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June 1, 2010

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

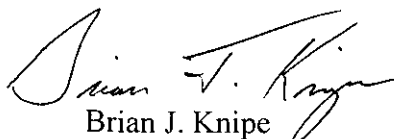
Re: *Leonard P. Krankowski v. Pennsylvania-American Water Company*,
Docket No. C-2010-2175101

Dear Secretary Chiavetta:

I have enclosed for filing the original and three (3) copies of the *Preliminary Objections of Pennsylvania-American Water Company to the Complaint of Leonard P. Krankowski* and the original and three (3) copies of the *Answer and New Matter of Pennsylvania-American Water Company to the Complaint of Leonard P. Krankowski*.

Copies of the *Preliminary Objections* and *Answer* have been provided to the Complainant in the manner indicated on the attached Certificate of Service.

Very truly yours,



Brian J. Knipe
For BUCHANAN INGERSOLL & ROONEY PC

BJK/paf

Enclosures

cc: Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

LEONARD P. KRANKOWSKI	:	
Complainant	:	
	:	
v.	:	Docket No. C-2010-2175101
	:	
PENNSYLVANIA-AMERICAN WATER	:	
COMPANY	:	
Respondent	:	

NOTICE TO PLEAD

Pursuant to 52 Pa. Code § 5.101(b), you are hereby notified that you are required to file an Answer to the enclosed Preliminary Objections of Pennsylvania-American Water Company within **ten (10) days** from the date of service of the Preliminary Objections. All pleadings must be filed with the Secretary of the Pennsylvania Public Utility Commission, with a copy served to counsel for Pennsylvania-American Water Company, and where applicable, the Administrative Law Judge presiding over the case.

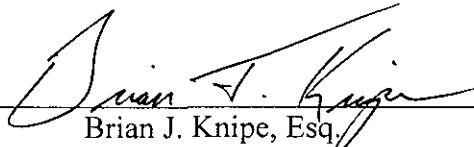
File with:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

With a copy to:

Brian J. Knipe, Esq.
Buchanan Ingersoll & Rooney PC
17 North Second Street, 15th Floor
Harrisburg, PA 17101-1503

Dated: June 1, 2010



Brian J. Knipe, Esq.

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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LEONARD P. KRANKOWSKI
Complainant

v.

Docket No. C-2010-2175101

PENNSYLVANIA-AMERICAN WATER
COMPANY
Respondent

**PRELIMINARY OBJECTIONS OF PENNSYLVANIA-AMERICAN WATER
COMPANY TO THE COMPLAINT OF LEONARD P. KRANKOWSKI**

Pennsylvania-American Water Company ("Pennsylvania-American" or "Company"), by and through its attorneys, files these preliminary objections pursuant to 52 Pa. Code § 5.101, and moves to dismiss the Formal Complaint filed by Leonard P. Krankowski (Complainant) for legal insufficiency. In support thereof, the Pennsylvania-American states as follows:

1. Complainant challenges Pennsylvania-American's imposition of a service charge on a monthly basis. Complainant asks the Pennsylvania Public Utility Commission ("Commission") to require the Company to impose its service charge on Complainant only once each year. Compl. ¶¶ 4.A, 5.

2. Complainant also challenges the frequency of Pennsylvania-American's billing, and requests that the Commission require the Company to issue Complainant only one bill each year, instead of billing Complainant on a monthly basis. Compl. ¶ 5.

**FIRST PRELIMINARY OBJECTION —
MOTION TO DISMISS COMPLAINT FOR
LEGAL INSUFFICIENCY
(52 Pa. Code § 5.101(a)(4))**

3. Pennsylvania-American incorporates by reference the averments contained in Paragraphs 1 and 2 as if fully set forth herein.

4. Pennsylvania-American's Commission-approved tariff provides for the imposition of a monthly \$13 service charge for a residential customer with a 5/8 inch water meter. *See* page 9 of the Company's tariff, attached as **Exhibit A**.

5. Rule 10.1 of Pennsylvania-American's Commission-approved tariff provides that all bills shall generally be rendered monthly. *See* page 30 of the Company's Tariff, attached as **Exhibit B**.

6. Pennsylvania-American's schedule of service charges for metered residential customers and Rule 10.1 are existing and effective tariff terms and conditions of service and must be applied consistently with their language. The Company's tariff has the full force and effect of law and is binding on the Company and its customers. *PPL Electric Utility Corp. v. Pa. P.U.C.*, 912 A.2d 386, 402 (Pa. Cmwlth. 2006); *Pennsylvania Electric Co. v. Pa. P.U.C.*, 663 A.2d 281, 284 (Pa. Cmwlth. 1995); *Brockway Glass Co. v. Pa. P.U.C.*, 437 A.2d 1067, 1070 (Pa. Cmwlth. 1981).

7. Pennsylvania-American's imposition of a service charge on a monthly basis and the Company's issuance of bills on a monthly basis are consistent with the terms and conditions of service under the Company's tariff.

8. Further, with respect to billing frequency, the Commission's regulations provide that "in the case of water and wastewater service, a billing period may be monthly, bimonthly or

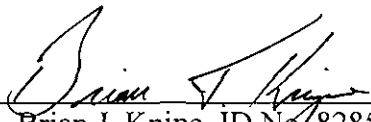
quarterly as provided in the tariff of the utility." 52 Pa. Code § 56.2. Therefore, the Company's billing is also consistent with the Commission's regulations.

