



THOMAS, NIESEN & THOMAS, LLC

*Attorneys and Counsellors at Law*

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March 13, 2015

**Via Electronic Filing**

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

Re: Newtown Artesian Water Company  
Supplement No. 109 to Tariff Water - Pa. P.U.C. No. 9

Dear Secretary Chiavetta:

We are counsel to The Newtown Artesian Water Company ("NAWC" or "Company") and are submitting via electronic filing the Company's Supplement No. 109 to Tariff Water - Pa. P.U.C. No. 9. Supplement No. 109 decreases the Company's Purchased Water Adjustment Clause ("PWAC") to \$0.1427 per 1,000 gallons and is being filed by the Company in accordance with the Purchased Water Adjustment Charge Section, pages 31 and 32, of its Tariff. Supplement No. 109 is issued today with an effective date of May 1, 2015.

NAWC is changing its PWAC to reflect recovery of a 2014 under collection of purchased water charges and a refund of 2014 purchased water charges from the Bucks County Water and Sewer Authority as a result of a true up of 2014 purchased water volumes pursuant to Article X of the Wholesale Water Agreement filed with the Commission at Docket No. U-2011-2276400. A calculation showing the derivation of the PWAC of \$0.1427 per 1,000 gallons is attached to Supplement No. 109, along with a copy of the notice that NAWC is providing to customers.

Please contact me with any questions or if anything further is required in regard to this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By

Thomas T. Niesen

Encl.

cc: Certificate of Service (w/encl.)  
Brenden E. Brett, Esq. (w/encl.)  
Harold Walker, III (w/encl.)

150313-Chiavetta (PWAC Decrease).wpd

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 13<sup>th</sup> day of March 2015 served a true and correct copy of Newtown Artesian Water Company's Supplement No. 109 to Tariff Water - Pa. P.U.C. No. 9 and accompanying information, upon the persons and in the manner indicated below:

**FIRST CLASS MAIL, POSTAGE PREPAID**

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2 West  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Bureau of Audits  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building,  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

Bureau of Technical Utility Services  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building,  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265



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Thomas T. Niesen  
PA Attorney ID No. 31379

NEWTOWN ARTESIAN WATER COMPANY  
Newtown, Pennsylvania 18940

Supplement No. 109  
To  
Water-Pa. P.U.C. No. 9

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THE NEWTOWN ARTESIAN WATER COMPANY

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Rates and Rules  
Governing the Supply  
of Water Service  
in  
Newtown Borough,  
the Township of Newtown and  
the Township of Middletown,  
Bucks County, Pennsylvania

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ISSUED: March 13, 2015

EFFECTIVE: May 1, 2015

Don Smith, Secretary  
The Newtown Artesian Water Company  
Newtown, Pennsylvania 18940

# NOTICE

This Tariff Makes Increases, Decreases and/or Changes in Existing Rates, Rules, and Regulations.

NEWTOWN ARTESIAN WATER COMPANY  
Newtown, Pennsylvania 18940

Supplement No. 109  
To  
WATER-PA. P.U.C. No. 9  
Ninety-Sixth Revised Page No. 2  
Canceling  
Ninety-Fifth Revised Page No. 2

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

This tariff supplement decreases the Purchased Water Adjustment Clause in  
Tariff Water - PA. P.U.C. No. 9 to \$0.1427 per thousand gallons.

NEWTOWN ARTESIAN WATER COMPANY  
Newtown, Pennsylvania 18940

Supplement No. 103  
To  
WATER-PA. P.U.C. No. 9  
Ninety-Sixth Revised Page No. 3  
Canceling  
Ninety-Fifth Revised Page No. 3

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Schedule of Flat Rates		
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(C) Indicates change.

NEWTOWN ARTESIAN WATER COMPANY  
Newtown, Pennsylvania 18940

Supplement No. 103  
To  
WATER-PA. P.U.C. No. 9  
Nineteenth Revised Page No. 5  
Canceling  
Eighteenth Revised Page No. 5

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SCHEDULE OF METER RATES

Application

This schedule is applicable to metered domestic, commercial, industrial, and public customers.

