

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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July 23, 2014

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
Commonwealth Keystone Bldg.  
400 North Street  
Harrisburg, PA 17120

Re: Petition of Pennsylvania-American Water  
Company Wastewater Operations for Approval of  
Long Term Infrastructure Improvement Plan and  
Approval to Establish and Implement a Distribution  
System Improvement Charge  
Docket No. P-2014-2431005

Dear Secretary Chiavetta:

Attached for electronic filing is the Formal Complaint and Public Statement of the Office of Consumer Advocate in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in cursive script that reads "Christine Maloni Hoover".

Christine Maloni Hoover  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50026  
E-Mail: [CHoover@paoca.org](mailto:CHoover@paoca.org)

Attachment

cc: Office of Administrative Law Judge  
Office of Special Assistants  
Certificate of Service

187202.doc

**FORMAL COMPLAINT**  
**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**1. COMPLAINANT**

Tanya J. McCloskey, Acting Consumer Advocate

555 Walnut Street, 5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Dauphin County

Phone - (717) 783-5048  
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**2. UTILITY NAME**

Pennsylvania-American Water Company Wastewater Operations, Docket No. P-2014-2431005

**3. TYPE OF UTILITY**

Wastewater

**4. COMPLAINT**

A. On July 3, 2014, pursuant to Section 1353 of the Public Utility Code, Pennsylvania-American Water Company Wastewater Division (PAWC Wastewater or Company) filed a Petition for Approval of a Long Term Infrastructure Improvement Plan and Approval to Establish and Implement a Distribution System Improvement Charge (Petition). 66 Pa. C.S. § 1353.

B. PAWC Wastewater's filing contains proposed Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 15, with an effective date of January 1, 2015. Effective April 1, 2015, PAWC Wastewater will provide the calculation of its initial DSIC to recover the fixed costs of eligible plant additions placed into service during January 1, 2015 and February 28,

2015. According to the Petition and testimony that accompanies the filing, the Company will use the equity return rate approved in the Company's last fully litigated base rate case for which a final order was received not more than two years prior to the effective date of the DSIC or, if not available, the calculated rate in the most recently Quarterly Report on the Earnings of Jurisdictional Utilities for water utilities' DSIC return.

C. PAWC Wastewater provides wastewater service to approximately 16,803 wastewater customers in portions of seven counties in Pennsylvania, including Adams, Beaver, Chester, Clarion, Monroe, Pike, and Washington Counties.

D. The proposed DSIC rate calculated in accordance with the proposed tariff may be unjust or unreasonable, in violation of Section 1301, 66 Pa. C.S. § 1301.

E. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the Pennsylvania General Assembly, 71 P. S. §§ 309-1 *et seq*, as enacted July 9, 1976.

F. After initial review of PAWC Wastewater's filing, the Consumer Advocate files this Formal Complaint in order to ensure that the Company's proposed DSIC tariff and DSIC rate do not result in rates and charges that are excessive, discriminatory or otherwise contrary to Commission regulations or policy.

## **5. RELIEF**

The Consumer Advocate respectfully requests that the Public Utility Commission:

A. Hold evidentiary hearings as provided by Section 1355 of the Public Utility Code, 66 Pa. C.S. § 1355, to review the Petition;

B. Hold public input hearings in PAWC Wastewater's service territories, if consumer interest arises, 66 Pa. C.S. § 1355;

C. Modify or reject the DSIC and initial tariff if they are not found to be in compliance with Sections 1351, 1353, 1357 and 1358 of the Public Utility Code, 66 Pa.C.S. §§ 1351, 1353, 1357, 1358;

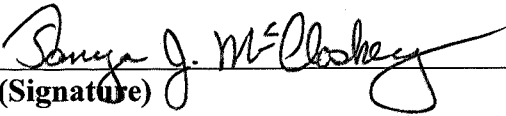
D. Modify or reject the DSIC and initial tariff if they are not found to be just and reasonable and in the public interest; and

E. Grant any other relief deemed necessary.

**6. VERIFICATION AND SIGNATURE**

*Verification:*

*I, Tanya J. McCloskey, hereby state that the facts above set forth are true and correct (or 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)

July 23, 2014  
(Date)

**7. LEGAL REPRESENTATION**

Erin L. Gannon, Assistant Consumer Advocate  
Pa. Attorney No. 83487  
EGannon@paoca.org

Christine Maloni Hoover, Senior Assistant Consumer Advocate  
Pa. Attorney No. 50026  
CHoover@paoca.org

Counsel for:  
Tanya J. McCloskey  
Acting Consumer Advocate

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PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE  
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the initial Distribution System Improvement Charge (DSIC) tariff and rate proposed by Pennsylvania-American Water Company Wastewater Operations (PAWC Wastewater or Company) at Docket No. P-2014-2431005.

On July 3, 2014, PAWC Wastewater filed a Petition for Approval of a Long Term Infrastructure Improvement Plan and Approval to Establish and Implement a Distribution System Improvement Charge pursuant to 66 Pa. C.S. § 1353. The Company asks that its initial DSIC rate be set at 0% and that its April 2015 filing be calculated in accordance with its proposed tariff.

The Consumer Advocate has filed this Complaint with the PUC to ensure that each aspect of PAWC Wastewater's proposed tariff is scrutinized and that the proposed DSIC rate is consistent with Sections 1301, 1351, 1353, 1357 and 1358 of the Public Utility Code, 66 Pa.C.S. §§ 1301, 1351, 1353, 1357, 1358, and sound public policy. A thorough analysis and review are appropriate because the proposed tariff will implement new legislation and is only the second such filing by a wastewater utility. It is critical that the DSIC be calculated correctly, recover only costs of DSIC-eligible property, and be applied equally to all customer classes. The OCA, therefore, will seek to ensure that only those costs which comply with the requirements of the Public Utility Code will be paid through a DSIC by the Company's ratepayers. In addition, the OCA will seek to ensure that any DSIC rate approved by the Commission is not otherwise excessive.

CERTIFICATE OF SERVICE

Re: Petition of Pennsylvania-American Water Company Wastewater Operations  
For Approval of Long Term Infrastructure Improvement Plan and Approval to  
Establish and Implement a Distribution System Improvement Charge  
Docket No. P-2014-2431005

I hereby certify that I have this day served a true copy of the foregoing document, Formal Complaint and Public Statement of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 23<sup>rd</sup> day of July, 2014.

SERVICE BY E-MAIL AND INTER-OFFICE MAIL

Johnnie E. Simms, Director  
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SERVICE BY EMAIL AND FIRST CLASS MAIL, POSTAGE PREPAID

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