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March 16, 2010

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P. O. Box 3265
Harrisburg, PA 17105-3265

Re: Docket No. R-2009-2121928
Pa P.U.C. v. Clean Treatment Sewage Company

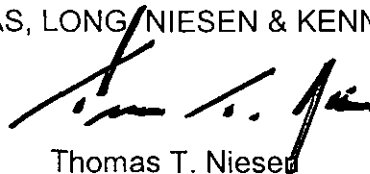
Dear Secretary McNulty:

Enclosed for filing on behalf of Clean Treatment Sewage Company are an original and nine (9) copies of its Exceptions to the Recommended Decision of Administrative Law Judge Ember S. Jandebeur in the above matter. Copies of the Exceptions are being served upon the persons and in the manner set forth on the certificate of service attached to them.

Very truly yours,

THOMAS, LONG NIESEN & KENNARD

By



Thomas T. Niesen

Encl.

cc: Certificate of Service (w/encl.)
Scott F. Linde (w/encl.)
Dennis Kalbarczyk (w/encl.)

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Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge
Ember S. Jandebaur, Presiding

Pennsylvania Public Utility Commission, *et al.* :
: Docket No. R-2009-2121928, *et al.*
v. :
Clean Treatment Sewage Company :

EXCEPTIONS OF
CLEAN TREATMENT SEWAGE COMPANY TO THE
RECOMMENDED DECISION OF
ADMINISTRATIVE LAW JUDGE EMBER S. JANDEBEUR

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DATED: March 16, 2010

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I. INTRODUCTION

This proceeding concerns Clean Treatment Sewage Company's ("CTSC" or "Company") Supplement No. 12 to Tariff Wastewater-Pa. P.U.C. No. 2 ("Supplement No. 12"). Supplement No. 12, as-filed, proposed to increase CTSC's annual wastewater revenue by \$221,317 based on pro forma, adjusted historic test year operations ended March 31, 2009.

By Recommended Decision dated March 1, 2010, Administrative Law Judge Ember S. Jandebour recommends that the Company be allowed a revenue increase of \$78,526. A History of the Proceedings is presented at pages 1 through 3 of the Recommended Decision and incorporated herein by reference.

CTSC submits the following Exceptions to the Recommended Decision.¹

¹ Consistent with Section 5.533 of the Public Utility Commission's ("Commission") Rules of Practice and Procedure, 52 Pa. Code § 5.533, CTSC, as appropriate, refers to and incorporates by reference relevant passages from its previously filed Main and Reply Briefs. Additionally, in regard to transcript citations herein and in those Main and Reply Briefs, we note for the Commission that the transcript for the evidentiary hearings of January 6-8, 2010 was not consecutively paginated. Therefore, citations to "Tr1" refer to the hearing transcript of January 6, 2010, citations to "Tr2" refer to the hearing transcript of January 7, 2010, and citations to "Tr3" refer to the hearing transcript of January 8, 2010. Citations to the November 9, 2009 public input hearings are identified as "Public Input Hearing Tr."

II. EXCEPTIONS

1. **EXCEPTION NO. 1** - Rate Base - Materials and Supplies
CTSC excepts to the elimination of its materials and supplies (inventory) claim of \$9,114 (1% of depreciated plant in service). Rec. Dec. 7-8 and Finding of Fact 4.

The Company claimed \$9,114 for materials and supplies (inventory) which represents 1% of the net plant-in-service of \$911,393 ($\$911,393 \times 0.01$). CTSC Exhibit 1, Sch. F-1. The associated annual revenue requirement is \$732 ($\$9,114 \times 8.03\%$ ROR). CTSC St. DMK-1R at 30.

The Recommended Decision eliminates the claim to avoid a double counting. The Office of Trial Staff ("OTS") and the Office of Consumer Advocate ("OCA") argued that a double counting would occur if the claim were allowed because CTSC does not maintain an inventory account for its balance sheet and, instead, charges materials and supplies purchases directly to expenses.

