



COMMONWEALTH OF PENNSYLVANIA

May 10, 2019

**E-FILED**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Eaton Sewer & Water Company, Inc. /  
Docket No. R-2019-3009567**

Dear Secretary Chiavetta:

Enclosed please find the Complaint, Public Statement, and Verification, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shelby A. Linton-Keddie".

Shelby A. Linton-Keddie  
Assistant Small Business Advocate  
Attorney ID No. 206425

*Enclosures*

cc: Brian Kalcic  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** :  
 :  
 v. : **Docket No. R-2019-3009567**  
 :  
 **Eaton Sewer & Water Company, Inc.** :

**COMPLAINT OF  
SMALL BUSINESS ADVOCATE**

1. The Complainant is:

John R. Evans  
Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
(717) 783-2525

2. The name and address of the Complainant's attorney is:

Shelby A. Linton-Keddie  
Assistant Small Business Advocate  
Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
(717) 783-2525  
[slinton-ke@pa.gov](mailto:slinton-ke@pa.gov)

3. The respondent utility is:

Eaton Sewer and Water Company, Inc.  
5468 Station Hill Road  
Nicholson, PA 18446

4. The Complainant is authorized and directed by the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50, to represent the interests of small business consumers of utility services in matters before the Pennsylvania Public Utility Commission ("Commission").

5. This complaint is filed against the rates, terms, and other provisions of Supplement No. 2 to Tariff Water - Pa. P.U.C. No. 3 (“Supplement No. 2”), which was filed on April 29, 2019, by Eaton Sewer and Water Company (“Eaton” or “Company”). The proposed tariff supplement, if approved by the Commission, would increase the Company’s base rates, customer charges, availability fees, sprinklers and fire protection for all customer classes served by Eaton. The total increase would be approximately \$61,573.

6. Upon preliminary review of the materials filed by the Company in support of its proposed Supplement No. 2, Complainant believes, and therefore avers, that those materials may be insufficient to justify the rate increase requested, and that the Company’s present and proposed rates, rules, and conditions of service may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law, particularly as they pertain to small business customers.

7. The Company is requesting a rate of return on common equity of 9.55%.

8. Under proposed Supplement No. 2, the Company’s overall revenues would increase by more than 30%, inclusive of an approximate 35% increase to commercial customers’ rates and a 40% increase in hydrant charges, sprinkler charges, and availability fees.

9. Complainant believes, and therefore avers, that the Company’s requested return on common equity will provide an excessive return on the Company’s investments and is unjust, unreasonable and contrary to law.

10. Complainant believes, and therefore avers, that the Company’s present and proposed rates, rate design and cost and revenue allocation are or may be unjust, unreasonable and unlawfully discriminatory in violation of, inter alia, Sections 1301 and 1304 of the Public Utility Code, 66 Pa. C.S. §§1301 and 1304, and contrary to appropriate public policy and sound ratemaking considerations, and may not be supported by the materials filed by the Company.

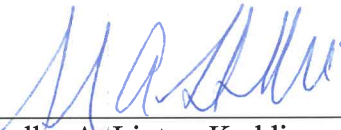
11. In view of the foregoing, the Small Business Advocate respectfully requests that the Pennsylvania Public Utility Commission:

A. Suspend and investigate the operation of proposed Supplement No. 2;

B. At the conclusion of such investigation, reject the proposed new rates and other tariff changes in Supplement No. 2 to the extent required to ensure that the Company's rates are lawful, just, reasonable and not unduly discriminatory to any class of customers, including small business consumers; and

C. Grant such other relief as may be necessary or appropriate.

Respectfully submitted,



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Shelby A. Linton-Keddie  
Assistant Small Business Advocate  
Attorney ID No. 206425

For: John R. Evans  
Small Business Advocate

Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
(717) 783-2525  
(717) 783-2831 (fax)

Dated: May 10, 2019

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	
v.	:	<b>Docket No. R-2019-3009567</b>
	:	
<b>Eaton Sewer &amp; Water Company, Inc.</b>	:	

**PUBLIC STATEMENT OF THE  
OFFICE OF SMALL BUSINESS ADVOCATE**

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“Act”). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by his initiation of or intervention in any proceeding involving those interests before the Public Utility Commission or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of a complaint against proposed Tariff Supplement No. 2 to its Tariff- Water PA P.U.C. No. 3 of Eaton Sewer & Water Company (Water Division) (“Eaton” or “Company”).

The Company’s proposed Supplement No. 2 would increase Eaton’s base rates, customer charges, availability fees, sprinklers and fire protection for all customer classes, including those for small businesses. The requested rate, if approved by the Commission, is the first since 2007 and would allegedly produce enough incremental revenue for Eaton that will be used to purportedly allow the Company to maintain its level of service and reliability.

The Small Business Advocate filed a Formal Complaint against the Company's proposed rate to protect the interests of the utility's small business customers. A preliminary review of the data filed by the Company in support of its request for this rate indicates that the revenue projections and reliability enhancements claimed by the utility may need further investigation. A thorough inquiry by the Public Utility Commission into all the elements of the Company's requested rate modification is necessary to ensure that the Company's rates, including any new rates that may be set in this proceeding, are just and reasonable.

In view of the foregoing, the Small Business Advocate will participate in proceedings before the Public Utility Commission to investigate the reasonableness of the proposed rates in the Company's proposed Supplement No. 2. The Small Business Advocate will ask the Commission to deny any proposed rate increase or other changes in the Company's present tariffs that apply to small business customers that are not proven by the Company to be lawful, just, reasonable and non-discriminatory to all of its customer classes.

Dated: May 10, 2019

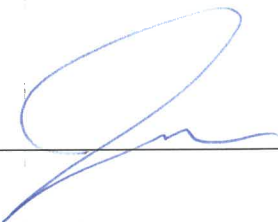
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<b>Pennsylvania Public Utility Commission</b>	:	
	:	
v.	:	<b>Docket No. R-2019-3009567</b>
	:	
<b>Eaton Sewer &amp; Water Company, Inc.</b>	:	

**VERIFICATION**

I, John R. Evans, hereby state that the facts set forth herein above 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).

Date: May 10, 2019

  
\_\_\_\_\_  
(Signature)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** :  
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 v. : **Docket No. R-2019-3009567**  
 :  
 **Eaton Sewer & Water Company, Inc.** :

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charles E. Rainey Jr.  
Chief Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[crainey@pa.gov](mailto:crainey@pa.gov)  
**(Email and Hand Delivery)**

Tanya J. McCloskey, Esquire  
Acting Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor  
Harrisburg, PA 17101  
[tmccloskey@paoca.org](mailto:tmccloskey@paoca.org)  
(Counsel for OCA)  
**(Email and Hand Delivery)**

Richard Kanaskie, Esquire  
Bureau of Investigation & Enforcement  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)  
(Counsel for BIE)  
**(Email and Hand Delivery)**

Jack L. Middleton  
Eaton Sewer & Water Company, Inc.  
5468 Station Hill Road  
Nicholson, PA 18446  
[schatze@epix.net](mailto:schatze@epix.net)  
(President, Eaton Water & Sewer)

DATE: May 10, 2019



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Shelby A. Linton-Keddie  
Assistant Small Business Advocate  
Attorney ID No. 206425