION**

PAWC will continue to operate the Indian Springs water system as receiver during the pendency of the 529 Proceeding and participate in settlement discussion in an attempt to amicably resolve this matter without costly litigation. PAWC will provide a quarterly update to this status report, as directed by the Commission, in March 2020.