The most common inventory process is the perpetual inventory process in which a record of inventory is continuously maintained.² The perpetual inventory process, which would provide a balance sheet account for ratemaking purposes, is time consuming and costly since it requires a number of people to coordinate and monitor — both in the office and the field.

An inventory claim, such as that presented by CTSC, based upon 1% of net plant-in-service, helps to minimize cost while providing appropriate, but minimal, ratemaking recognition — *i.e.*, a return on a value without the cost of the perpetual

² The perpetual inventory process generally requires tracking the number of units by type or function, size or weight, at their respective corresponding values — *e.g.*, valves, fittings, pipe, chemicals, pump etc.; 2", 4", 6", lbs, gallons, drums; and the unitized weighted value for each respective group. CTSC St. DMK-1R at 30. Necessary accounting transactions are performed to add purchases to the beginning inventory balance and then a recalculation is made to update the inventory balance, generally a weighted average value for simplicity, from and at which withdrawals are then priced. The process then repeats itself over the course of months throughout the years. CTSC St. DMK-1R at 30.

inventory process. CTSC St. DMK-1R at 30-31. The “1%” method has been accepted by the Commission for small water and sewer companies because it recognizes that small companies need materials and supplies just like larger companies while providing a reasonable way to incorporate an inventory allowance as part of the revenue requirement without requiring a small company to incur increased cost. CTSC St. DMK-1R at 30-31.³

The Company’s inventory claim reflects a reasonable approach. The concern over double counting is misplaced and the claim should be accepted. If the Commission determines it appropriate to adopt the Recommended Decision then the Company requests that it be allowed an annual expense of \$1,200 (or \$100 per month) so that it may initiate the perpetual inventory process and create an inventory account on its balance sheet.

CTSC’s Exception No. 1 should be granted. For the reasons stated above and in CTSC’s Main Brief, pages 7 through 10, and Reply Brief, pages 3 and 4, CTSC’s claim of \$9,114 for materials and supplies (inventory) with an annual revenue requirement of \$732 should be allowed for ratemaking purposes.

2. EXCEPTION NO. 2 - Revenues
CTSC excepts to the imputation of \$81,631 of availability charge based on 192 potential availability customers. Rec. Dec. 9-11 and Finding of Fact 8.

The Recommended Decision imputes \$81,631 of availability charge revenue because the service connection moratorium remains in effect.⁴ The imputed revenue

³ The claim also recognizes that inventory turn-over – *i.e.*, units of material in and out – generally does not fluctuate that much, whereas the greater driver is the inflationary impact of unit cost over time. CTSC St. DMK-1R at 31.

⁴ A brief explanation of the service connection moratorium is presented in the Discussion Section of the Recommended Decision, page 5, under “Description of CTSC.”

is based on 192 potential availability customers. CTSC believes and submits that the imputation of revenue would result in unconstitutional confiscation of property, is unjust and unreasonable in violation of the Public Utility Code, is contrary to the evidence and counterproductive and should be rejected as addressed below. Nevertheless, if the Commission were to impute any adjustment related to availability customers it should be cost based with the total adjustment being no more than \$30,000. With 192 available connections and 378 existing usage connections, the total customer base is 570. With a total customer base of 570, a properly calculated adjustment would be one reflective of an availability ratio of 34%⁵ to be applied against the net rate base value and associated annual depreciation expense of the treatment plant. An availability ratio of 34% produces a revenue requirement adjustment of only \$29,991. Tr2. at 48-50.⁶

⁵ 192 availability connections divided by 570 total connections or 34%.

⁶ As explained at transcript page 50 of the January 7 evidentiary hearing:

"[W]e have about \$900,000 worth of rate base, \$700,000 of the net rate base value is associated with the treatment plant. You allocate that treatment plant, the \$700,000, that net rate base value and the number of the ratio is about 34 percent. The rate base --- so it's \$238,000 that would be allocated to the availability at the stipulated 8.03 percent rate of return. So the annual revenue requirement is only \$19,111. The annual depreciation on the plant was around \$32,000. Thirty-four (34) percent of that number is \$10,880.