Meter Rates

Per 1,000 Gallons

All water used - Newtown Artesian Rate Area	\$5.394
All water used - Indian Rock Rate Area	5.874

Minimum Charges

Each metered customer shall pay a quarterly service charge based upon the size of the meter required to render adequate service.

<u>Size of Meter</u>	<u>Quarterly Service Charge</u>
5/8 inch	\$ 19.38
3/4 inch	29.10
1 inch	48.48
1 1/2 inch	96.96
2 inch	155.13
3 inch	290.88
4 inch	484.83
6 inch	969.69
8 inch	1,551.48
10 inch	2,230.26

Purchased Water Adjustment Clause

A Purchased Water Adjustment Clause of \$0.1427 per 1,000 gallons is applied to (D) metered sales.

(D) Indicates decrease

**Newtown Artesian Water Company**  
**Purchased Water Adjustment Clause Computation**

Line	Adjustment Line Item	Illustration	Acronyms	Source/Explanation
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PWAC = (CHGPWC x 462,972)  
**785,882**

FROM TARIFF PAGE 31 EFFECTIVE 10/15/2011		
Baseline Purchase Water Cost (per thousand gallons)		\$3.45
BCWSA (Customer)	\$0.01	
BCWSA (Consumption)	\$3.44	
OTHER	\$0.00	
Baseline 1,000 Gallons Purchase Water		462,972
BCWSA	462,972	
OTHER	0	
Baseline Water Sales (per thousand gallons)		785,882

**PURCHASED WATER ADJUSTMENT**

1.	Baseline Purchased Water Cost (per thousand gallons)		\$3.45	Baseline data from tariff	
2.	BCWSA - Baseline Purchased Water Cost (per thousand gallons)		\$3.45	Baseline data from tariff	
3.	OTHER - Baseline Purchased Water Cost (per thousand gallons)		\$0.00	Baseline data from tariff	
4.	Baseline 1,000 Gallons of Purchased Water		462,972	Baseline data from tariff	
5.	BCWSA - Baseline Purchased Water Cost (per thousand gallons)		462,972	Baseline data from tariff	
6.	OTHER - Baseline Purchased Water Cost (per thousand gallons)		0	Baseline data from tariff	
7.	Baseline 1,000 Gallons of Water Sales		785,882	Baseline data from tariff	
8.	Baseline Purchased Water Expense		\$1,597,253	Baseline data	Ln 1 x Ln 4
<u>Purchase Water Cost (per thousand gallons) Effective 7/01/2014</u>					
9.	BCWSA (Customer)	\$0.01		Baseline data	
10.	BCWSA (Consumption)	\$3.54		Pro Forma rate	
11.	OTHER	\$2.673		Pro Forma rate	
12.	<u>1,000 Gallons of Purchased Water Effective 5/1/2014</u>		462,972		Ln 13 + Ln 14
13.	BCWSA	380,847		Pro Forma Gallons	
14.	OTHER	82,125		Pro Forma Gallons	
15.	Pro Forma Purchase Water Cost (per thousand gallons)		\$3.39		((Ln 13 x (Ln 9 + Ln 10)) + (Ln 14 x Ln 11)) / Ln 12
16.	Change in Purchase Water Cost (per thousand gallons)		(\$0.06)	CHGPWC	Ln 15 - Ln 1
17.	Pro Forma Change in Purchased Water Expense		(\$25,726)		Ln 16 x Ln 4
18.	PWAC (per thousand gallons) -				
19.	"determined to the nearest one-hundredth cent (0.01¢)"		(\$0.0327)	PWAC	Ln 17 / Ln 7
20.	<u>Reconciliation of Over (Under) Collections from 2014</u>				
21.	Actual Volume of Water Sold (1,000 Gallons) in 2014		724,880	Actual Data	
22.	Actual Purchased Water Costs Recovered in Base Rates in 2014		\$1,471,506		(Ln 21 x (Ln 8 + Ln 7))
23.	Actual Purchased Water Cost Incurred in 2014		\$1,539,165	Actual Data	
24.	Base Rate Revenue Over (Under) Collected		(\$67,659)		(Ln 22 - Ln 23)
25.	PWAC Revenue Collected		(\$26,966)	Actual Data	
26.	PWAC Over (Under) Recovery Account from 2014		(\$94,625)		(Ln 24 + Ln 25)
27.	<u>BCWSA Over (Under) Payment of Finance Charge from 2012</u>			Actual Data	(Actual Data x -1)
28.	BCWSA Over (Under) Payment of Finance Charge from 2013 (Refunded 2014)		\$11,194	Actual Data	
29.	Approved Over (Under) Recovery Account Calendar Year 2014		(\$54,397)	Actual Data	
30.	Net Over (Under) Recovery from 2014		(\$137,828)		(Ln 26 through Ln 29)
31.	Current PWAC (C-factor + E-factor Revenue)			Actual Data	
32.	Baseline 1,000 Gallons of Water Sales for Jan-Apr 2015				(Ln 7/12 mos) x 4 mos
33.	Pro Forma Additions to Over (Under) Recovery Acct for Jan-Apr 2015				(Ln 31 x Ln 32)
34.	Pro Forma Over (Under) Recovery Account at May 1, 2015		(\$137,828)		(Ln 30 + Ln 33)

