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November 16, 2021

***By Electronic Filing***

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

RE: Community Utilities of Pennsylvania Inc. Water Division;  
Docket No. R-2021-3025206

Community Utilities of Pennsylvania Inc. Wastewater Division;  
Docket No. R-2021-3025207

**COMMUNITY UTILITIES OF PENNSYLVANIA INC. WATER &  
WASTEWATER DIVISIONS' BRIEF ON CERTIFIED MATERIAL  
QUESTION**

Dear Secretary Chiavetta:

Enclosed you will find Community Utilities of Pennsylvania Inc. Water and Wastewater Divisions' ("CUPA") Brief on Certified Material Question in the above-referenced proceedings.

Copies have been served in accordance with the attached Certificate of Service. If you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,

*/s/ Thomas J. Sniscak*

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Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3025206
	:	
Community Utilities of Pennsylvania Inc.	:	
– Water Division	:	
	:	
	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3025207
	:	
Community Utilities of Pennsylvania Inc.	:	
– Wastewater Division	:	

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**COMMUNITY UTILITIES OF PENNSYLVANIA INC.  
BRIEF ON CERTIFIED MATERIAL QUESTION  
*OPPOSING REJECTION OF RATE CASE SETTLEMENT WITH THE COMMISSION’S  
BUREAU OF INVESTIGATION & ENFORCEMENT, THE OFFICE OF CONSUMER  
ADVOCATE, AND THE OFFICE OF SMALL BUSINESS ADVOCATE***

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DATED: November 16, 2021

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Pursuant to 52 Pa. Code § 5.305(c) and the Secretarial Letter issued November 13, 2021, Community Utilities of Pennsylvania Inc. (CUPA) submits this brief in response to the November 9, 2021 Order Rejecting The Proposed Joint Settlement And Certifying A Material Question to the Commission (Order) issued by Administrative Law Judge Buckley (ALJ). While styled as a Material Question Certification,<sup>1</sup> the Order is, in effect, a recommended decision that makes evidentiary findings and conclusions of law.<sup>2</sup> The findings and conclusions are not supported by the record. Accordingly, the Commission should issue an order approving the full settlement of the procedurally consolidated base rate cases reached by the active parties to this proceeding - CUPA, the Commission's Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), and the Office of Small Business Advocate (OSBA) (collectively, Joint Petitioners). The Joint Petitioners submitted a Joint Petition For Full Settlement of Rate Proceedings on October 12, 2021 (Joint Petition or Settlement).

## **I. INTRODUCTION AND SUMMARY OF ARGUMENT**

Instead of approving the Settlement that the Joint Petitioners have shown is in the public interest, the Order certifies to the Commission the material question:

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<sup>1</sup> The procedures the Order relies upon: (1) are not mandatory, as the Order erroneously states, because they are not regulations and thus cannot be binding; (2) do not expressly allow for certification of material question seeking Commission approval of what amounts to an ALJ decision rejecting a settlement; and (3) are not provided for in the Public Utility Code at 66 Pa. C.S. § 334 (a) (“When the commission does not preside at the reception of evidence, the presiding officer shall initially decide the case, unless the commission requires, either in specific cases or by general rule, the entire record to be certified to it for decision”).

<sup>2</sup> The 37-page Order, styled as a certification of a material question, would have limited the settling parties to a 15-page brief instead of the 40 pages afforded for exceptions. The Company thanks the Commission for allowing the parties 40 pages to respond to the Order.

Whether the action of the presiding Administrative Law Judge rejecting the proposed Joint Settlement filed by the parties in the consolidated proceeding at Docket No. R-2021-3025206 and R-2021-3025207 was proper?<sup>3</sup>

The answer to this question is no; the Order rejecting the Settlement is not proper. The Commission should approve the Settlement because: (a) it is in the public interest and establishes “just and reasonable” rates under Chapter 13 of the Public Utility Code, (b) the stipulated evidence in the Joint Petition and CUPA’s testimony and exhibits demonstrate that CUPA provides adequate service in compliance with applicable standards, (c) customers will not experience rate shock and already have seen an improvement in service quality, and (d) the Order prejudices CUPA’s procedural rights.

***A. The Settlement is in the public interest.***

The Commission’s express policy is to encourage parties to settle, including base rate cases.<sup>4</sup> The active parties – I&E, OCA and the OSBA – conducted significant discovery, filed testimony, and engaged in extensive negotiations with CUPA. The negotiations resulted in a full settlement that is in the public interest. The Settlement provides benefits to customers. First, the Settlement provides for a level of rate certainty because it includes a two year “stay out,” a result that could not be achieved through a litigated outcome. Second, the Settlement creates an assistance program for low-income water customers. Third, the Settlement obligates CUPA to develop and propose a program for low-income wastewater customers in its next rate proceeding. Fourth, for CUPA’s newest customers – those in the Tamiment division – the Settlement provides for gradual changes in rates. Fifth, the Settlement enhances I&E and OCA’s ability to supervise service quality complaints. Sixth, the Settlement avoids unnecessary litigation, mitigating the

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<sup>3</sup> Order at 3.

<sup>4</sup> 52 Pa. Code § 5.231(a) (“It is the policy of the Commission to encourage settlements.”).

impact of this proceeding on customers and, at the same time, preserving scarce administrative resources. Seventh, the Settlement is fully record supported.<sup>5</sup>

The Settlement – like any negotiated resolution that avoids litigation – involves compromises. Each one of the Joint Petitioners compromised its litigation positions. Likewise, each one of the Joint Petitioners concluded that the Settlement was in the best interest of CUPA’s customers and agreed and emphasized in their respective Statements in Support appended to the Settlement that it is in the public interest and should be approved. CUPA recognizes that the Commission does not rubber stamp settlements. In this case, the terms and conditions of the Settlement, the testimony and exhibits of the Joint Petitioners, and the stipulated facts in the Joint Petition, support the outcome contained in the Settlement. The Settlement represents a reasonable outcome and provides benefits, including ones the Commission cannot impose absent CUPA’s agreement such as a stay out, for customers that could not be achieved through litigation. The Settlement, consequently, is in the public interest and, consistent with the Commission’s policy encouraging efficient and reasonable outcomes, should be approved by the Commission.