So the combination of those two items means that the only portion of the asset value that would be allocated to them on the current cost is roughly \$29,991, or \$30,000, not the \$156,000 as the Parties proposed, assuming there is capacity in the plant for the availability customers. And most if not all of the operating expenses are associated with actually providing use and service to the customers, chemicals, the electrical, billing. Since we've been moved, all costs associated with billing, dealing with availability customers, there's little, if any, cost that's associated with the billing to the availability customers."

Additionally, if the imputed adjustment were based upon the old availability fee, the adjustment must exclude the \$5,201 of cost associated with the old availability billing cost or it would result in a double count since those costs were reflected in the old availability fee rate. Tr2. at 51-52.

A. Prior Decisions of the Commission Have Rejected the Imputation of Hypothetical or “Phantom” Revenue

The Commission has often rejected the imputation of hypothetical or “phantom” revenue for ratemaking purposes and it should, likewise, rejected it here. In *Pa. P.U.C. v. Total Environmental Solutions, Inc. - Treasure Lake Water Division and Treasure Lake Wastewater Division*, 103 PaPUC 110 (2008), the Commission rejected an OTS recommendation to increase TES’s customer penalty revenue by 20.41% because the adjustment imputes hypothetical revenue that TES would not be able to collect.

In *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, 236 P.U.R.4th 218 (2004), the Commission adopted Aqua’s proposal to remove availability charges from its rate structure because the charges produced phantom income or revenue in that most customers did not actually pay the charge. The Commission specifically rejected the OCA’s argument that the retention of availability charges would promote cost sharing between usage customers and unconnected availability customers who benefit from Aqua’s infrastructure.⁷

In *Pa. P.U.C. v. PECO*, 61 PaPUC 589 (1986), the Commission rejected a proposed OCA adjustment to increase PECO’s pro forma revenues by \$11 million, noting that the evidence of record clearly showed that PECO would never actually receive the \$11 million revenue increase.

In *Pa. P.U.C. v. Pennsylvania Gas & Water Co. - Water Division*, Docket Nos. R-80071265 et al. (Order entered April 24, 1981), the Commission concluded that the OCA’s recommended \$10,000 adjustment to the company’s test year revenues to

⁷ Similar to *Aqua*, a substantial number of CTSC’s availability customers do not pay the availability charge. A large number of lot owners also have not remained current with their property taxes and the property was taken back by the County. Tr2 at 16-17. In prior years, availability customers accounted for the bulk of the Company’s bad debt expense; thus, not likely to pay the availability charge. DMK-1R at 16.

account for rental revenues was inappropriate, finding that the proposed adjustment imputes hypothetical costs rather than allocating actual incurred costs.

B. The Plant Is Used Fully By Usage Customers

The OTS and the OCA who proposed the imputation of revenue had the burden of presenting some evidence or analysis tending to demonstrate the reasonableness of an adjustment. See, e.g., *Pa. P.U.C. v. PECO*, Docket No. R-891364 (Order entered May 16, 1990); *Pa. P.U.C. v. Breezewood Telephone Co.*, Docket No. R-901666 (Order entered January 31, 1991). They failed to do so.

The Company's facilities are being used at full capacity to serve the existing usage customer base,⁸ a service that CTSC is providing without violation of any Pennsylvania Department of Environmental Protection ("DEP") statute or regulation.⁹ Usage customers, consequently, should and must bear the full cost of providing service to them. If CTSC is not afforded the opportunity to recover the full cost of providing service from usage customers it will be denied the opportunity to earn the just and reasonable return on used and useful property to which it is statutorily and constitutionally entitled.¹⁰

⁸ See, e.g., OCA M.B. at 2 (citing the Gerage Exhibit 1) — The system has reached capacity, and there has been a moratorium on new connections for five years.

