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9/29/14

PA PUBLIC UTILITY COMMISSION

SECRETARY'S BUREAU

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SECRETARY'S BUREAU

I AM A PARTY TO 2 CASE ACTIONS PRESENTLY BEFORE THE PUC. THESE WERE FILED BY ME ON 7/14/14.

1. C-2014-2435548 CITY OF LANCASTER WATER RATE INCREASE AND
2. C-2014-2435567 CITY OF LANCASTER WATER OVERCHARGE ON BILLING

NOTE:
 Just discovered
 Rules 2, chapter 5
 which provides
 a framework
 for discovery
 which appears
 to provide
 a rules and
 procedure
 which this
 paragraph
 refers to
 F.Kitz
 9/29/14

TO DATE I HAVE RECEIVED NO INFORMATION REGARDING MY RIGHT TO MAKE INTERROGATORIES TO THE CITY OF LANCASTER IN CONNECTION WITH THESE CASES. I HAVE BEEN INFORMED THAT C-2014-2435567 WATER OVERCHARGE ACTION HAS BEEN DELAYED DUE TO PUC STAFFING SHORTAGES. POSSIBLY WHEN THIS SITUATION IS RESOLVED SUCH INFORMATION WILL BE AVAILABLE. IT APPEARS THAT INTERROGATORIES CAN BE USED INSTEAD OF OBTAINING INFORMATION UNDER THE PROVISIONS OF THE RIGHT-TO-KNOW PROCEDURES WHICH IS A LENGTHY PROCESS. IT WOULD APPEAR THAT THE PUC WOULD HAVE A DOCUMENT THAT WOULD PROVIDE ALL OF THE INFORMATION RELATING TO A PUC CASE ACTION THAT WOULD APPLY TO A PARTY OF SUCH ACTION AND IF SUCH DOCUMENT IS AVAILABLE I AM REQUESTING THAT I MAY BE PERMITTED TO VIEW SUCH DOCUMENT. I COULD NOT LOCATE IT IN A SEARCH OF THE PUC WEBSITE.

WITH RESPECT TO MY COMPLAINT ON C-2014-2435548 WATER RATE INCREASE, THE ONLY AREA THAT I COMPLAINED ABOUT WAS THAT NO ADJUSTMENT WAS MADE FOR UNACCOUNTED-FOR-WATER BASED UPON INFORMATION INCLUDED ON EXHIBIT D IX-6 (PAGE 794/1766) WHICH INDICATED THAT THE LEVEL OF UNACCOUNTED-FOR-WATER EXCEEDED 20% AND MAY BE CONSIDERED EXCESSIVE BY THE PUC IN ACCORDANCE WITH PROVISIONS OF 52 PA CODE 65.20 (4). IN REVIEWING THE TESTIMONY OF OCA AND I&E I SAW NO REFERENCE TO ANY POSSIBLE UNACCOUNTED-FOR-WATER ADJUSTMENT.

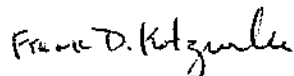
ORIGINALLY I THOUGHT THAT IT WAS OVERLOOKED BY LANCASTER CITY BECAUSE THEIR FILING WAS BASED ON A TEMPLATE OF A RATE INCREASE FILING MADE BY THE CITY OF BETHLEHEM, PA WHICH DID NOT HAVE AN UNACCOUNTED-FOR-WATER IN EXCESS OF 20%. I AM NOT SURE WHY OCA AND I&E DID NOT MENTION THIS ISSUE. WILL THIS ISSUE BE RESOLVED DIRECTLY BY THE PUC AFTER ALL OTHER ISSUES ARE RESOLVED?

IN MY RATE INCREASE COMPLAINT I ALSO NOTED THAT I WAS UNABLE TO IDENTIFY ANY BILLINGS FOR WATER CONSUMED DIRECTLY BY LANCASTER CITY FOR PURPOSES OTHER THAN THAT USED BY THE LANCASTER CITY WATER DEPARTMENT IN THE PRODUCTION OF WATER. I REVIEWED THE LANCASTER CITY FINANCIAL STATEMENTS AND THE MORE DETAILED BUDGET INFORMATION FOR THE CITY AND THE WATER DEPARTMENT WHICH WERE AVAILABLE AT THE CITY OF LANCASTER WEBSITE.

ALSO RELATING TO MY RATE INCREASE COMPLAINT, I REVIEWED THE LANCASTER CITY PROPOSED INCREASE DOCUMENTS AND WAS UNABLE TO LOCATE ANY INFORMATION RELATED TO THE LEASE OF THE MANHEIM TOWNSHIP WATER SYSTEM INFRASTRUCTURE TO LANCASTER CITY FROM THE OWNER, THE GENERAL MUNICIPAL AUTHORITY (A COMPONENT UNIT OF MANHEIM TOWNSHIP). THE GENERAL MUNICIPAL AUTHORITY PARTIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 12/31/13 REPORT THAT REVENUES OF \$555,226 PRESUMED TO BE FROM LEASE RENTAL RECEIPTS, TAPPING FEES, ETC. ARE OFFSET BY EXPENSES OF \$468,302 PRESUMED TO BE FOR DEPRECIATION, INTEREST/PRINCIPAL PAYMENTS AND OTHER. I COULD NOT LOCATE ANY RENT EXPENSE (OR DEPRECIATION AND INTEREST EXPENSE) IN THE Y/E 12/31/13 TRANSMISSION EXPENSES OF THE CITY OF LANCASTER WATER DEPARTMENT RELATED TO THIS LEASE. THIS MAY HAVE AN IMPACT ON THE PROPOSED RATE INCREASE.

I WOULD ALSO LIKE TO KNOW IF I CAN COMMUNICATE DIRECTLY WITH THE OTHER PARTIES TO THESE COMPLAINTS OR SHARE ANY OF THE INFORMATION WHICH HAS BEEN PROVIDED TO ME AS A PARTY TO THESE COMPLAINTS WITH OTHER PERSONS WHO ARE NOT PARTIES TO THESE COMPLAINTS.

SINCERELY,



FRANK D KITZMILLER