

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of the Borough of Kane Authority
66 Pa. C.S. § 1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2019-3014248**

12. Provide a proposed tariff containing a rate equal to the existing rates of the seller at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition.

RESPONSE: See enclosed *pro forma* Tariff Supplement No. XX to Tariff Wastewater PA P.U.C. No. 16 of PAWC, Wastewater Division, containing an initial base rate equal to the existing rates of the Authority at the time of the acquisition.

The APA does not contain any rate commitments, other than the adoption of the Authority's existing rates as set forth in Section 6.7 and on **Schedule 6.7** of the APA, attached at **CONFIDENTIAL Appendix A-24-a** and therefore does not technically fall within the definition of a "rate stabilization plan" as defined by 66 Pa. C.S. § 1329. See Direct Testimony of Rod Neviraskas, PAWC St. No. 3, p. 15-16, enclosed at **Appendix A-14-a**.

PENNSYLVANIA-AMERICAN WATER COMPANY
Wastewater Division
(hereinafter referred to as the “Company”)
D/B/A
Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE FURNISHINGS OF

WASTEWATER COLLECTION AND DISPOSAL SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED IN:

ADAMS COUNTY, ALLEGHENY COUNTY, BEAVER COUNTY, BERKS COUNTY,
CHESTER COUNTY, CLARION COUNTY, CUMBERLAND COUNTY, LACKAWANNA COUNTY,
MCKEAN COUNTY, MONROE COUNTY, NORTHUMBERLAND COUNTY, PIKE COUNTY, (C)

WASHINGTON COUNTY AND YORK COUNTY

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Issued: xxxxx xx, xxxx

Effective: xxxxx xx, xxxx

Issued by:
F. Michael Doran, President
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

<https://www.amwater.com/paaw/>

NOTICE

This tariff authorizes Pennsylvania American Water Company to furnish wastewater services to the public in the Borough of Kane and portions of Wetmore Township, McKean County, Pennsylvania (and related points of bulk service interconnection). (Refer to pages 2, 4, 6, 8, 11.x, 60, 61 and 62)

LIST OF CHANGES

This tariff supplement authorizes Pennsylvania American Water Company – Wastewater Division, to begin to offer or furnish wastewater service to the public in the Borough of Kane and portions of Wetmore Township, McKean County as ordered by the Pennsylvania Public Utility Commission at Docket No. A-2019-xxxxxx entered xxxxxx xx, xxxx.

PENNSYLVANIA-AMERICAN WATER COMPANY

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PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

**(By State Region and Company Wastewater System District)
(All territories are subject to Rate Zone 1 unless otherwise noted)**

Central Pennsylvania

Fairview District

York County. Portions of Fairview Township.

Franklin District – Rate Zone 5

Adams County. Portions of the Townships of Franklin, Hamiltonban and Highland.

McEwensville District

Northumberland County. McEwensville Borough.

New Cumberland District – Rate Zone 2

Cumberland County. The Borough of New Cumberland.

Turbotville District – Rate Zone 8

Northumberland County. Portions of The Borough of Turbotville.

Northeastern Pennsylvania

Northeast District – Lehman Pike, Blue Mountain Lakes and Clean Treatment

Monroe County. Portions of the Townships of Middle Smithfield, Smithfield and Stroud.

Pike County. Portions of Delaware and Lehman Townships.

Pocono District

Monroe County. A portion of Coolbaugh Township.

Scranton Sewer District – Rate Zone 3

Lackawanna County. The City of Scranton and the Borough of Dunmore.

Southeastern Pennsylvania

Coatesville District - Rate Zone 1 and Rate Zone 7 (Sadsbury Township)

Chester County. The City of Coatesville, the Borough of Parkesburg and portions of the Borough of South Coatesville and portions of the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury.

Exeter Sewer District – Rate Zone 9

Berks County. Portions of the Townships of Exeter, Alsace and Lower Alsace (and related points of bulk service interconnection).

Western Pennsylvania

Clarion District

Clarion County. Clarion Borough and portions of the Townships of Clarion and Monroe.

Claysville District

Washington County. Claysville Borough and portions of the Townships of Donegal.

Kane District – Rate Zone x

McKean County. Kane Borough and portions of Wetmore Township.

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Koppel District – Rate Zone 4

Beaver County. Koppel Borough.

McKeesport District – Rate Zone 6

Allegheny County. The City of McKeesport, the City of Duquesne, Port Vue Borough, the Borough of Dravosburg, and a portion of West Mifflin Borough (and related points of bulk service interconnection).

Paint-Elk District

Clarion County. Shippenville Borough and portions of the Townships of Elk and Paint.

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PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RATE ZONE x – METERED AND UNMETERED

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APPLICABILITY

The rates as set forth below will apply in the Kane service territory (former territory served by the Borough of Kane Authority) served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers.

METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC’s discretion)

All metered customers, except the bulk metered Usage customer, shall be subject to a monthly service charge.

A. 5/8” Meter Size

Minimum Charge per month	First 2,000 gallons per month	\$41.11
Usage Charge per 100 gallons	Next 8,000 gallons per month	\$0.660
	Next 20,000 gallons per month	\$0.733
	All over 30,000 gallons per month	\$0.800

B. Other Meter Sizes

Minimum Charge per month	First 2,000 gallons per month	\$82.22
Usage Charge per 100 gallons	Next 8,000 gallons per month	\$0.660
	Next 20,000 gallons per month	\$0.733
	All over 30,000 gallons per month	\$0.800

UNMETERED CHARGES

This charge is a flat fee for customers not metered for water consumption. All flat rates will be billed monthly.

