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File #: 176642

September 27, 2021

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Application of The York Water Company, under Sections 507, 1102(a)(1) and 1102(a)(3) of the Public Utility Code, for approval of the right of The York Water Company to (1) enter into a municipal contract to acquire certain public wastewater facilities from West Manheim Township; (2) enter into a municipal contract with Penn Township for wastewater treatment; and (3) begin to offer or furnish wastewater service to the public in a portion of West Manheim Township, York County, Pennsylvania
Docket No. A-2021-3025720

Dear Secretary Chiavetta:

Enclosed for filing are the Responses of The York Water Company to the Bureau of Technical Utility Services' Data Requests Set II in the above-referenced proceeding.

Respectfully submitted,



Devin Ryan

DTR/kl
Enclosures
cc: Clinton McKinley

Bureau of Technical Utility Services
Water/Wastewater Division
Data Request Set 2

Application of The York Water Company - Wastewater for Approval of the Right to: (1) Acquire the West Manheim Township Wastewater System; (2) Enter a Municipal Contract with Penn Township, York County; and (3) Provide Wastewater Service to a Portion of West Manheim Township at Docket No. A-2021-3025720

DISCOVERY A-27

In response to A-13 of TUS – Data Request Set 1, The York Water Company – Wastewater (York-WW) estimated the average quarterly billing from Penn Township to consist of approximately \$205,536.50 for treatment, plus an additional administration fee of \$51,384.13 which would equal an annual average cost of \$1,027,682.52 $[(\$205,536.5 + \$51,384.13) \times 4] = \$1,027,682.52$. The Application’s Exhibit N estimated annual expenses as approximately \$1,147,309, based on the York-WW’s latest cost of service study. Please revise the Application’s Exhibit N to reflect the treatment and administration costs to accurately reflect the known expenses York-WW will incur to operate this system.

RESPONDENT:

Mark A Wheeler
Chief Operating Officer

RESPONSE:

An updated annual revenue and expense projection (revised Exhibit N) is provided to reflect the estimated expenses York Water will incur to operate this system.

EXHIBIT "N"

Estimated Annual Revenue and Expense Figures for the Proposed, Additional Customers

York Water has been under contract to West Manheim to provide WasteWater billing services for the last several years. Projected annual revenue is based upon the recent four quarters of billing information for West Manheim WasteWater.

2nd Quarter 2019 - \$409,950
3rd Quarter 2019 - \$419,045
4th Quarter 2019 - \$411,795
1st Quarter 2020 - \$420,653

Total Annual Revenue - \$1,661,443

Estimated expenses are calculated based on the Company's latest cost of service study performed with the latest rate filing effective March 1, 2019. The Company expects the expenses for the new West Manheim Township customers to mirror those of the current system. In addition to our operating expenses, we have included a projection of future charges from Penn Township for treatment and administration fees on all usage. Our estimated expenses, and the Penn Township projected expenses, derive our total expenses.

O & M Expenses (35.5% of revenue)	\$589,812
Depreciation (14.2% of revenue)	235,925
General Taxes (2.1% of revenue)	34,890
Income Taxes (5.8% of revenue)	<u>96,364</u>
Total Operating Expenses	\$956,991
+Estimated Penn Township Treatment Costs	\$822,146
+Estimated Penn Township Administration Fee (25%)	<u>\$205,537</u>
Total Expenses	\$1,984,674
Operating Income	(\$323,231)

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DISCOVERY A-28

In response to A-14 of TUS – Data Request Set 1, York-WW indicated “the parties have all agreed and documented that the treatment capacity held by and for West Manheim Township customers is now being assigned to York Water.” However, documentation of a revision to Section 1.6 of the Asset Purchase Agreement was not provided and West Manheim Township is not a party of the Bulk Sewer Agreement (BSA) between York-WW and Penn Township provided as the Application’s Exhibit L-4. Please provide copies of the documentation identified that confirms the treatment capacity held by and for West Manheim Township customers is now being assigned to York-WW, and West Manheim Township is relinquishing any right to its existing reserved treatment capacity in Penn Township’s wastewater treatment plant.

RESPONDENT:

Mark A Wheeler
Chief Operating Officer

RESPONSE:

Although West Manheim Township was not a signatory of the Bulk Sewer Agreement (Exhibit L-4), West Manheim Township was represented in the negotiations of the Bulk Sewer Agreement by Lee Stinnett, Esq., who approved the language in Paragraph C of that Agreement stating that “[t]he wastewater treatment capacity listed above was purchased from Penn Township by West Manheim Township and is hereby assigned to York Water.” (Exhibit L-4.) West Manheim Township cannot formally and legally transfer the capacity from West Manheim Township to York Water until and unless the Commission approves the Application, and the closing documents are executed. The transfer of this wastewater treatment capacity will occur, as described in Section 1.1 of the Bulk Sewer Agreement, at Closing.

