



PENNSYLVANIA
AMERICAN WATER

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July 2, 2018

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

Dear Secretary Chiavetta,

Re: Revised page 19 to Supplement No. 7 to Tariff Wastewater Pa P.U.C. No. 16. Tax Cuts and Jobs Act of 2017 – Pennsylvania American Water Company – Wastewater Division Docket No. R-2018-3000725.

At the request of the Technical Utilities Services, Pennsylvania American Water Company is filing a revised page 19 to Supplement No. 7 to Tariff Wastewater Pa P.U.C. No. 16.

Sincerely,

John Cox
Director of Rates and Regulations

cc. Office of Consumer Advocate
Bureau of Investigation and Enforcement
Office of Small Business Advocate
Marie Intrieri
Audit Bureau
Bureau of Technical Utility Services

TCJA VOLUNTARY SURCHARGE

(D)

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018 and June 14, 2018, the Commission entered an Order and Reconsideration Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates as follows:

A negative surcharge of -7.68% will apply as a credit for intrastate service to all customer bills rendered on and after July 1, 2018 for wastewater Rate Zones 1, 2, 4 and 5. A negative surcharge of -5.47% will apply as a credit for intrastate service to all customer bills rendered on and after July 1, 2018 for wastewater Rate Zone 3 (Scranton). This negative surcharge will be distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

This negative surcharge will be reconciled at the end of each calendar year (or fiscal year if not on a calendar year basis) and will remain in place until the utility files and the Commission approves new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Voluntary Surcharge.

(D) means Decrease