⁹ Tr1 at 46 - Testimony of Kate Crowley, DEP Water Program Manager for Northeastern Pennsylvania..

¹⁰ It is well settled that a public utility is entitled to an opportunity to earn a fair rate of return on the value of its property which is dedicated to public service. *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, 103 Pa. P.U.C. 238 (2008) (citing *Pennsylvania Gas & Water Company v. Pa. P.U.C.*, 341 A.2d 239 (Pa. Commw. 1975)). This is consistent with long-standing decisions by the United States Supreme Court, including *Bluefield Water Works & Improvement Co. v. Pub. Serv. Comm'n of W. Va.*, 262 U.S. 679, 690-93 (1923) and *Fed. Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

Prior to the Commission's decision in the *Sutter* Complaint proceeding,¹¹ the Company had been recovering part of the cost of providing service through an availability charge. The Commission, however, directed the Company to cease charging availability customers because of the lack of facility capacity.¹² A substantial number of availability customers, moreover, do not and have not paid the availability charge in any event.

The Recommended Decision uses the service connection moratorium as a basis to deny the Company the actual recovery of its total revenue requirement but the moratorium serves only to highlight the obvious. If the facility is being used at full capacity such that no additional connections can be accommodated, then the usage customers presently using the facility at full capacity must pay the total cost of service. Such is the reasonable and appropriate ratemaking conclusion required by the Public Utility Code and appropriate ratemaking principles.

C. CTSC Has Made Every Reasonable Effort to Lift the Moratorium

CTSC has made every reasonable effort to prepare, submit and process Planning Modules through Delaware Township to try to lift the moratorium. Most recently, the Company submitted a July 2008 Planning Module for Land Development to Delaware Township. CTSC Exhibit SAM-1.¹³ A chronology of events concerning other Sewage Facilities Planning Modules prepared and submitted by CTSC back to 2004 is presented in the letter of Mr. Marcino, American Water, Applied Water

¹¹ *Sutter, et al. v. Clean Treatment Sewage Co.*, Docket No. C-20078197 (Order entered May 15, 2009).

¹² In response to a question by Judge Jandebour, Mr. Kalbarczyk testified that, in order to bill the availability charge going forward, notice to customers might be required. Tr2 at 80-81. A possible further rate filing also might be needed.

¹³ A complete Project Narrative is presented in Section 5 of the Module and also addressed in CTSC Statement SAM-1R, the rebuttal testimony of CTSC witness Marcino. See also CTSC Main Brief at 51-54.

Management Group, to the Delaware Township Supervisors, dated November 19, 2007 and included in CTSC Exhibit SAM-3. Since 2004, CTSC has submitted three Planning Modules for land development, all of which have not been moved forward by Delaware Township. CTSC St. SAM-1R at 5.

The Township's substantive opposition to the Company's July 2008 Planning Module appears to arise because the Module proposal would have individual homeowners be responsible for their individual grinder pump, tank and electrical cost, the total cost of which to the homeowner would be approximately \$3,000.¹⁴ Requiring individual homeowners to bear the cost of their individual grinder pumps would, ultimately, reduce the ratemaking burden of the Planning Module proposal. Rather than a detriment to customers, this is a benefit inasmuch as the OCA already has concerns with the affordability of rates that would be reflective of significant system upgrades. Thirty-four homes served via the existing gravity system already have grinder pumps, at the homeowner's expense.¹⁵

D. Conclusion

Service to usage customers is adequate and reasonable and in compliance with Commission and DEP standards. Usage customers, accordingly, should pay the full cost of providing service to them. The resulting usage rates would not be unreasonably or unjustifiably high. They would only be what customers should pay based on accepted cost of service principles.

CTSC's Exception No. 2 should be granted. For the reasons stated above and in CTSC's Main Brief, pages 12 through 22 and 46 through 55, and Reply Brief, pages

¹⁴ See CTSC M.B. at 52.

