

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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October 14, 2021

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

Re: Pennsylvania Public Utility Commission
v.
City of Lancaster – Water Department
Docket No. R-2021-3026682

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.

Respectfully submitted,

/s/ Christy M. Appleby
Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CApplby@paoca.org

Enclosures:

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

*318611

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2021-3026682
 :
 City of Lancaster – Water Department :

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 14th day of October 2021.

SERVICE BY E-MAIL ONLY

Gina L. Miller, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
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/s/ Christy M. Appleby
Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
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Counsel for:
Office of Consumer Advocate
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Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: October 14, 2021
*318612

PENNSYLVANIA PUBLIC UTILTIY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Christine Maloni Hoover
Interim Acting Consumer Advocate

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)

City of Lancaster – Bureau of Water

3. TYPE OF UTILITY

Water

4. COMPLAINT

- A.** On September 30, 2021, the City of Lancaster – Bureau of Water (Lancaster or the City) filed Supplement No. 46 to Tariff Water – Pa. P.U.C. No. 6, to become effective as of November 30, 2021. Lancaster, by filing this tariff supplement, seeks Commission approval of rates and rate changes that would increase the level of rates that it charges for providing water service to its customers located outside the city.
- B.** If the proposed tariff supplement becomes effective, Lancaster will benefit from an opportunity to recover an estimated annual increase in base rate revenues of \$4,024,593 per year from its outside-city customers. This represents an approximate 21.3% increase in the City’s annual revenues at present rates. If the City’s entire request is approved, the total bill for a residential customer using 13,600 gallons per quarter would increase from \$77.70 to \$94.14, or by \$16.44, or 21.2%.
- C.** Lancaster serves 30,858 outside-city water customers, of which 28,914 are residential, in Lancaster, Manheim, and West Lampeter Townships, Millersville

Borough, Pequea, and portions of Manor, West Hempfield, and East Hempfield Townships and East Lampeter in Lancaster 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 Lancaster's rate increase request indicates that the City'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 Lancaster 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 Lancaster 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 Interim 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 Lancaster's current rates and its proposed increase in rates;
- D.** After providing the public with adequate notice, hold public input hearings in Lancaster's jurisdictional service territory, or virtually or telephonically, 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 City, 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, Christine Maloni Hoover, 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/ Christine Maloni Hoover
Signature

October 14, 2021
Date

7. LEGAL REPRESENTATION

Christy M. Appleby, Assistant Consumer Advocate, PA Bar No. 85824

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

Phone: (717) 783-5048
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**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 (Commission). In accordance with Act 161, and for the following reasons, the Interim Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving the proposed rate increase requested by the City of Lancaster – Bureau of Water (Lancaster).

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

The Interim Acting Consumer Advocate has filed this Formal Complaint and will, in the course of the proceedings, investigate Lancaster’s proposed rate increase of \$4,024,598 and request that the Commission deny all proposed increases or changes that are not proven to be justified, reasonable, and in accordance with sound ratemaking principles. If the City’s entire request is approved, the total bill for an outside-city residential customer using 13,600 gallons of water per quarter would increase from by \$16.44 per quarter from \$77.70 to \$94.14, or by \$16.44, or 21.2%. Lancaster serves 29,305 outside-city water customers, of which 27,411 are

residential, in Lancaster, Manheim, and West Lampeter Townships, Millersville Borough, Pequea, and portions of Manor, West Hempfield, and East Hempfield Townships and East Lampeter in Lancaster County, Pennsylvania.