***B. The stipulated facts and record evidence by CUPA demonstrate that CUPA provides adequate service in compliance with applicable standards.***

The Settlement includes the following stipulations of fact in the Joint Petition:

CUPA’s Annual Water Quality Reports for the Tamiment System from 2019-2020 showed only recordkeeping and monitoring violations which the Company has implemented steps to prevent in the future.

Joint Petition at 22 (citing CUPA W&WW Statement No. 7-R at 6:22 – 7:16).

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<sup>5</sup> The direct testimony and exhibits of the active parties, rebuttal testimony, surrebuttal testimony, and rejoinder was moved into and made part of the record at the hearing held September 8, 2021.



In response to OCA's suggestion and based on customer testimony, on September 10, 2021, CUPA tested Tamiment Well Nos. 1 and 3 for secondary containments. The results show these wells are in compliance with secondary water quality standards.

Joint Petition at 28 (citing CUPA W Exhibit No. 1-T).

CUPA's Annual Water Quality Reports for the Penn Estates System from 2018-2020 showed only minor violations which the Company took action to correct as well as recordkeeping and monitoring violations which the Company has implemented steps to prevent in the future.

Joint Petition at 25 (citing CUPA W&WW Statement No. 7-R at 18:6-17).

CUPA purchases water for its Westgate system from the City of Bethlehem. The annual water quality reports for Westgate show no violations for 2018-2019, and only a single failure to monitor and report violation in 2020. *Id.* at 20:8-11.

Joint Petition at 27 (citing CUPA W&WW Statement No. 7-R at 20:8-11).

Lay opinions relied upon by the Order cannot support any finding to the contrary.<sup>6</sup> There is no competent scientific or qualified expert evidence in the record to find that CUPA's water is unsafe to drink or otherwise inadequate and instead the record shows CUPA's water is in fact safe under applicable standards and test results. Joint Petition at 22, 25, 27-28 (citing CUPA W&WW Statement No. 7-R; CUPA W Exhibit No. 1-T).

The Order is in error concerning service issues and states "[b]ased on the testimony heard at the public input hearing *I&E recommended that for water, CUPA receive a zero percent rate of return due to service issues.*" Order at n.8 (emphasis in original). The Order, however, does not reflect this important point: ***I&E withdrew this recommendation in its surrebuttal testimony after the Company submitted rebuttal testimony refuting the lay opinions and customer allegations as to service adequacy.*** This fact was stipulated to in the Joint Petition:

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<sup>6</sup> *Infra* Section II.C.1

After reviewing CUPA's rebuttal testimony, in its surrebuttal testimony, ***I&E withdrew its zero percent rate of return recommendation, acknowledged that CUPA had addressed or offered explanatory or contextual evidence in response to the issues raised at the public input hearing, and recommended the company complete additional reporting.***

Joint Petition at 27-28 (citing I&E WW St. No 3-SR at 16:11-16; I&E W St. No. 3-SR at 29:12-20; I&E St. No. 2-SR at 22:13-17) (emphasis added).

Further, the Order finds "CUPA's system is backing up into [customer owned] grinder pumps and is destroying them." Order at 34-35. However, the stipulated facts demonstrated that issues with customer-owned equipment were not the result of CUPA's "system or the failure thereof."<sup>7</sup>

The Joint Petition further stipulated to the adequacy of CUPA's service, including improvements made and how customer concerns were addressed. Joint Petition at 20-28.

***C. The Order erroneously concludes that Tamiment customers experienced a rate increase in 2019 and used that as a basis to find rate shock; instead, it is beyond dispute that the Tamiment customers have not had an increase for over ten years.***

The Order rejects the Settlement, at least in part, based on concerns about rate shock to the Tamiment system customers. The Order incorrectly assumes that customers in the Tamiment subdivision experienced a rate increase in 2019, even though CUPA did not acquire the Tamiment subdivision until after the 2019 rate proceeding. To the contrary, those customers have not experienced a rate increase ***for over ten years***. Despite this fact, CUPA had already made

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<sup>7</sup> See *Infra* Section II.C.1; see also Joint Petition at 25 (citing CUPA W&WW Statement No. 7-R at 12:13-13:8) (emphasis added).

significant improvements to both the water and wastewater systems.<sup>8</sup> Consistent with principles of gradualism, CUPA agreed to gradually change rates within the Tamiment system. Because of the two-year stay out provision included in the Settlement, rates for customers within the Tamiment system will not be changed to reflect the consolidated cost of service until after September 30, 2023. Joint Petition at 8.

***D. The Order violates CUPA's due process and procedural rights.***

The Order deprived CUPA of its due process right to be heard. It *sua sponte* used information “outside of the record” and made erroneous findings and conclusions regarding CUPA’s 2019 base rate proceedings as well as CUPA’s frequency of base rate filings and used these errors as a basis to reject the Settlement. Order at 18-19, 26, 30-31, 34-35. At the outset, it was legal error in violation of CUPA’s due process rights to *sua sponte* inject issues<sup>9</sup> or evidence relating to the 2019 rate proceeding.<sup>10</sup>

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<sup>8</sup> See Joint Petition at 23-24 (citing CUPA W&WW Statement No. 7-R at 9:21-3, CUPA W&WW Statement No. 7-R at 10:6-11:2; Exhibit No. EL-4R (before and after pictures)); CUPA W St. No. 4-R, Dickson Rebuttal at 4:13-14 (explaining Tamiment division ratepayers have not had a rate increase for over ten years).

<sup>9</sup> See *Sunoco Pipeline L.P. v. Dinniman*, 217 A.3d 1283 (Pa. Cmwlth. 2019) (holding the Commission erred in raising issues *sua sponte* and injecting a new theory into the matter).