Exhibit A-28, affidavit from West Manheim Township’s Manager, is provided to further confirm that West Manheim Township approved of the Bulk Sewer Agreement and that, at Closing, West Manheim Township will transfer to York Water all of the wastewater treatment capacity purchased by West Manheim Township from Penn Township.

Application of The York Water Company - Wastewater for Approval of the right to: (1) Acquire the West Manheim Township Wastewater System; (2) Enter a municipal contract with Penn Township, York County; and (3) Provide wastewater service to a portion of West Manheim Township, York County, Pennsylvania at Docket No. A-2021-3025720; Utility Code 230087

AFFIDAVIT

I, MICHAEL BOWERSOX, serve as the MANAGER for West Manheim Township in the negotiation of the Penn Township/York Water Company Bulk Sewer Agreement (BSA), executed in April 2021. The final terms of that BSA, as executed, were approved by West Manheim Township prior to execution. The BSA and the Agreement of Sale both contemplate, the West Manheim Township wastewater system infrastructure, assets, and prior purchased capacity in the Penn Township system will be transferred at closing to The York Water Company.

I verify that the statements made herein are true and correct. I understand that false statements in this Affidavit are made subject to the penalties of 18 Pa.C.S.A § 4904, relating to unsworn falsification to authorities.

 (signature)

Title TOWNSHIP MANAGER

Address 2412 BALTIMORE PIKE

HANOVER, PA 17331

Date 9/24/2021

Bureau of Technical Utility Services
Water/Wastewater Division
Data Request Set 2

Application of The York Water Company - Wastewater for Approval of the Right to: (1) Acquire the West Manheim Township Wastewater System; (2) Enter a Municipal Contract with Penn Township, York County; and (3) Provide Wastewater Service to a Portion of West Manheim Township at Docket No. A-2021-3025720

DISCOVERY A-29

In response to A-18 of TUS Data Request Set 1, York-WW identified six residential class properties connected to the WMT wastewater system but not provided water service by York Water. York-WW indicated these six properties will be billed a flat rate of \$55.00/month. Please revise the *pro forma* tariff supplement, provided as the Application's Exhibit P, to identify the monthly rate for these unmetered customers.

RESPONDENT:

Mark A Wheeler
Chief Operating Officer

RESPONSE:

An updated *pro forma* tariff supplement (revised Exhibit P) is attached and reflects the monthly flat rate of \$55.00 for unmetered customers.

THE YORK WATER COMPANY

RATES, RULES AND REGULATIONS GOVERNING

THE PROVISION OF WASTEWATER COLLECTION, TREATMENT

AND/OR DISPOSAL SERVICE TO THE PUBLIC IN

THE BOROUGHES OF EAST PROSPECT, FELTON, JACOBUS, AND WEST YORK

AND THE

TOWNSHIPS OF EAST MANCHESTER (ASBURY POINTE RESIDENTIAL SUBDIVISION)

AND LOWER WINDSOR, AND WEST MANHEIM IN YORK COUNTY, PENNSYLVANIA (C)

AND THE

TOWNSHIP OF LETTERKENNY IN FRANKLIN COUNTY, PENNSYLVANIA

AND THE

TOWNSHIP OF STRABAN IN ADAMS COUNTY, PENNSYLVANIA

ISSUED: xxxxxxxxxxxxxxxx

EFFECTIVE: xxxxxxxxxxxxxxxx

By: Joseph T. Hand
President and CEO
130 East Market Street
York, Pennsylvania

(C) Indicates Change



NOTICE

Filed in compliance with the order of the Pennsylvania Public Utility Commission of XXXXXXXXXXXX, at
Docket No. A-XXXX-XXXXXX.
(SEE PAGE NO. 2)

LIST OF CHANGES

This tariff supplement authorizes The York Water Company – Wastewater to begin to offer or furnish wastewater service to the public in West Manheim Township, York County, Pennsylvania, as previously served by West Manheim Township, in accordance with the Pennsylvania Public Utility Commission Order at Docket No. A-XXXX-XXXXXXX, entered XXXXXXXXXXXX.

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(C) Indicates Change

PART I: SCHEDULE OF RATES AND CHARGES

Asbury Pointe Area

A flat rate of \$62.50 per month per equivalent dwelling unit.

East Prospect and Lower Windsor Area

A metered rate (based on water consumption) as follows:

	<u>Per Month</u>	<u>Rate</u>
East Prospect and Lower Windsor Area	1 st 4,000 Gals.	\$62.50
Over	4,000 Gals.	\$2.50 per 1,000 Gals.

West York Borough Area

Rate per Month

A flat rate per equivalent dwelling unit.

