



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

May 5, 2023

Docket No. R-2023-3040258

Utility Code 210540

WHITNEY E SNYDER ESQUIRE
HAWKE MCKEON & SNISCAK LLP
100 NORTH TENTH STREET
HARRISBURG PA 17101
WESNYDER@HMSLEGAL.COM

RE: Columbia Water Company Supplement No. 121 To Tariff – Water Pa. P.U.C. No. 7 at
Docket No. R-2023-3040258

Dear Attorney Snyder:

On April 28, 2023, Columbia Water Company (Columbia Water) filed the above-captioned document with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, please respond with the information requested in the attached document.

Please forward the information to the Secretary of the Commission **within ten (10) business days** from the date of this letter. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response. The overnight address for hard-copy or confidential responses is:

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

Please note 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 _____

Please contact the below staff person if any problems should arise that prevent a full response within ten business 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 review, please send a copy of the response to Paul Zander in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at pzander@pa.gov. Please also direct any questions to Paul Zander at telephone number (717) 783-1372. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta
Secretary

Enclosure: TUS Data Request Set 2

cc: Patrick Cicero, Office of Consumer Advocate (w/enclosure), ra-oca@paoca.org
Christine Hoover, Office of Consumer Advocate (w/enclosure), choover@paoca.org
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
Richard Kanaskie, Bureau of Investigation & Enforcement (w/enclosure), rkanaskie@pa.gov

TUS Data Request Set 2

Columbia Water Company Supplement No. 121 To Tariff – Water Pa. P.U.C. No. 7 at Docket No. R-2023-3040258

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.

- R-8. The filing’s Supporting Schedule No. 1, Page 3 is redacted. However, Columbia Water did not file a confidential, unredacted copy of Supporting Schedule No. 1, Page 3. Please provide an unredacted copy of Supporting Schedule No. 1, Page 3.
- R-9. Page 5 of Columbia Water’s current tariff specifies that Columbia Water “shall recalculate” its PENNVEST Surcharge (PVS) amount “at the time of general rate case filings under Section 1308(d).” Also, Supporting Data, Page 1-11 does not identify adjustments to PVS revenue at present rates to conform with Columbia Water’s claims for Columbia Water Rate District customer count changes identified in the filing’s Supporting Data, Page 1-10, and to incorporate increased PVS revenues resulting from Columbia Water’s Supplement No. 117 To Tariff – Water Pa. P.U.C. No. 7 (Supplement No. 117) at Docket R-2022-3036936, which became effective March 1, 2023. Please provide responses for each of the following:
- a. Provide updated calculations for PVS, including annual principal and interest payments per PENNVEST loans 80180 and 85182 (PI) and current equivalent dwelling units (EDUs).
 - b. If updated PVS calculations reflect a PVS value that is greater than Columbia Water’s current PVS, confirm that Columbia Water is electing to maintain its existing PVS rate and values for PI and EDUs.
 - c. Provide a revised version of Supporting Data, Page 1-11 to conform with Columbia Water’s claims for Columbia Water Rate District customer count changes and to correct anticipated PVS revenues at present rates under Supplement No. 117.
 - d. Explain whether it is reasonable to continue to exempt public fire protection customers from Columbia Water’s PVS and identify whether PVS-funded facilities are used to provide public fire protection service.
- R-10. Columbia Water’s response to TUS Data Request Set 1, Item A-33, at Docket A-2021-3027134 included a copy of an EDTMA financial statement for the period ending September 30, 2020 (2020 EDTMA Financial Statement). The 2020 EDTMA Financial Statement on Page 10 indicated that EDTMA received contributions in aid of construction (CIAC) of \$716,708, defined as fair market value at the time received, and specified that this CIAC was included as part of the net investment in capital assets of \$2,590,313, defined as depreciated original cost. Also, the 2020 EDTMA Financial Statement on Page 5 identified \$6,000 in tapping fee revenue; an EDTMA financial statement for the period ending September 30, 1993, included as Exhibit C of the application at Docket A-212650F2000 identified \$36,134 in “Reservation/Tapping Fees” revenue between 1992 to 1993; and an EDTMA profit and loss statement for the period ending September 30, 2021, filed with the Commission on Novem 9, 2021, at

TUS Data Request Set 2

Columbia Water Company Supplement No. 121 To Tariff – Water Pa. P.U.C. No. 7 at Docket No. R-2023-3040258

Docket A-2021-3027134 specified \$12,000 for “Res./Tapping Fees” revenues. Please quantify the amount of CIAC that Columbia Water recorded on its books for water facilities acquired from EDTMA (the EDTMA System) and explain why any tapping fees have not been recorded as CIAC.