<sup>10</sup>The Order failed to give the parties notice and opportunity to respond, thus denying the parties their due process rights to respond and enter contravening evidence. The Commission’s regulation at 52 Pa. Code § 5.408 protects this right, which the Order violated:

(b) When the decision of the Commission or the presiding officer rests on official notice or judicial notice of a material fact not appearing in the evidence in the record, the parties will be so notified.

(c) Upon notification that facts are about to be or have been noticed, a party adversely affected shall have the opportunity upon timely request to show that the facts are not properly noticed or that alternative facts should be noticed.

Had CUPA been able to respond to the Order’s allegations based on the 2019 rate case, it would have explained: (1) the Tamiment division customers have not had a rate increase in ten years; (2) contrary to the Order’s speculation at page 33 that CUPA did not appropriately use its 2019 rate increase to maintain and improve quality of service, CUPA filed annual capital expenditure reports detailing how it was spending increased revenues for the other CUPA customers who had a rate increase in 2019<sup>11</sup>; and (3) the Order misconstrued the context for which CUPA filed the instant rate cases – the Commission expressly ordered CUPA “shall file a base rate case” by April 12, 2021 as a result of the 2019 Tamiment Order.<sup>12</sup>

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<sup>11</sup> Year end 2019

Water - \$914,165 in plant additions

Wastewater - \$610,472 in plant additions

Year end 2020

Water - \$756,031 in plant additions

Wastewater - \$835,457 in plant additions

The capital expenditure reports are publicly available at the 2019 rate case docket and are attached to this Brief as Appendix A. Comparing these expenditure amounts to CUPA’s 2019 rate case increase in revenue requirement of \$315,000 for water and \$224,000 for wastewater, it is obvious that CUPA was prudently using the funds from its last rate case.

<sup>12</sup> *Joint Application of Community Utilities of Pennsylvania, Inc. – Water and Pennsylvania Utility Company – Water for approval of: the transfer, by sale, of the water system assets of PA Utility Co.-Water; the right of CUPA-Water to begin to offer, render, furnish and supply water service to the public in a portion of Lehman Township, Pike County, Pennsylvania; and the abandonment of all water service by PA Utility Co.-Water to the public in Lehman Township, Pike County, Pennsylvania*, Docket No. A-2018-3005430, p. 13, Ordering Paragraph 9 (Order entered June 25, 2019).

The deadline in Ordering Paragraph 9 was extended by the Commission to allow CUPA to file the Ordered base rate case filing no later than April 12, 2021 by secretarial letter at *Petitions of Community Utilities of Pennsylvania, Inc. and Community Utilities of Pennsylvania, Inc. – Water and Wastewater Division*, Docket Nos. P-2020-3023277 and P-2020-3023281 (Letter issued February 9, 2021).

Additionally, this certification procedure asking if the Order was correct in denying a settlement is erroneous and unfair. The certification procedure, which ostensibly restricted the time CUPA had to submit what, in effect, are exceptions to a recommended decision to reject the Settlement, is fundamentally unfair.<sup>13</sup> The procedures the Order relies upon: (1) are not regulations and thus cannot be binding;<sup>14</sup> (2) do not allow for certification of material question when rejecting a settlement; and (3) are not provided for in the Public Utility Code.<sup>15</sup> If the Commission does not take the next step to issue a final order based on the briefing before it and the already existing *fully developed* record below, this process will prejudice CUPA's due process rights and further waste the time and resources of the Commission, BI&E, OCA, OSBA, and CUPA on litigating a rate proceeding that has already resulted in a detailed, comprehensive fully record supported Settlement.<sup>16</sup> Thus, the Settlement, which addresses all issues, clearly is in the public interest.

***E. Conclusion – The Commission should approve the Settlement.***

Notably, the decision and the procedure run at cross-purposes with the Commission's clear policy to "encourage settlements"<sup>17</sup> and to conserve the time and resources of the parties when a

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<sup>13</sup> As the Order repeatedly emphasized, the certification procedure also only allows 15 pages for briefing compared to 40 pages for exceptions. CUPA thanks the Office of Special Assistants for granting its request to extend the page limit here to partially allay the prejudicial impacts of this procedure.

<sup>14</sup> Only a regulation has the force and effect of law that is binding on the agency. *Department of Environmental Resources v. Rushton Mining Company*, 591 A.2d 1168, 1173 (Pa. Cmwlth. 1991). A statement of policy does not have the force of law. *Id.*

<sup>15</sup> 66 Pa. C.S. § 334 (a) ("When the commission does not preside at the reception of evidence, the presiding officer shall initially decide the case, unless the commission requires, either in specific cases or by general rule, the entire record to be certified to it for decision").

<sup>16</sup> The direct testimony and exhibits of the parties, rebuttal testimony, surrebuttal testimony, and rejoinder was moved into and made part of the record at the hearing held September 8, 2021.

<sup>17</sup> 52 Pa. Code § 5.231(a) ("It is the policy of the Commission to encourage settlements.").

fully developed record supports a reasonable, negotiated outcome. Litigation would result in additional cost without enhancing the value of the services provided by CUPA. CUPA submits that funds are better used to continue the progress it has made on modernizing these systems rather than litigating this proceeding, a cost which under Pennsylvania law is borne solely by customers.<sup>18</sup>

The Settlement is in the public interest for many reasons, including but not limited to implementing various provisions the Commission could not otherwise order, such as **a two-year rate case stay-out**, rate design that adopts with slight modification CUPA's proposal in its original filing to establish **a low-income program (discount rate) for water customers**, **commitment to propose a low income pilot program for wastewater customers in CUPA's next proceeding**, and **participation in the Low Income Household Water Assistance Program that will provide grants to low income customers to pay water and/or wastewater bills beginning in January 2022**. The terms also address various service-related issues as discussed at length below.

The Joint Petition, Statements in Support, and the record evidence show the Settlement is in the public interest. The Commission cannot approve of the Order, which errs on the law and the facts. The Commission should expeditiously approve the Settlement without modification.

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<sup>18</sup> To the extent the Commission orders any remand (which it should not), CUPA's additional rate case expense incurred as a result of the Order must be allowed to be considered as part of the increase request.