Residential	\$32.71
Commercial/Industrial	\$40.42

Jacobus Borough Area

A metered rate (based on water consumption) per equivalent dwelling unit as follows:

	<u>Per Month</u>	<u>Rate</u>
Jacobus Borough Area	1 st 4,000 Gals.	\$55.00
Over	4,000 Gals.	\$5.00 per 1,000 Gals.

Felton Borough Area

A flat rate of \$79.50 per month per equivalent dwelling unit.

Letterkenny Township Area

A flat rate of \$45.00 per month per equivalent dwelling unit.

Straban Township Area

A metered rate (based on water consumption) as follows:

	<u>Per Month</u>	<u>Rate</u>
Over	1 st 4,000 Gals.	\$62.50
(C) Indicates Change	4,000 Gals.	\$2.50 per 1,000 Gals.

West Manheim Township Area

(C)

A metered rate (based on water consumption) as follows:

	<u>Per Month</u>	<u>Rate</u>
West Manheim Township Base Rate		\$55.00
	0-3,500 Gals.	\$2.00 per 1,000 Gals.
	3,501-7,000	\$10.00 per 1,000 Gals.
	7,600 and above	\$12.50 per 1,000 Gals.

An unmetered rate as follows:

A flat rate of \$55.00 per month per equivalent dwelling unit.

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Water/Wastewater Division
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DISCOVERY A-30

The BSA's Section 3.08 indicated there are 14 properties located in Penn Township (the Penn Township Lots) that are "connected to the Collection and Conveyance System in the West Manheim Service Area" but which are wastewater customers of Penn Township; that York-WW will not be billed for any flows from the Penn Township Lots; and that York-WW will receive a credit against its total flows discharged to Penn Township's wastewater collection and treatment system. Additionally, the Application's Exhibits L-4A, L-4A(1), and L-4B contain copies of maps which appear to depict several points of interconnection (the Penn Township Interconnections) where wastewater is collected and conveyed by Penn Township to West Manheim Township. As indicated in the Application's Exhibit L-4B, the Penn Township Interconnections appear to be located at Manhole Nos. 7-35, 7-32, 7-30, and 8-589. Regarding the Penn Township Interconnections, please provide responses for each of the following:

- a. Please identify the applicable rates that West Manheim Township charges Penn Township for wastewater conveyance associated with the Penn Township Interconnections.
- b. For each of the Penn Township Interconnections, please provide either copies of the two most recent bills for wastewater services rendered by West Manheim Township or a statement indicating that West Manheim Township does not charge Penn Township for wastewater conveyance service associated with the interconnection.
- c. If wastewater service associated with the Penn Township Interconnections will be provided to Penn Township at York-WW's tariff rates, please identify the applicable rates that Penn Township will be charged for wastewater service and, if applicable, provide a revised *pro forma* tariff supplement that specifies this rate.
- d. If wastewater service associated with the Penn Township Interconnections will be provided to Penn Township at rates other than approved York-WW tariff rates, please provide a copy of a *pro forma* agreement that York-WW will enter into with Penn Township before closing regarding wastewater service associated with the Penn Township Interconnections.
- e. Please explain whether wastewater flows associated with the Penn Township Interconnections will be included in York-WW's peak discharge rate of 1,200,000 gallons per day specified in the BSA's Section 2.02.

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- f. Please revise York-WW's proposed service territory and bearing angles and distances descriptions to exclude parcels of land that receive wastewater service from Penn Township.

RESPONDENT:

Mark A Wheeler
Chief Operating Officer

RESPONSE:

a. The owners of the 14 properties located in Penn Township ("Penn Township Interconnections") are wastewater service customers of Penn Township, not West Manheim Township. West Manheim Township does not charge Penn Township for wastewater service associated with the Penn Township Interconnections.

b. As West Manheim Township does not charge Penn Township for wastewater service, there are no bills or statements available as requested.

c. Not applicable. The wastewater service associated with the Penn Township Interconnections will not be billed by York Water. The volume of flow from these customers will be deducted from the available York Water capacity and will be credited to York Water's total flows, per Section 3.08 of the Bulk Service Agreement ("BSA").

d. Not applicable. See answer to subpart (c).

e. No. The flows contributed through the interconnections will not be included in York Water's peak discharge rate of 1,200,000 gallons per day that is specified in the BSA's Section 2.02.

f. The proposed service territory found in the current Exhibit E excludes the parcels of land that receive wastewater service from Penn Township. These parcels are in Penn Township and not West Manheim Township. Therefore, no revision of Exhibit E is necessary.

VERIFICATION

I, Mark A. Wheeler, being Chief Operating Officer at The York Water Company, hereby state that the facts above set forth 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: September 24, 2021



Mark A. Wheeler