¹⁵ Additionally, the 100 homes connected to the west side system already have grinder pumps installed at cost to the homeowner.

5 through 10 and 25 through 40, the proposed imputation of hypothetical or “phantom” availability charge revenue of \$81,631 should be rejected.

3. **EXCEPTION NO. 3** - Expenses - Officer’s Salary and Management Fee
CTSC excepts to the elimination of its claim for Vice President’s salary (management fee). Rec. Dec. 11 and Finding of Fact 9.

CTSC claimed compensation of \$34,318 for its President and \$33,488 for its Vice President. The Recommended Decision recommends retaining the compensation for the President while eliminating the compensation for the Vice-President with CTSC allocating the recommended allowance as it deems appropriate. The Recommended Decision suggests further that the Company substantiate its compensation requests fully in the future.¹⁶

CTSC submitted appropriate evidence justifying its claims for President and Vice-President compensation. In regard to job task responsibilities, the President has full oversight over the entire Company, including, but not limited to, business finances, customer relations and regulatory affairs. Such matters are exclusively the duties of the President and not part of the Vice President’s job description. CTSC St. DMK-1R at 7-8; Tr2. at 43.

The Vice-President, on the other hand, focuses on the operational aspects of the Company, which include directly overseeing the wastewater treatment operation and services, working closely with the system operator, reviewing and approving invoices and expenses and ordering materials and supplies. CTSC St. DMK-1R at 8; Tr2. at 44. The Vice-President reports to the President and is also responsible for approving and signing the monthly Discharge Monitor Reports submitted to DEP. The oversight

¹⁶ The OCA had proposed to adjust the Company’s claims for President and Vice-President compensation by eliminating the \$33,488 claimed for the Vice-President arguing that the Vice-President’s duties mirror those of the President. Although the Recommended Decision does not specifically adopt the OCA adjustment, the dollar adjustment is the same.

authority of the Vice-President is critical to the Company's continued compliance with DEP statutes and regulations. As summarized at the evidentiary hearing (Tr2 at 44):

[The Vice-President] works with RWW Services, the operator. He's in communication with him at least once on a daily basis, which may be about a half hour per day just for that. In addition to that Mr. Piepoli does a site visit to the plant once a month. That visit on its own is about four hours by the time he visits that. So you're well in excess of a five hours per week that I had responded to in interrogatory response that I had provided to the Parties.

On top of that he also is in consultation with the president on a daily basis to sort of report to him about what's going on with the operations. As an additional part of his functions, he does also approve all of the invoices on the operations side. So he reviews, he approves those, he also assists in ordering the materials and supplies to see that they are timely delivered to the plant as well.

Lastly he is the responsible officer who reviews the monthly DMR reports that are then signed and sent to DEP, the discharge monitoring reports.

From a practical standpoint, CTSC's executive level positions and the job duties related thereto are not much different than that of other somewhat smaller organizations in some cases or that of even somewhat larger organization. CTSC St. DMK-1R at 7-8; Tr2. at 43. In actuality, the President and Vice-President spend more time on CTSC activities than is reflected in the Company's claim for its executive compensation. Tr2. at 43-46.

Additionally, the compensation claims are conservative. Neither the President nor the Vice-President is reimbursed for expenses and CTSC is not charged for local, State, or Federal taxes attributable to their compensation. Both the President and Vice President were directly involved in the rate proceeding. They attended both the public input hearings and the evidentiary hearings and worked with Company counsel and Company rate consultant to prepare, present and process the filing. Their time spent on this proceeding alone would justify the compensation claims. Tr2 at 44-45.