**II. ARGUMENT: THE JOINT PETITIONERS PROVED THAT THE SETTLEMENT IS IN THE PUBLIC INTEREST, THE SETTLEMENT RATES ARE JUST AND REASONABLE AND INCORPORATE GRADUALISM, AND CUPA IS PROVIDING ADEQUATE SERVICE**

**A. The Settlement Is In The Public Interest**

The Joint Petitioners gave numerous, detailed reasons why the Settlement is in the public interest in the Joint Petition:

- The proposed Settlement provides a reasonable resolution based on an extensive investigation of CUPA's filings, including informal and formal discovery and the submission of direct, rebuttal, surrebuttal and rejoinder testimony the Joint Petitioners, and exhaustive settlement negotiations. The Joint Petitioners in this proceeding had substantially different views on many issues in this proceeding. Where the Joint Petitioners agreed, with regard to the need for certain improvements, investigation and reporting, the Settlement adopts those requirements and commitments. The Joint Petitioners were able to reach a balanced compromise on all issues that recognizes the benefit to CUPA's ratepayers of providing CUPA with the opportunity to receive sufficient revenue to fund the provision of adequate, efficient, safe and reasonable service, while also addressing the principle of gradualism in rate changes, particularly given the ongoing hardships that may be faced by some customers. Further, the proposed Settlement adopts most of the recommendations by the I&E and OCA witnesses to provide the Joint Petitioners with information to monitor CUPA's efforts.
- The Settlement is consistent with Commission policies promoting negotiated settlements. The Joint Petitioners arrived at the Settlement, after conducting extensive discovery and numerous in-depth discussions. The Settlement constitutes reasonably negotiated compromises on the issues addressed. Thus, the Settlement is consistent with the Commission's rules and practices encouraging settlements, 52 Pa. Code §§ 5.231, 69.391, 69.401-69.406, and is supported by a substantial record.

- The Settlement produces just and reasonable rates that demonstrates gradualism and will not result in rate shock to any customer class while still allowing CUPA adequate revenue and rate of return, particularly given that the Settlement addresses low-income programs for both water and wastewater customers, which was a contested issue in this proceeding.
- CUPA, who has made significant investment the facilities for these service territories to modernize infrastructure and the provision of service,<sup>19</sup> is receiving 17% less than the increase in revenues that it requested, while agreeing to various settlement provisions to increase adequacy of service.
- The rate design further mitigates impacts to customers in various ways. First, for low-income customers who will be most impacted by any rate increase, the Settlement provides an immediate low-income program for water customers and a proposal for a wastewater low-income program in CUPA's next base rate case. Those programs are a pilot program with lower volumetric rates for ratepayers who meet the income threshold. CUPA also commits to participate in the new in the Low Income Household Water Assistance Program, which provides monetary assistance to ratepayers who meet the income threshold to help pay their bills and avoid service termination. Under the proposed Settlement, rates for water service will increase more than wastewater, by percentage, and these programs will help to offset those increases for those most impacted.
- Full consolidation of Tamiment customers (which CUPA proposed in its original filing and other parties contested) is not achieved, so Tamiment customers are receiving a smaller rate increase than originally proposed. This demonstrates gradualism, with Tamiment's full consolidation in CUPA's next rate case. While Tamiment water customers receive the highest rate increase by percentage, they will still pay less per average bill than water customers in the consolidated CUPA systems. At the same time, however, the Settlement serves to substantially reduce

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<sup>19</sup> CUPA W&WW Statement No. 7-R at 9:21-3, 10:6-11:2; Exhibit No. EL-4R.



the rate differences between the CUPA and Tamiment customers, water and wastewater.

- There are no increases to residential customer charges, only to volumetric charges. This promotes conservation and allows customers more control over their bills.
- To the extent service issues raised at the public input hearings were not resolved through the provision of additional evidence, the Settlement provides for further resolution of those issues, reflecting CUPA's agreement to various requests I&E and OCA made in their testimony to address these issues, including: reporting on boil water advisories, do not consume advisories, compliance with the DEP Consent Order & Agreement; submission of information on lost and unaccounted for water broken down by service territory and cause; record keeping on isolation valve exercising; advance notice to Tamiment customers regarding planned system maintenance that may discolor water; terms to address low water pressure and improvement of water supply for Penn Estate customers; provision of information to wastewater customers regarding grinder pumps; and updated call center performance data.
- The proposed Settlement avoids necessity of further proceedings what would have been a substantial cost to the Joint Petitioners and CUPA's customers.

Joint Petition at 3-6 and 31-34.

Each of the Joint Petitioners also provided detailed statements in support providing additional reasoning as to why the Settlement is in the public interest. CUPA's Statement in Support explained, *inter alia*, that:

The Settlement establishes rates which are just and reasonable and incorporate principles of gradualism. These rates economically benefit the Company's customers by setting lower rates than originally requested.<sup>20</sup> The Settlement also benefits customers because it provides the Company with additional revenues which will promote its continuing to provide a high quality of service and to

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<sup>20</sup> Rate case costs permitted by the Commission are borne by ratepayers of the Company.

modernize these systems CUPA acquired. These rate cases were driven by expenditures and capital investment in necessary infrastructure. CUPA and its parent corporation, Corix, operate utility systems throughout the country and provide service to modernize rural water and sewer systems including those at Tamiment, which proved to have troubled systems. In acquiring these systems, CUPA did not utilize 66 Pa. C.S. § 1327 to seek much higher value for the assets which would result in higher rates. CUPA has already made substantial investment in the Tamiment service area.<sup>21</sup> In addition to the amount agreed-to in the Settlement being less than originally proposed, approving the Settlement provides revenue and rate gradualism by a voluntary rate case stay-out provision. Additionally, it saves the cost of litigating rate cases—which are borne by ratepayers under Pennsylvania law—over the next two years.

The Settlement helps mitigate the effect of the rate increase on consumers, especially on low-income customers. The Settlement features two types of low-income programs. First, an immediate low-income program for water customers and a proposal for a wastewater low-income program in CUPA's next base rate case. These pilot programs have lower volumetric rates for ratepayers who meet the income threshold. Second, CUPA also commits to participate in the new in the Low Income Household Water Assistance Program, which provides monetary assistance to ratepayers who meet the income threshold to help pay their bills and avoid service termination.