All Unmetered Customers	\$66.74
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PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

Section U– Industrial Pretreatment Program: Scranton Area, All Service Areas under Rate Zones 1 (Except Coatesville), 2, 3, 7, 8 and xx - Kane (IPP-S) (C)

This Section applies to Industrial and Commercial customers served throughout the Company's service territory under Rate Zone 1 of this tariff, except for the customers subject to Section T of this tariff pursuant to the provisions thereof, and Rate Zones 2, 3, 7, 8 and xx - Kane of this tariff. (C)

All such customers shall comply with the "Industrial Pretreatment Program (Scranton-Area)" ("IPP-S") as required by and submitted to the Pennsylvania Department of Environmental Protection and as may be amended from time to time. The currently effective IPP-S will be made available on the Company's website.

Such customers shall be responsible for the charges and fees scheduled below related to the implementation, administration, and enforcement of the IPP-S, and for the additional costs for treatment of wastewaters from such customers who have loadings and characteristics that are in excess of Domestic Sewage as defined by the IPP-S. Pursuant to the IPP-S, IPP-S fees are set by this tariff. IPP-S fees are separate from and in addition to all other rates chargeable by the Company under this tariff.

The fees as set forth in Schedule IPP-S-1 below will be in effect for customers subject to the IPP-S. Terms are as defined by IPP-S.

SCHEDULE IPP-S-1

1.1. General Fees

1.1.1. IWDP Application Fee: \$1,000.00

1.1.2. IWDP Transfer/Modification/Renewal Fee: \$250.00

1.1.3. Facility Inspection Fee: \$250.00 per inspection

1.1.4. Monitoring Report Review Fee: \$250.00 per monitoring report

1.1.5. Sampling and Analysis Fee: Actual cost of sampling and laboratory analysis plus 25% to cover administrative costs.

1.1.6. Accidental Discharge, Slug Control, and/or Monitoring Fee: Actual cost of response to accidental discharges or discharges of slugs loads, including but not limited to the costs incurred for any additional treatment or other actions required to manage such discharges, monitoring and response to such discharges, correction of any resulting contamination or other impacts to the Treatment Works, including the Collection System and Treatment Plant.

1.1.7. Compliance and Enforcement Fee - Administrative and Legal: Actual cost incurred by the Company for investigation and actions to address a User's non-compliance with the terms of this IPP or any IWDP.

1.1.8. Damage Repair: Actual cost for cleaning, repair, replacement and/or correction of any damage to the Treatment Works, including the Collection System and the Treatment Plant, caused or contributed to by a User's discharge.

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PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

Section U – Industrial Pretreatment Program: Scranton Area, All Service Areas under Rate Zones 1 (Except Coatesville), 2, 3, 7, 8 and xx - Kane (IPP-S) (cont'd) (C)

1.1. Specific Fees

1.1.1. **Industrial Loading Fee** - applicable on a quarterly basis to discharges with loadings above typical Domestic Sewage loadings up to but not exceeding any applicable Local Limit or IWDP limit, based on sampling and analysis by the Company and sampling required to be reported by the User under an IWDP:

Quarterly Fee (\$) = $Q \times \{((\text{BOD5 Actual} - \text{BOD5 Domestic}) \times \text{BOD5 Cost Factor}) + ((\text{NH3-N Actual} - \text{NH3-N Domestic}) \times \text{NH3-N Cost Factor}) + ((\text{TSS Actual} - \text{TSS Domestic}) \times \text{TSS Cost Factor})\}$

Where:

BOD5 Actual = actual concentration of BOD5 in mg/l as measured by the Company or the Industrial User

BOD5 Cost Factor = Treatment cost for BOD5 for the system = 0.0045

BOD5 Domestic = 330 mg/l, the typical concentration in Domestic Sewage

NH3-N Actual = actual concentration of NH3-N in mg/l as measured by the Company or the Industrial User

NH3-N Cost Factor = Treatment cost for NH3-N for the system = 0.0063

NH3-N Domestic = 23 mg/l, the typical concentration in Domestic Sewage

Q = Total flow for the quarter measured in thousand gallons

TSS Actual = actual concentration of TSS in mg/l as measured by the Company or the Industrial User

TSS Cost Factor = treatment cost for TSS for the system = 0.0028

TSS Domestic = 350 mg/l, the typical concentration in Domestic Sewage

1.1.2. **Excess Loading Fee** - applicable to discharges with loadings that exceed a Local Limit or IWDP limit:

If in any monthly period, the loading of BOD5, NH3-N, or TSS exceeds a Local Limit or IWDP limit, then for the applicable parameter, in calculating the Industrial Loading Fee under §1.2.1, the BOD5 Cost Factor, NH3-N Cost Factor and/or TSS Cost Factor, applicable to the total loading of that parameter will be 125% of the value set forth in §1.2.1 to compensate for the additional administrative, oversight and management costs associated with managing such excessive loadings.

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PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

Section U – Industrial Pretreatment Program: Scranton Area, All Service Areas under Rate Zones 1 (Except Coatesville), 2, 3, 7, 8 and xx - Kane (IPP-S) (cont'd) (C)

1.2 Specific Fees (cont'd)

- 1.1.1. **Special Discharge Fee** - applicable to discharges with loadings or concentrations that exceed a Local Limit or IWDP limit and that impact sludge handling or disposal methods and costs, necessitate acquisition of nutrient credits, result in damages to the facility, or require extraordinary measures:

Fee = Actual cost incurred by the Company, including but not limited to: (1) additional costs of managing impacted sludge (including costs related to use of alternative disposal facilities, additional monitoring, etc.), (2) costs of acquiring nutrient credits to meet NPDES Permit cap limits; (3) costs of repairs to and restoration of the Treatment Works, including the Collection System and Treatment Plant; or (4) costs of implementing any other measures required to control, manage and address such excessive loadings or concentrations.

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