- R-11. 52 Pa. Code § 69.721(e)(3) provides that acquiring utilities should book CIAC recorded on the books for facilities being acquired, and that if evidence supports other CIAC not booked by the seller, the acquiring utility should make a documented effort to determine actual CIAC and record CIAC for ratemaking purposes. Please provide evidence of Columbia Water’s documented effort to determine and record EDTMA System CIAC.
- R-12. 52 Pa. Code § 69.721(f) provides that when an acquiring utility elects to request inclusion of an acquisition in rate base, it should submit a copy of its newly prepared original cost study or a statement of reliance of the existing records of the seller to the Commission, the Office of Consumer Advocate, and the Office of Small Business Advocate at least four months prior to the date that the acquiring utility plans to make its next rate case. Also, 52 Pa. Code § 69.721(f)(2) provides that when an acquiring utility files a rate case sooner than the four-month window, the acquiring utility should not include any revenues or expenses related to the acquisition in its proposed rate base unless it includes the original cost valuation with the rate filing and certain conditions apply. Please provide evidence that Columbia Water filed with the Commission a copy of its original cost study or statement of reliance of EDTMA’s existing records.
- R-13. Please quantify the values for EDTMA System revenues, expenses, and rate base, respectively, that are included in Columbia Water’s proposed rates and revenue requirement claim.
- R-14. Pennsylvania’s corporate net income tax (CNIT) rate will decrease from 8.99% to 8.49% on January 1, 2024. However, in the filing’s Supporting Data, Supporting Schedule No. 8, Page 1, Columbia Water used a Pennsylvania CNIT rate of 8.99%. Please explain why Columbia Water’s proposed Pennsylvania CNIT rate of 8.99% is reasonable.
- R-15. The filing’s Supporting Data, Page 1-10 identified that Columbia Water expects to serve three additional fire protection customers by 12/31/2023. However, Supporting Data, Page 1-1, Going Level Adjustments, Item 2 does not identify additional anticipated revenues at present and proposed rates for these three additional customers. Please quantify additional anticipated revenues at present and proposed rates for additional fire protection customers that Columbia Water expects to serve by 12/31/2023 and provide supporting calculations.
- R-16. The filing’s supporting Data, Page 1-10 identified that all three customers included in Columbia Water’s Farm customer class are in Columbia Water’s EDTMA District. Also, Columbia Water acquired the EDTMA System during the historic test year. However, Supporting Data, Page 1-11 does not include an adjustment to annualize revenues for the Farm customer class. Please quantify additional anticipated revenues at

TUS Data Request Set 2

Columbia Water Company Supplement No. 121 To Tariff – Water Pa. P.U.C. No. 7 at Docket No. R-2023-3040258

present and proposed rates from the Farm customer class and provide supporting calculations.

- R-17. The filing’s Supporting Data, Page 1-13 identified a book cost of \$263,888 for Other-Maintenance and a going level adjustment to increase this expense by \$36,902. Also, Columbia Water’s 2022 annual financial report filed with the Commission, Page 48 specified that Other – Maintenance costs included \$38,400 for “Commonwealth Disposal-Sludge Removal”. Please provide a breakdown of Columbia Water’s expense claim for Other-Maintenance, including descriptions and values for each expense. Also, please separately identify expenses that are non-recurring and, for any expenses included in Columbia Water’s claim that recur on a less than annual basis, specify the claimed normalized value and normalization period for each expense.
- R-18. In the filing’s Exhibit DF-3, Columbia Water proposed a meter equivalency factor of 16 for customers with three-inch water meters to establish proposed rates. However, for Columbia Water’s PVS, Columbia Water uses a meter equivalency factor of 15 for customers with three-inch water meters. Please explain why it is reasonable to use different meter equivalency factors for Columbia Water’s PVS rate and for proposed rates.