Under the proposed Settlement, rates for water service will increase more than wastewater, by percentage, and these programs will help to offset those increases for those most impacted. There are no increases to residential customer charges, only to volumetric charges. This promotes conservation and allows customers more control over their bills.

Appendix H to Joint Petition, CUPA Statement In Support at 2-3.

The Order incorrectly finds that the Settlement is not in the public interest for two reasons. First, the Order discounts all ratemaking concerns other than alleged rate shock/lack of gradualism to find that rates are not just and reasonable. As described in Section II.B. *infra*, the Settlement rates are just and reasonable and demonstrate gradualism. As detailed in Section II.C. *infra*, CUPA

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<sup>21</sup> CUPA W&WW Statement No. 7-R at 9:21-3, 10:6-11:2; Exhibit No. EL-4R (before and after photographs).

is in fact providing adequate service and the Settlement contains commitments to continue to improve service.

## **B. Settlement Rates Are Just and Reasonable and Demonstrate Gradualism**

### **1. The Black Box Settlement Rates Are Just and Reasonable**

Cost of service is the polestar of ratemaking. *Lloyd v. Pa. P.U.C.*, 904 A.2d 1010 (Pa. Cmwlth. 2006). Pursuant to the just and reasonable standard, a utility may obtain “a rate that allows it to recover those expenses that are reasonably necessary to provide service to its customers[,] as well as a reasonable rate of return on its investment.” *City of Lancaster Sewer Fund v. Pa. PUC*, 793 A.2d 978, 982 (Pa. Cmwlth. 2002).

The Commission has repeatedly acknowledged the value of black-box settlements that do not specify a rate of return and that they are not an impediment to finding rates are just and reasonable.

*In this case, the parties have reached what is referred to as a “black box” settlement where the settlement provides for an increase in the utility’s revenues but does not indicate how the parties calculated the increase.* The Commission has permitted “black box” settlements as a means of promoting settlements in contentious base rate proceedings. *Pa. Pub. Util. Comm’n v. Wellsboro Electric Co.*, Docket No. R-2010-2172662 (Order entered January 13, 2011); *Pa. Pub. Util. Comm’n v. Citizens’ Electric Co. of Lewisburg*, Docket No. R-2010-2172665 (Order entered January 13, 2011). The Commission has observed that determining a utility’s revenue requirement is a calculation that involves many complex and interrelated adjustments affecting expenses, depreciation, rate base, taxes and the utility’s cost of capital. ***Reaching an agreement among the parties on each component can be difficult and impractical. As a result of this complexity, the Commission supports the use of “black box” settlements.*** *Pa. Pub. Util. Comm’n v. Peoples TWP LLC*, Docket No. R-2013-2355886 (Opinion and Order entered December 19, 2013).

*Pa PUC et al v. United Water*, R-2015-2462723 et al, Recommended Decision at 6, (RD entered July 24, 2015), RD adopted in full (Order entered Aug. 20, 2015) (emphasis added); *see also Pa. PUC et al. v. Pike County Light & Power Co.*, R-2020-3022135 et al, Opinion and Order at 15

(Order entered July 21, 2021). The Order criticizes and rejects the Settlement on the basis that its rates “have not been tried in the fire of litigation”<sup>22</sup> and are merely “deemed by the parties as just and reasonable *per se*.” Order at 11. This reasoning is incorrect.

- First, the same can be said about any settlement. Requiring full litigation to find rates are just and reasonable ***discourages settlements*** contrary to the Commission’s express policy and overlooks that a full record was developed here. A major incentive to a negotiated settlement is to avoid time and expense of briefing and exceptions and replies, and to avoid further rate case expense—which under Pennsylvania law is borne entirely by ratepayers.
- Second, that Order fails to consider both the expertise and judgment of the parties—here I&E, OCA, OSBA and CUPA.
- Third, in this proceeding there was an extensive and fully developed evidentiary record that showed CUPA was entitled to recoup the entirety of its revenue requirement request. The record also showed OCA and I&E’s competing positions as to revenue requirement. Each parties’ position changed as subsequent rounds of testimony clarified and explained issues. The parties then commenced in extensive and ultimately successful negotiations and resolved their competing positions. This is a hallmark of parties narrowing down the issues upon which they do not agree, and then reaching a Settlement revenue requirement that reflects those considerations. The table below shows the final revenue requirement position of each party and the settlement revenue requirement:

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<sup>22</sup> The same can be said about any settlement. The dramatic intonation in actuality ***discourages settlements*** contrary to the Commission’s express policy by overlooking that hearing did occur hear and a full record was developed. That view fails to consider both the expertise and judgment of the parties—here I&E, OCA, OSBA, and CUPA.

Party	Litigation Position - Water	Litigation Position Wastewater
CUPA (Rejoinder Position)	\$752,106	\$992,203
I&E (Surrebuttal Position)	\$550,938	\$701,845
OCA (Surrebuttal Position)	\$607,708	\$682,198
Settlement Revenue Requirement		
CUPA, I&E, OCA, OSBA	\$630,000	\$830,000

Each party had a litigation position on what was just and reasonable based on detailed records and analysis in the testimony and exhibits.

The Settlement rates are approximately 50% between the lowest litigation position of the advocates and CUPA's litigation position. That is not a "*de minimus*" reduction from CUPA's litigation position. Order at 30. It is a substantial compromise. That CUPA was willing to agree to recoup any amount of revenue less than its fully-supported litigation position is in the public interest because it means ratepayers are not subject in this proceeding to the potential for rates reflecting the entirety of CUPA's revenue requirement – i.e. even higher rates than what the Settlement produces. That is clearly in the public interest.