9. Accordingly, the Formal Complaint fails to state a legally sufficient claim, and should be dismissed in its entirety.

WHEREFORE, Respondent, Pennsylvania-American Water Company, respectfully requests that this Honorable Commission grant its preliminary objections to the Formal Complaint of Leonard P. Krankowski at Docket No. C-2010-2175101, and dismiss the Formal Complaint in its entirety.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY, P.C.

By: 
Brian J. Knipe, ID No. 82854

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Harrisburg, PA 17101-1503
Phone: (717) 237-4820
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brian.knipe@bipc.com

Dated: June 1, 2010

Attorneys for Pennsylvania-American
Water Company

PENNSYLVANIA-AMERICAN WATER COMPANY
(Hereinafter referred to as the "Company")

D/B/A

Pennsylvania American Water

RATES AND RULES

GOVERNING THE DISTRIBUTION AND SALE OF WATER

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED

THERETO IN ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,
BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,
CUMBERLAND, DAUPHIN, FAYETTE, INDIANA, JEFFERSON, LACKAWANNA,
LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,
NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,
UNION, WARREN, WASHINGTON, WAYNE, AND YORK COUNTIES.

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Filed in Compliance with the Pennsylvania Public Utility Commission
Order at A-2010-2154276, entered March 26, 2010.

Issued: May 11, 2010

Effective: May 12, 2010

BY: Kathy Pape, President
Pennsylvania American Water
800 West Hersheypark Drive
Hershey, PA 17033

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PENNSYLVANIA-AMERICAN WATER COMPANY Canceling 14th & 15th Rev. Page 9
SCHEDULE OF RATES APPLICABLE TO RATE ZONE 1
FOR ALL RATE CLASSES EXCEPT INDUSTRIAL

METER RATES

All water supplied by the Company for any and all purposes, except Industrial, Qualified Private Fire Hydrants and Public Fire Hydrants, shall be metered as hereinafter set forth. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

Service Charges
For All Rate Classes Except Industrial

All metered customers shall be subject to a monthly service charge, based on the size of meter required to render adequate service. (I)

<u>Size of Meter</u>	<u>Service Charge Per Month Except Other Water Utilities</u>	<u>Service Charge Per Month Other Water Utilities Group A & B</u>
5/8 inch	\$ 13.00	\$ 17.30
3/4 inch	19.60	26.40
1 inch	32.60	43.10
1-1/2 inch	53.40	87.30
2 inch	85.40	138.60
3 inch	159.40	260.80
4 inch	200.10	434.00
6 inch	299.50	866.80
8 inch	579.90	1,386.90
10 inch	839.90	1,994.30
12 inch	1,313.53	3,121.90

Consumption Charges For all Rate Classes Except Industrial

The following rates shall apply per 100 gallons.

	<u>FIRST 16,000/MONTH</u>	<u>NEXT 584,000/MONTH</u>	<u>ALL IN EXCESS OF 600,000/MONTH</u>	
Residential	.7890	.7890	.7890	(I)
Commercial	.7656	.5869	.5869	(I)
Municipal	.7890	.6532	.6532	(I)
Other Water Utilities				
Group A	.5374	.5374	.5374	(I)
Other Water Utilities				
Group B	1.5142	1.5142	1.5142	

PENNSYLVANIA-AMERICAN WATER COMPANY
(Hereinafter referred to as the "Company")

D/B/A

Pennsylvania American Water

RATES AND RULES

GOVERNING THE DISTRIBUTION AND SALE OF WATER

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED

THERETO IN ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,
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Hershey, PA 17033

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RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF WATER

10. Payment Terms

10.1 Billing Period (C)
All bills shall generally be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial, industrial, sales for resale, public fire and private fire customers. All municipal accounts are entitled to a (30) day period from the due date of any bill within which it may pay for water service. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

10.2 Service Termination (C)
If a bill is not paid on or before its due date, service will be terminated.
If a bill for service to a Qualified Private Fire Hydrant is not paid on or before its due date, service will be terminated upon written notice given fifteen (15) days in advance by the Company to the Customer.

10.3 Consumption not Combined
The use of water by the same Customer in different premises or localities will not be combined, and each installation shall stand by itself.

10.4 Disputed Bills
In the event of a dispute between the Customer and the Company respecting any bill, the Company will forthwith make such investigation as may be required by the particular case and report the result thereof to the Customer. When the Company has made such a report to the Customer sustaining the bill as rendered, the Customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, it will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be returned to the Customer if the error arose from any cause other than the incorrect estimating of a Customer's consumption for the period in dispute.

(C) Indicates Change

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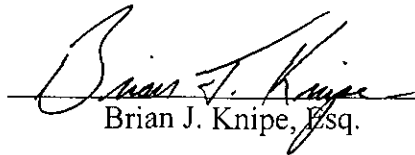
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following persons on the attached service list, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

Via First-Class U.S. Mail

Leonard P. Krankowski
40 Red Maple Circle
Palmyra, PA 17078

Dated: June 1, 2010



Brian J. Knipe, Esq.

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