The Recommended Decision would micro-manage the Company in an inappropriate way and deny the Company the necessary level of services to provide for an orderly executive structure and the oversight necessary for Company operations. Should the Commission adopt the Recommended Decision, the President's compensation should be doubled. If the Vice-President's compensation and, ultimately, his services are disallowed, the President and/or some other outside professional would need to perform the services of the Vice-President. CTSC St. DMK-1R at 9.¹⁷

CTSC's Exception No. 3 should be granted. For the reasons stated above and in CTSC's Main Brief, pages 23 through 28 and Reply Brief, page 11, CTSC's compensation claims of \$34,318 for its President and \$33,488 for its Vice President should be allowed for ratemaking purposes.

4. **EXCEPTION NO. 4** - Expenses - Rate Case Expense
CTSC excepts to a five year normalization period for rate case expense. Rec. Dec. 11 and 12 and Finding of Fact 10.

The Recommended Decision allows a level of rate case expense based on a five year normalization period. The Commission, however, should adopt a three year normalization period for rate case expense.

While the Commission traditionally bases rate case expense normalization periods on a utility's history with regard to the frequency of rate case filings, the Commission has discretion to allow shorter time periods in order to provide for a reasonable expectation of the recovery of such costs. In *Pa. P.U.C. v. Total Environmental Solutions, Inc. - Treasure Lake Water Division and Treasure Lake*

¹⁷ The OTS criticism of apparent identical services should also be rejected. Additionally, while OTS did not eliminate the Vice President position, it did propose a different and lower level of compensation for each position. The lower level of compensation is addressed at length in CTSC's Main Brief, pages 23 through 28.

Wastewater Division, 103 PA PUC 110 (2008), the Commission rejected a five-year normalization period for rate case expense in favor of a three-year normalization period.

If a 5 year normalization period were approved and the Company filed a rate increase within 3 years, there would be a shortfall of \$24,000 in rate case expense. The Company's ability to recover this shortfall in the next rate case filing would be unlikely given Commission precedent over the last 25 years to approve recoveries on a normalization, rather than amortization, basis. This would directly affect CTSC's equity position. CTSC St. DMK-1R at 25.

Considering the financial position and outlook of the Company and the increased costs to operate the wastewater system and anticipated capital project upgrades going forward, it is unrealistic to expect CTSC to wait another five years before seeking another rate increase. A three-year period is more likely. Again, the Commission has approved a three year normalization period in a similar situation. See *Total Environmental Solutions, Inc. - Treasure Lake Water Division and Treasure Lake Wastewater Division, supra*.

CTSC's Exception No. 4 should be granted. For the reasons stated above and in CTSC's Main Brief, pages 36 through 39 and Reply Brief, page 18 through 20, a rate case expense based on a three year normalization period should be allowed for ratemaking purposes.

5. **EXCEPTION NO. 5** - Expenses - Administrative Service Contract Labor
CTSC excepts to the reduced allowance of \$28,473 for administrative contract labor. Rec. Dec. 12 and Finding of Fact 11.

The Company claimed \$40,678 for Administrative Service Contract Labor. The service contract is with A.D.S. Support Services ("A.D.S."). The Recommended Decision adopts an OTS adjustment and recommends that the claim be reduced by

\$12,205, a 30% reduction ($\$12,205/\$40,678$), due to a perceived lack of documentation and because some of the compensation may have included work done by A.D.S. for another company.

The Company's claim should be allowed in full. The services provided by A.D.S. and its owner, Ms. Sorchick, are important to CTSC's operations.¹⁸ Those services include billing and collection, customer relations, bookkeeping, cash disbursements and accounts payable and preparation of monthly and annual financial reports.

A.D.S. does not maintain an hourly breakdown of time spent by Ms. Sorchick on matters. The breakdown is not necessary to support the claim. The claim is reasonable on its face for the services provided. The interrogatory response provided by the Company in support of the claim is consistent with industry standards for small water and wastewater companies. CTSC St. DMK-1R at 12-13 and Attachment 2. CTSC has no better, more cost effective option than A.D.S. If A.D.S. were not available, customer service would be lessened and revenue to CTSC would be lost. In regard to the reasonableness of the claim, we note also that A.D.S., not CTSC, is responsible for Ms. Sorchick's own fringe or other benefits.

