

July 31, 2020

Via Electronic Filing

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

Re: PaPUC Docket No. R-2020-3020256
The City of Bethlehem – Water Department
Supplement No. 15 to Tariff Water - Pa. P.U.C. No. 6

Dear Secretary Chiavetta:

We are counsel to the City of Bethlehem and are submitting with this letter, via electronic filing, an affidavit confirming notice to customers and distribution of press release. Please contact me if anything further is required concerning this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By 

Thomas T. Niesen

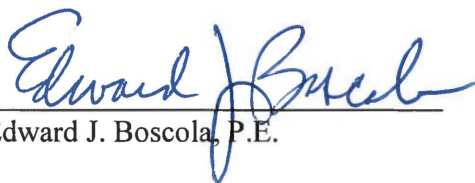
Encl.

cc: Certificate of Service (w/encl.)
Edward J. Boscola, P.E. (via mail, w/encl.)

AFFIDAVIT

I, Edward J. Boscola, P.E., being duly sworn according to law, depose and say that I am authorized to make this affidavit on behalf of the City of Bethlehem – Water Department, being the Director of Water and Sewer Resources for the City; that, as required by 52 Pa. Code Section 53.45, Notice of the filing of Supplement No. 15 to Tariff Water – Pa. P.U.C. No. 6 is posted at the City’s office; that Notice was mailed to customers on July 30, 2020; that the City, on July 31, 2020, distributed the attached Press Release to the local newspaper, radio and television stations; and that I expect to be able to prove the same at a hearing held in this matter.

*Commonwealth of Pennsylvania
County of Northampton*


Edward J. Boscola, P.E.

Sworn and subscribed before me this 31st day of July 2020.



COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Christina M. Roberts, Notary Public
City of Bethlehem, Northampton County
My Commission Expires May 6, 2021
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES



FOR IMMEDIATE RELEASE: July 31, 2020

Contact: Edward J. Boscola, Director of Water and Sewer Resources – 610-865-7207

City of Bethlehem to file for water rate increase with the Pennsylvania Public Utility Commission

Today the City of Bethlehem filed for a water rate increase with the Pennsylvania Public Utility Commission (PUC). This action will affect water rates for customers residing outside the city limits. The PUC will examine the proposed rate change and may grant all, some, or none of the requested changes. New rates once approved by the PUC will be applied equally to customers both inside and outside the city. The last water rate increase occurred in 2014.

The City of Bethlehem is committed to providing high quality drinking water to all of our valued customers. This commitment involves maintaining a water system that is reliable, cost effective, and that meets or exceeds all regulatory requirements. It also means being able to raise adequate capital to invest in our aging infrastructure.

Since our last rate increase in 2014, the Department of Water and Sewer Resources has undertaken several initiatives to keep expenses in check and improve the financial position of the water utility.

- We restructured the water fund's debt obligations which cut annual debt service payments by \$500,000.
- We have curtailed increases in pension, medical, insurance, and other overhead expenses.
- We have reduced staff by 5% and have implemented modest increases in payroll expenses.
- We have begun a metering replacement and improvement program to update our old water meters and implement automatic meter reading technology.
- We are using available annual revenue to fund capital investment which offsets the need for additional borrowing.
- We continue to work with residential, commercial, and industrial development efforts for expansion of our customer base.

The water infrastructure in many parts of the city is decades old. Attention is needed to more aggressively replace the 500 miles of distribution water mains, some of which have been in service for 100 years. Other infrastructure that requires capital investment include our source water dams and reservoirs in Carbon County, the water filtration plant in Lehigh Township, as well as pump stations, tanks, and metering equipment.

Even with the initiatives noted above, the city's water system continues to experience very modest growth in terms of consumption and revenue. Any increase in revenue from new development or metering technology is offset by improvements in water conservation efforts.

The proposed rate increase will provide additional revenue to adequately cover our operating expenses and allow us the ability to raise the money needed to invest in our capital intensive water utility. Continuous reinvestment in our infrastructure is critical to ensure reliability and delivery of high quality water our customers have come to expect.

Proposed Rate Changes

The water bill for a typical residential customer using 12,000 gallons per quarter would increase from \$75.94 to \$85.55 per quarter or by 12.7%.

The water bill for a typical commercial customer using 65,000 gallons per month would increase from \$301.93 to \$349.57 per month or by 15.8%.

The water bill for a typical industrial customer using 228,000 gallons per month would increase from \$812.96 to \$980.09 per month or by 20.6%.

Background

Bethlehem provides water service to approximately 120,000 people inside and outside the city.

The Bethlehem water system has been awarded 11 consecutive Area Wide Optimization Program awards sponsored by US EPA for excellence in filtration plant performance.

The request filed today will increase annual water fund revenue by 12.3%.

State law requires Bethlehem to file a request with the PUC for proposed rate adjustments for its customers outside the city.

The PUC does not set rates for customers inside the City of Bethlehem. City Council sets rates for inside City customers by Ordinance. Traditionally, the City has kept the same rate for both in City and outside City customers and plans to continue this policy.

Cc: file

CERTIFICATE OF SERVICE

I hereby certify that I have this 31st day of July 2020 served a true and correct copy of the foregoing letter and affidavit upon the persons and in the manner indicated below:

VIA ELECTRONIC MAIL

Paul Diskin, Director
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
pdiskin@pa.gov

Sean Donnelly, Manager
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
sdonnelly@pa.gov

Christine Maloni Hoover
Senior Assistant Consumer Advocate
Office of Consumer Advocate
choover@paoca.org

Richard A. Kanaskie, Director
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
rkanaskie@pa.gov

John Evans, Small Business Advocate
Office of Small Business Advocate
jorevans@pa.gov



Thomas T. Niesen
PA Attorney ID No. 31379