Moreover, CUPA is prudently incurring expenses on behalf of customers and the Settlement contains a term that carries over from CUPA's last rate case, that CUPA file with the Commission and serve on I&E, OCA, and OSBA an annual capital expenditure report to show not just what capital projects were undertaken, but how much was spent on each project. As the capital expenditure reports filed in 2020 and 2021 for the prior year demonstrate, CUPA spent significant amounts of its annual revenue requirement on capital projects:

Year end 2019

- Water - \$914,165 in plant additions
- Wastewater - \$610,472 in plant additions

Year end 2020

- Water - \$756,031 in plant additions
- Wastewater - \$835,457 in plant additions

Comparing these expenditure amounts to CUPA's 2019 rate case increase in revenue requirement of \$315,000 for water and \$224,000, it is clear that CUPA was prudently using the funds from its last rate case. There is no basis to find that the Settlement rates are unjust or unreasonable.

**2. Settlement Rates Demonstrate Gradualism and Do not Result in Rate Shock**

Pursuant to well-established law, rate determinations must be based on cost of service:

Because the flat percentage increase in transmission charges increases any previous discrimination in rates, and the Commission offers no explanation how discrimination in distribution and transmission rate structures are eventually going to be gradually alleviated, **in effect, the Commission has determined that the principle of gradualism trumps all other ratemaking concerns—especially the polestar—cost of providing service.**

...

Accordingly, **we vacate the Commission's order regarding transmission and distribution rates** and remand for the setting of non-discriminatory reasonable rates and rate structure for each service.

*Lloyd v. Pa. P.U.C.*, 904 A.2d 1010 (Pa. Cmwlth. 2006) (emphasis added).

That the Settlement rates are just and reasonable cannot be undone by allegations of rate shock. Concepts of rate shock and gradualism come into play regarding rate design, and the rate design here shows gradualism was thoroughly addressed and implemented.

The Tamiment division has not had a rate increase *in over ten years* and their current rates do not cover cost of service. CUPA's litigation position was that Tamiment customers should have a rate increase to reflect their total cost of service. *See, e.g.,* CUPA St. No. 4-RJ, Dickson Rejoinder. The Settlement rate design terms instead incorporate gradualism by only incorporating the Tamiment division 50% of the way towards their cost of service. Joint Petition at ¶ E.8 ("Tamiment usage rates will move approximately 50% of the way from their existing place to the consolidated rates of CUPA, with full consolidation in CUPA's next rate case."). The Commission has found this gradualism to be in the public interest. *See, e.g., Pennsylvania Pub. Util. Comm'n et al. v. CUPA*, Docket Nos. R-2016-2538660 et al, Recommended Decision (recognizing move towards unitized rates in settlement in public interest when approving settlement) (RD adopted in full by Order dated Nov. 9, 2016).

Gradualism is further achieved through a two-year period where CUPA will not file for another base rate case. Contrary to the finding that the stay out is not in the public interest because it is too short,<sup>23</sup> *any stay out term is in the public interest. See, e.g., Pa. P.U.C. et al v. TESI*, Docket No. R-2010-2171918 (Order entered Mar. 17, 2011) (approving settlement rates with 54.8% increase to residential customers with one year stay out as in the public interest). A stay out here means customers will not face another rate increase for two years, thus promoting rate

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<sup>23</sup> As stated above the Commission cannot mandate a stay out. The Order may prefer a longer stay out, but that is not a basis to reject a settlement given the inability by law to mandate a stay out; what cannot be done directly cannot be done indirectly. *See, e.g., Proposed Rulemaking for Streamlining the Rate Increase Procedures for Small Motor Passenger Carriers*, Docket No. L-2008-2057661 (Order entered Dec. 6, 2010) (acknowledging Commission did not have authority to impose stay-out on transportation companies under Section 1308, but could only mandate timing for use of streamlined procedure in regulation).

stability. Moreover, a stay out is something the Commission could not order in the absence of a settlement. It is clearly in the public interest.

The provisions of the Settlement that mitigate the rate increase for customers are also in the public interest. Since the inception of this proceeding, CUPA has recognized affordability for low income customers as a policy guiding its rate design. It proposed a low income discount rate for water customers, which was agreed to in the Settlement as modified. Joint Petition at E.14-16. The Settlement also commits CUPA to participating in the Low Income Household Water Assistance Program which will provide grants to pay water/wastewater bills beginning in January 2022. Joint Petition at E.17. Commission policy encourages customer assistance programs,<sup>24</sup> and these programs are necessarily paid for by other residential ratepayers because they can benefit any residential ratepayer should they be eligible for the program. These terms are clearly in the public interest, particularly in light of fact that the Commission could not order CUPA to undertake these measures in the absence of the Settlement.

Finally, the rate design term for water with the rate increase placed solely in volumetric rates, rather than customer charges, is in the public interest because it allows customers to conserve water and wastewater services to offset the impacts of the rate increase. The Commission recognizes the ability for customers to conserve and promotes conservation.<sup>25</sup> Moreover, and specific to CUPA, the record evidence shows that water usage is consistently declining in CUPA's

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<sup>24</sup> *C.f.* 52 Pa. Code § 69.261-69.267 (policy statement on customer assistance programs for certain electricity and natural gas distribution companies). While this policy statement is not directly applicable to water or wastewater companies, the Commission has approved and encouraged similar programs for larger water providers such as Aqua and the Pittsburgh Water and Sewer Authority.

<sup>25</sup> *E.g.* 52 Pa. Code § 65.20.



service territories. *See* CUPA W Statement No. 2 at 4-10. Placing the rate increase solely on the volumetric portion of rates does allow customers greater control over their water bills – they can choose to conserve water and lessen the impact of the rate increase.

### **3. The Order’s “rate shock” finding is unsupported and incorrect**

There is no legal support for finding that “double digit increases” are rate shock. The two cases the Order relies upon show the Settlement is in the public interest. The Order distinguishes *Pa. PUC et al. v Appalachian Utilities, Inc.*, Docket No. R-2015-2478098 (2016) (*Appalachian*) on the basis that the large rate increase a 39.33% increase was not rate shock because the ratepayers had not had a rate increase in 20 years. Order at 29. That case is not distinguishable from the situation here, where the largest rate increase is for the Tamiment division, which has not had a rate increase in ten years; that ten year absence of a rate increase is not the fault of CUPA, which acquired the system in 2019 and has already made substantial improvements to it prior to receiving any rate increase.

