

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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August 9, 2021

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

Re: Application of Columbia Water Co. for Approval to
Acquire the Water System of East Donegal Township
Municipal Authority and Serve the Public in Portions
of East Donegal Township, Lancaster County and
Registration of a Securities Certificate under 66 Pa.
C.S. § 507
Docket Nos. A-2021-3027134, S-2021-3027145

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Protest in the above-referenced proceedings.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Erin L. Gannon

Erin L. Gannon

Senior Assistant Consumer Advocate

PA Attorney I.D. # 83487

E-Mail: EGannon@paoca.org

Enclosure:

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

*315218

CERTIFICATE OF SERVICE

Re: Application of Columbia Water Co. for Approval :
to Acquire the Water System of East Donegal :
Township Municipal Authority and Serve the : Docket Nos. A-2021-3027134
Public in Portions of East Donegal Township, : S-2021-3027145
Lancaster County and Registration of a Securities :
Certificate under 66 Pa. C.S. § 507 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Protest, 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 9th day of August 2021.

SERVICE BY E-MAIL ONLY

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/s/ Erin L. Gannon

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Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: August 9, 2021
*315219

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Columbia Water Company	:	
for Approval to Acquire the Water System	:	
of East Donegal Township Municipal	:	Docket Nos. A-2021-3027134,
Authority and Serve the Public in Portions	:	S-2021-3027145
of East Donegal Township, Lancaster	:	
County and Registration of a Securities	:	
Certificate under 66 Pa. C.S. § 507	:	

PROTEST OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to 52 Pa. Code §§ 5.51, *et seq.*, the Office of Consumer Advocate (OCA) files with the Pennsylvania Public Utility Commission (Commission) this Protest to the Application of Columbia Water Company (Columbia Water or the Applicant). In support of this Protest, the OCA provides the following information:

1. The protestant is:

Christine Maloni Hoover, Interim Acting Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048

Throughout this Protest, the protestant will be referred to as the Office of Consumer Advocate or OCA.

2. The OCA's attorney is:

Erin L. Gannon
Senior Assistant Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048

3. The OCA is authorized by law to represent the interests of Pennsylvania's utility consumers in all matters before the Commission. 71 Pa. Stat. Ann. §§ 309-1 *et seq.* (Purdon's 1990).

4. Preliminarily, the OCA has identified the following areas that require further consideration by the Commission and must be resolved prior to Commission approval of this Application.

a. Proposed Rates: The Application does not specify what are the current rates charged by the East Donegal Township Municipal Authority to customers, which Columbia Water proposes to initially apply to the acquired customers and maintain for a period of three years from the date of Closing. Application, Appendix 1, ¶14(a). In addition, the Application does not contain information regarding the estimated annual revenues and expenses for the acquired system in order to determine how the acquisition may impact Columbia Water's existing customers and whether the proposed rates are just and reasonable.

b. Cost and Funding: The Application does not provide the anticipated impact of the proposed financing on Columbia Water's capital structure, cost of debt and overall rate of return. Also, the Application does not include information regarding the estimated capital investment Columbia Water plans to make in the system. Of related concern, more information is needed about the condition of the East Donegal Township Municipal Authority system. The Asset Purchase Agreement references a Condition Assessment but the assessment was not provided with the Application and no information was provided about the Authority's compliance with Department of Environmental

Protection requirements. This information is necessary to review the reasonableness of the proposed transaction.

5. The OCA and Columbia Water have engaged in informal discovery regarding the Application. The Applicant's responses to the OCA's questions will likely address many of the OCA's concerns. It is possible that the OCA's issues will be resolved informally. Thus, the OCA files this Protest, in part, to allow the parties time to explore this possibility and collect the facts necessary to complete the record before the Commission.

WHEREFORE, the OCA respectfully requests that the application not be granted at this time. If, after receiving information from Columbia Water, the OCA determines not to oppose the application, the OCA will promptly notify the Commission that its Protest has been satisfied and/or withdrawn.

Respectfully submitted,

/s/ Erin L. Gannon

Erin L. Gannon
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E-mail: EGannon@paoca.org

Counsel for:
Christine Maloni Hoover
Interim Acting Consumer Advocate

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Dated: August 9, 2021
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