

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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August 19, 2020

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

Re: Pennsylvania Public Utility Commission
v.
Audubon Water Company
Docket No. R-2020-3020919

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Very truly yours,

/s/ Christine Maloni Hoover
Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026
E-Mail: CHoover@paoca.org

Enclosures:

cc: Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Office of Administrative Law Judge (**email only**)
Bureau of Technical Utility Services (**email only**)
Certificate of Service

*294310

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket No. R-2020-3020919
Audubon Water Company :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 19th day of August 2020.

SERVICE BY E-MAIL ONLY

Richard A. Kanaskie, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

John R. Evans, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923

Thomas J. Sniscak, Esquire
Whitney E. Snyder, Esquire
Bryce R. Beard, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

/s/ Christine Maloni Hoover
Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026
E-Mail: CHoover@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: August 19, 2020
*294316

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Tanya J. McCloskey

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone (717) 783-5048
Facsimile (717) 783-7152

2. UTILITY NAME (RESPONDENT)

Audubon Water Company

3. TYPE OF UTILITY

Water

4. COMPLAINT

- A.** On July 20, 2020, Audubon Water Company (Company) filed Supplement No. 3 to Tariff Water - Pa. P.U.C. No. 4, to become effective September 19, 2020. The Company, by filing this tariff supplement, seeks Commission approval to make rate changes that would increase the level of rates that it charges for providing service to its customers.
- B.** If the proposed tariff supplement becomes effective, the Company will benefit from an opportunity to recover an estimated annual increase in base rate revenues of \$934,243 from its customers. This represents an approximate overall 42.56% increase in the Company's annual revenues at present rates. Audubon has used a fully projected future test year ending March 31, 2022. Under the Company's proposal, the proposed rates for an average residential customer using 4,000 gallons per month would increase from \$38.84 per month to \$55.38 per month, or by 43%. The proposed rates for an average 2" meter commercial customer using 42,000 gallons per month would increase from \$362.37 per month to \$517.54 per month, or by 43%. Additionally, rates for an average 2" meter public customer using 116,000 gallons per month would increase from \$810.34 per month to \$1,158.10 per month, or 43%. Further, all fire protection rates would

increase. For example, public hydrant rates to municipal customers at an annual rate of \$233.46 would increase to \$333.00, or by 43% and a private hydrant at an annual rate of \$933.54 would increase to \$1,332.00, or by 43%.

- C.** The Company serves over 2,800 customers within portions of Lower Providence Township, Montgomery County, Pennsylvania.
- D.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. C.S. §§ 309-1 et seq.
- E.** A preliminary examination of the Company's rate increase request indicates that the Company's present rates and proposed charges, increases and changes in rates, rules, and regulations contained within the request are or may be unjust, unreasonable, and in violation of law; will or may allow the Company an opportunity to recover an excessive rate of return on its utility property investment, in violation of the Public Utility Code; will or may discriminate against certain customers; will or may compensate the Company for providing inadequate service to some or all of its customers; and otherwise may be contrary to sound ratemaking principles and public policy.

5. RELIEF

The Acting Consumer Advocate respectfully requests that Your Honorable Commission take the following actions:

- A.** Suspend and investigate the operation of the proposed tariff supplement, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B.** Consolidate all complaints filed against the proposed increase;
- C.** Hold full evidentiary hearings examining the reasonableness of the Company's current rates and its proposed increases in rates;
- D.** After providing the public with adequate notice, hold public input hearings in the Company's service territory, if possible or virtually, in order to provide its customers with an opportunity to be heard on the record;
- E.** Deny any charges or changes contained in the proposal which cannot be fully justified by the Company, or which otherwise are contrary to the Public Utility Code, sound ratemaking principles, and public policy; and

- F. Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, hereby state that the facts above set forth are true and correct (or 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).

/s/ Tanya J. McCloskey
Signature

August 19 2020
Date

7. LEGAL REPRESENTATION

Christine Maloni Hoover, Sr. Assistant Consumer Advocate, PA Bar No. 50026

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone (717) 783-5048
Facsimile (717) 783-7152
Email CHoover@paoca.org

**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the proposed rate increase requested by Audubon Water Company (Company).

The objective of the Acting Consumer Advocate in filing a Formal Complaint in this matter is to protect the interests of the Company's customers. The Acting Consumer Advocate will seek to ensure that the Company is permitted to implement only a level of rates that is fully justified and in accordance with sound ratemaking principles. The Acting Consumer Advocate will strive to prevent the Company from collecting from ratepayers all costs that cannot be justified, or are unreasonable or unduly discriminatory, or otherwise violative of the Public Utility Code. The Acting Consumer Advocate submits that the Company's current rates and the rates sought by the Company may be unjustifiable and unlawful based upon information filed by the Company in support of its claim.

The Acting Consumer Advocate has filed this Formal Complaint and will, in the course of the proceedings, investigate the Company's proposed rate increase of \$934,243 and request that the PUC deny all proposed increases or changes that are not proven to be justified, reasonable, and in accordance with sound ratemaking principles. Under the Company's proposal, the proposed rates for an average residential customer using 4,000 gallons per month would increase from \$38.84 per month to \$55.38 per month, or by 43%. The proposed rates for an average 2" meter commercial customer using 42,000 gallons per month would increase from \$362.37 per month to \$517.54 per month, or by 43%. Additionally, rates for an average 2" meter public customer using 116,000 gallons per month would increase from \$810.34 per month to \$1,158.10

per month, or 43%. Further, all fire protection rates would increase. For example, public hydrant rates to municipal customers at an annual rate of \$233.46 would increase to \$333.00, or by 43% and a private hydrant at an annual rate of \$933.54 would increase to \$1,332.00, or by 43%. The Company serves over 2,800 customers within portions of Lower Providence Township, Montgomery County, Pennsylvania.

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