As to the “back to back” nature of the rate increase for other CUPA customers, *Pa. PUC, et al. v. Pennsylvania-American Water Company*, Docket No. R-2017-2595853 (Order entered December 7, 2017) (*PAWC*) considered in full context also supports a finding that the Settlement is in the public interest. The Order posits that the rate increase granted there was double digits, but contained a three-year stay out, so that was not rate shock. However, considering the rate increases to additional rate zones and the rate increases granted two years before and three years after that case the settlements approved in the PAWC cases are consistent with approval of the Settlement here. For example, some rate zones PAWC has received three double digit rate increases within seven years:

PAWC Rate Zone	R-2013-2355276	R-2017-2595853	R-2020-3019369
Water Zone 1 General	5.56%	9.38%	7% (phase 1) 1.4% (phase 2)
Water Zone 40 Nittany	37.12%	24.04% (new zone 2)	32% (phase 1) 1.4% (phase 2)
Water Zone 41 Sutton Hills	38.16%	12.34% (new zone 2)	32% (phase 1) 1.4% (phase 2)
Water Zone 43 Acquisitions	18.84%	21.12% (new zone 1)	7% (phase 1) 1.4% (phase 2)
Water Zone 33 wildcat	8.38%	21.12% (new zone 1)	7% (phase 1) 1.4% (phase 2)
Wastewater Clarion	36.94%	39.63% (new zone 1)	12.4% (phase 1) 15.41% (phase 2)

Moreover, there are similar factual circumstances here to *PAWC* – acquisitions of small, troubled water/wastewater systems that have not had rate increases for long periods of time. To preclude the rate increases necessary to modernize and improve service for these types of utilities is not just a disincentive to these acquisitions that the Commission and the Public Utility Code promote, it is a punishment and deterrent.

Comparisons to other rate cases where the Commission held the rate increases did not result in rate shock also show that double digit rate increases are not rate shock. *See, e.g., Pa. P.U.C., et al v. Aqua*, Docket No. R-2018-3003558 (Order entered May 9, 2019) (approving 47% increase per settlement) (“TLPOA’s focus on the percent increase that treasure lake’s customers will experience in their monthly bills is misleading. Instead, it is evident, based on our examination of Appendix D, that in most cases, customers in the Treasure Lake rate division will still pay less than customers in other Aqua rate divisions despite receiving higher percentage increases under the Joint Settlement Rates”); *Pa. P.U.C. et al v. TESI*, Docket No. R-2010-2171918 (Order entered Mar. 17, 2011) (approving settlement rates with 54.8% increase to residential customers with one year stay out as in the public interest).

The Order also largely relies on the public input testimony that opposes rate increases. But how a lay witness may feel about whether rates are just and reasonable is not evidence and does not weigh into the determination under the just and reasonable standard. “Complainant’s assertions, regardless of how honest or strong, cannot form the basis of a finding . . . since *assertions, personal opinions or perceptions do not constitute factual evidence.*” *Herring v. Metropolitan Edison*, Docket No. F-2016-2540875, 2017 WL 3872590 at 3 (Order entered Aug. 31, 2017) (citing *Pa. Bureau of Corrections v. City of Pittsburgh*, 532 A.2d 12 (Pa. 1987)) (emphasis added). Further, the Commission does not count noses to determine the weight of testimony in a proceeding.<sup>26</sup> Even if it did, the fact that there were only 40 people that testified at the telephonic public input hearing and approximately 100 customers that filed complaints against the rate increase out of 3,412 customers, 1.17% and 2.93% of customers respectively, is telling. Ratemaking is not a popularity contest – if rates had to be popular with the public based on public input hearings, rate increases would never occur and utility operations would grind to a halt as revenues would not be able to cover operations and maintenance and investors would have no incentive to finance businesses that earn no return.

### **C. CUPA is Providing Safe and Adequate Service**

The Joint Petition and the record show that CUPA is providing safe and adequate service. There is no substantial record evidence of record to find otherwise. The Joint Petition also includes meaningful terms to further improvement of service that are in the public interest.

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<sup>26</sup> *Application of Artesian Water Pennsylvania, Inc. for Approval to Begin to Offer, Render, Furnish, or Supply Water Service to the Public in Additional Territory in Portions of New Garden Township, Chester County, Pennsylvania*, Docket No. A-2014-2451241, Final Opinion and Order at 22 (Order entered Oct. 1, 2015). (upholding ALJ’s dismissal of duplicative protests and holding “[T]he weight of the testimony cannot be determined by counting noses.”) (quoting *Application of O. D. Anderson, Inc.*, 1974 WL 38598 (Pa.P.U.C.) at \*6).

**1. The Joint Petition and the Record Show CUPA is providing safe and adequate service and there is no substantial evidence to find to the contrary**

The Joint Petition and the record contain everything necessary to find quality of service issues were addressed in the evidentiary record. There are 10 pages of stipulated fact in the Joint Petition, all based on and citing to record evidence that show CUPA addressed the concerns raised at the public input hearings. Joint Petition at 19-28.

For example, the Joint Petition shows CUPA's system did not cause damage to customer-owned grinder pumps.

On July 20, 2020 CUPA and [its contractor] ESC investigated the areas of The Glen experiencing grinder pump issues. They found no blockages and force main pressures ranging from 5-20 PSI, which is below the operating PSI of a grinder pump. ESC released air within the low pressure force main. After releasing the air, the system pressure remained 5-20 PSI. ESC installed 3 new air release valves (ARV) in the low pressure force main and repaired the one existing ARV. **Based on CUPA's and ESC's investigation, the 2019 and 2020 grinder pump issues are not the result of CUPA's system or failure thereof.**

Joint Petition at 25 (citing CUPA W&WW Statement No. 7-R at 12:13-13:8) (emphasis added).