**Newtown Artesian Water Company**  
**Purchased Water Adjustment Clause Computation**

Line	Adjustment Line Item	Illustration	Acronyms	Source/Explanation
35.	<b>Determination of PWAC</b>			
36.	Pro Forma Over (Under) Recovery Account at May 1, 2015	\$ 137,828		(Ln 34 x-1)
37.	Baseline 1,000 Gallons of Annual Water Sales	<u>785,882</u>		Ln7
38.	Under (Over) Recovery Account 1,000 Gallons of Water Sale from 2014	\$0.1754		(Ln 36 / Ln 37)
39.	Proforma PWAC Without Annual Reconciliation	<u>(\$0.0327)</u>		Ln 19
40.	PWAC (per thousand gallons) - "determined to the nearest one-hundredth cent (0.01)"	<u>\$0.1427</u>	PWAC	Ln 38 + Ln 39
41.	Baseline Revenues	\$5,800,782	Baseline data	
42.	Pro Forma Purchased Water Expense			
43.	as a percent of Baseline Revenues	1.9%		(Ln 40 x Ln 7)/Ln 41
44.	Mandated Cap on PWAC at 7.5% of Revenues	7.5%	Rate Cap	
45.	Mandated Cap in Recoverable Purchased Water Expense	\$435,059		Ln 44 x Ln 41
46.	Maximum PWAC (per thousand gallons) - Under the Cap			
47.	"determined to the nearest one-hundredth cent (0.01)	\$0.5536	PWAC	Ln 45/Ln 7



## VERIFICATION

I, HAROLD WALKER, III, hereby state that I am Manager, Financial Studies of Gannett Fleming Valuation and Rate Consultants, LLC., a consultant engaged on behalf of The Newtown Artesian Water Company; that the foregoing information in support of the Company's Supplement No. 109 to its Tariff Water – Pa. P.U.C. No. 9 was prepared by me; and that the information and data set forth in said supporting information is true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (related to unsworn falsification to authorities).



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Harold Walker, III

# **Newtown Artesian Water Company**

*Incorporated July 3, 1888*

P.O. Box 217 • 201 N. Lincoln Ave. • Newtown, Pennsylvania 18940-0217

Phone # 215-968-6781 • Fax 215-968-8966

## NOTICE OF DECREASE IN RATES AS A RESULT OF THE APPLICATION OF PURCHASED WATER ADJUSTMENT CLAUSE

To Our Customers

The Newtown Artesian Water Company (NAWC) has filed Supplement No. 109 to Tariff Water Pa. P.U.C. No. 9 decreasing its Purchased Water Adjustment Clause (PWAC) to \$0.1427 per 1,000 gallons. Supplement No. 109 was filed with the Public Utility Commission on March 13, 2015, to become effective on May 1, 2015.

NAWC is changing its PWAC to reflect recovery of a 2014 under collection of purchased water charges, and a refund of certain 2014 purchased water charges from the Bucks County Water and Sewer Authority. Supplement No. 109 may be reviewed at NAWC's office at 201 N. Lincoln Ave., Newtown, Pa.

THE NEWTOWN ARTESIAN WATER COMPANY