The elimination of availability customers does not have a significant impact on the time spent by Ms. Sorchick on CTSC matters. The Company estimates that the elimination of the availability fee has resulted in about eight (8) hours fewer per month to record and post payments for this charge and that this time has now been redirected in its efforts to more timely collect usage rate revenues. CTSC St. DMK-1R at 13.

A.D.S. does provide some services for entities affiliated with CTSC but those services are not significant. At hearing, the Company presented monthly bank

¹⁸ A.D.S. is not affiliated with CTSC. Ms. Sorchick is primarily responsible for all the services provided. CTSC St. DMK-1R, Attachment 2.

statements as of August 31, 2009 for CTSC, Delaware Sewer Company ("DSC") and Consolidated Pocono Utilities ("CPU"). OCA Cross Exhibits 2 and 3. These statements show that A.D.S., on average, is compensated at just under 10% on services for DSC and CPU matters combined ($\$75 / \$775 = 9.7\%$).¹⁹ See OCA Cross Exhibit 3.

CTSC's Exception No. 5 should be granted. For the reasons stated above and in CTSC's Main Brief, pages 28 and 29 and Reply Brief, page 11 through 13, CTSC's claim of \$40,678 for Administrative Service Contract Labor should be allowed for ratemaking purposes.

6. EXCEPTION NO. 6 - Expenses - Dues and Subscriptions
CTSC excepts to the elimination of its claim for dues and subscriptions. Rec. Dec. 12 and Finding of Fact 12.

The *Recommended Decision* recommends that \$279 paid for the local newspaper be removed as an expense that can not properly be passed to a utility's customers. CTSC submits that this is a proper expense not typically excluded from a utility's ratemaking claims. The adjustment represents a micromanagement of necessary utility expenses that if approved would mean that no Pennsylvania regulated utility would be allowed such expenses. While the Company explained in its testimony and briefs how it utilizes the local newspaper, it is also important to note that the Commission distributes relevant information and press releases via newspapers for the purpose of informing both customers and utilities. Further, Commission regulations require regulated utilities to disseminate information to its customers via local newspapers and CTSC is a customer of a Commission regulated water service and electric service provider.

¹⁹ Fixed weekly bank payment charges of \$50 for DSC and \$25 for CPU, total \$75, and \$700 for CTSC, a sum total of \$775.

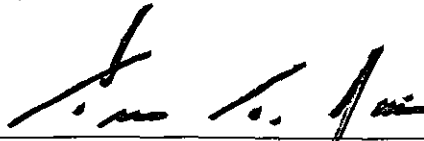
CTSC's Exception No. 6 should be granted. For the reasons stated above and in CTSC's Main Brief, page 41, and Reply Brief, page 21, CTSC's claim of \$279 for the local newspaper should be allowed for ratemaking purposes.

III. CONCLUSION

CTSC's Exceptions to the Recommended Decision should be granted. For the reasons set forth herein and in CTSC's Main Brief and Reply Brief, Clean Treatment Sewage Company submits that the Public Utility Commission should approve Supplement No. 12 to Tariff Wastewater-Pa. P.U.C. No. 2 to reflect the updated monthly usage rate of \$116.64 and allow the rate to become effective.

Respectfully submitted,

By



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DATED: March 16, 2010

CTSC Exceptions (Final).wpd

Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge
Ember S. Jandebaur, Presiding

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v.

Clean Treatment Sewage Company

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CERTIFICATE OF SERVICE

I hereby certify that I have this 16th day of March 2010, served a true and correct copy of the Exceptions of Clean Treatment Sewage Company, upon the persons and in the manner set forth below:

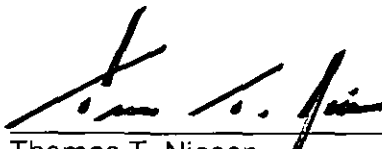
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