



**Elizabeth Rose Triscari**

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June 8, 2020

**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.

Copies have been sent to the parties in the matter denoted on the attached Certificate of Service.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari

cc: The Honorable Steven Haas, Administrative Law Judge (*via electronic mail*)  
All Parties on the Attached Certificate of Service (*in the manner specified*)

**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 in the manner denoted below on June 8, 2020**

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

Scott B. Granger, Esquire  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
400 North Street, Second Floor  
Harrisburg, PA 17120  
*(via electronic mail)*

Louise A. Knight, Esquire  
3610 Logan Court, Unit 3B  
Camp Hill, PA 1011  
*(via electronic mail)*

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



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Phone: 717-550-1574

Dated: June 8, 2020



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

**DATED June 8, 2020**

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 has timely filed settlement status reports indicating that the parties continue to make progress towards settlement and do not see a need to establish a procedural schedule. The last such settlement status report

was filed on May 13, 2020.

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, updated to include those actions taken since the last quarterly status report filed in March 2020.

## **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.

PAWC continues to supply potable water to Indian Springs customers. During the COVID-19 pandemic, PAWC began delivering bottled water directly to residents rather than to the common area of the Indian Springs tennis house. As of today, Luzerne County, where Indian Springs is located, has moved to the Green Phase and PAWC will resume delivering bottled water to the tennis house.

### **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 includes all required SDWA 2020 compliance samples.

PAWC staff also continues to investigate and 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. Almost all of the Indian Springs customers either have already or intend to drill private wells and disconnect from the water system. To date, of the original 54 connections, there are only 15 connections still on the Indian Springs system. These

connections service approximately 36 individuals. Of that individual total, 18 reside at 2 properties, one of which has a well drilled and will be disconnected this month, and the other which will have a well drilled this month and will also be disconnected. Once these two properties are disconnected from the Indian Springs system, there will be remaining 12 total connections serving 18 individuals, which means the Indian Springs system will no longer be considered a Public Water Supply. PAWC is currently collecting surveys in anticipation of certifying to PADEP when the Indian Springs system falls below the threshold number of connections and individuals served to be considered a Public Water Supply. There are 5 outstanding surveys yet to be returned.

At this time, it is PAWC's understanding that of the remaining connections, 4 customers are opposed to drilling wells and 4 customers have not committed to drilling a well. Of those 4 who have not committed, 3 have indicated that their respective properties are anticipated to be sold with a term of the sale being the buyer's commitment to drill a well. Two of the three properties to be sold are currently vacant and one may be uninhabitable.

### **3. System Improvements**

Since the last quarterly status report, no new system improvements have been made. The following are improvements included in previous status reports that were made in order for PAWC to safely and adequately operate the water system during the pendency of the Section 529 Proceeding:

- Chemical containment were added at the pump building.
- Electrical upgrades were made at the pump house. Service box was replaced and lighting added.
- Two new chemical feed pumps were purchased and installed.
- All door locks were changed to PAW blue locks.
- Chemical sprayer was purchased.
- Winter maintenance was setup with two different contractors for snow removal and plowing, as needed.
- Sampling hydrant was installed 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**

Since the last quarterly status report, PAWC uncovered an error in how it billed Indian Springs customers for the last quarter of 2019 and the first two quarters of 2020. Rather than billing customers for the full amount owed, PAWC continued to bill the pro-rated amount (46%) that it had billed for the partial third quarter of 2019, from August 19, 2019 to September 30, 2019. PAWC intends to backbill the Indian Springs



customers for the amount each were under-billed in the total amount of \$2,749.05. Covering the time period from the date the receivership began through the end of June 2020, PAWC has billed \$4,136.12 and of that amount has collected \$2,939.16.

PAWC is tracking the costs of receivership through internal project numbers. Currently, the operational cost total through May 31, 2020 is \$26,855.90 and capital expenditures total \$9,697.60.

### **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 discussions 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 September 2020.