Second, while I&E in its direct testimony had proposed a zero percent rate of return based on public input hearing testimony, I&E *withdrew this recommendation in its surrebuttal testimony based on CUPA's Rebuttal testimony*; another fact stipulated to in the Joint Petition:

After reviewing CUPA's rebuttal testimony, in its surrebuttal testimony, ***I&E withdrew its zero percent rate of return recommendation, acknowledged that CUPA had addressed or offered explanatory or contextual evidence in response to the issues raised at the public input hearing, and recommended the company complete additional reporting.***

Joint Petition at 27-28 (citing I&E WW St. No 3-SR at 16:11-16; I&E W St. No. 3-SR at 29:12-20; I&E St. No. 2-SR at 22:13-17) (emphasis added).

Moreover, despite CUPA only acquiring the Tamiment division (formerly Pennsylvania Utility Company) in August of 2019 and those customers ***not having a rate increase for over ten***

*years*, prior to receiving any rate increase for this territory, CUPA had already made significant improvements to both the water and wastewater systems:

Since acquiring the system in 2019, CUPA has already made significant investment and upgrades to the Tamiment water system. In September 2019, Well 3 pump failed and was replaced. Due to poor condition, CUPA also replaced the pump electrical wire and piping, check valve, and all fittings. In June 2020, Well 1 pump failed and was replaced. Due to poor condition, CUPA also replaced the pump electrical wire and piping, check valve, and all fittings. Once acquired, CUPA operators performed all internal lab work to ensure the system was operating properly.

Since acquiring the system in 2019, CUPA has made significant investment and upgrades to the Tamiment wastewater system. When CUPA first took over operations, there was excessive sludge in the trains of the wastewater treatment plant. The filter could not be backwashed due to failed equipment. CUPA proactively rehabbed the WWTP filter throughout 2019 – 2020. This consisted of new filter media, new pumps, and piping. Likewise, when CUPA first took over operations, the lagoon pump was broken and the spray irrigation system could not be utilized. CUPA hired a 3rd party to mow the grass around spray heads, replace irrigation spray heads, install a new pump, and unblocked the lagoon pump intake screen once CUPA took over operations after the acquisition. The entire Wastewater Treatment Plant (WWTP) and office were covered in bird fecal matter. The WWTP, office, and warehouse were cluttered with the personal belongings of Pennsylvania Utility Company operators such as abandoned vehicles, living room furniture, large fish tanks containing snapping turtles, tires, etc. CUPA cleaned these areas in 2019 and also improved the facility in 2020. The WWTP electrical system was in disrepair and was replaced and upgraded in 2020.

Joint Petition at 23-24 (citing CUPA W&WW Statement No. 7-R at 9:21-3, CUPA W&WW Statement No. 7-R at 10:6-11:2; Exhibit No. EL-4R (before and after pictures)); CUPA W St. No. 4-R, Dickson Rebuttal at 4:13-14 (explaining Tamiment division ratepayers have not had a rate increase for over ten years).

The Joint Petition and stipulated facts discussed above confirm that the record shows CUPA is providing safe and adequate service to the public. CUPA provided significant expert testimony and exhibits on the record to address quality of service issues raised by lay witnesses.

CUPA's expert witness and State Operations Manager Emily Long<sup>27</sup> provided expert testimony to address the concerns raised in the public input hearing. CUPA St. No. 7-R; CUPA St. No. 7-RJ. Ms. Long provided unrefuted expert opinions that CUPA is providing safe, adequate, and reasonable water service in all of its territories, and detailed the significant steps CUPA has taken and continues to take in order to continue to provide a high quality of service to customers. *See* CUPA St. No. 7-R; CUPA St. No. 7-RJ. Indeed, while I&E *initially* recommended that CUPA water received a zero percent rate of return due to alleged service issues after the public input hearings, Order at n.8, I&E formally withdrew its 0.00% recommendation on the basis of Ms. Long's testimony proving CUPA was in fact providing safe and adequate water service, along with the testimony of CUPA's other witnesses. Joint Petition at 27-28 (citing I&E WW St. No 3-SR at 16:11-16; I&E W St. No. 3-SR at 29:12-20; I&E St. No. 2-SR at 22:13-17).

Ms. Long's experience and expert testimony speaks for itself – CUPA takes its duties to provide safe and adequate service seriously, a fact attested to by the Joint Petition. The record shows that the Joint Petition is in the public interest, and the expert testimony regarding quality of service supports that fact.

Whether service is inadequate or unsafe for consumption is not something on which a lay witness can opine and is not substantial evidence, but instead is the realm of expert, scientific testimony based on testing results and data. Lay opinions on matters requiring scientific, technical or specialized knowledge are not competent evidence to support a finding of fact. Pa. R.E 701(c) ("If a witness is not testifying as an expert, testimony in the form of an opinion is limited to one

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<sup>27</sup> Ms. Long has a Bachelor of Science in Environmental Science from King's College and a Master of Science in Occupational Safety and Health with a concentration in Environmental Management from Columbia Southern University, years of experience in the water utility operations, and multiple PA DEP water system certifications.

that is ... not based on scientific, technical, or other specialized knowledge within the scope of Rule 702.”). This is not a rule of evidence the Commission can ignore. *Gibson v. W.C.A.B.*, 861 A.2d 938, 947 (Pa. 2004) (holding Rules of Evidence 602 (personal knowledge), 701 (opinion testimony by lay witnesses) and 702 (testimony by expert witnesses) generally applicable in agency proceedings); *see also Pickford v. Pub. Util. Comm’n*, 4 A.3d 707, 715 (Pa. Cmwlth. 2010) (ALJ “properly disregarded” testimony from 13 lay witnesses related to concerns and personal opinions about damage to pipes, lead leaching, toxicity to fish and home filtration expenses because “the nature of these opinions ... was scientific and required an expert.”). While a fact finder may weigh the opinion testimony of a qualified expert (of which the Order failed to do, *infra* section II.C.4), any such testimony of an unqualified lay witness opinions must be excluded and should not be given any evidentiary weight. *Gibson v. W.C.A.B.*, 861 A.2d 938, 947 (Pa. 2004); *Miller v. Brass Rail Tavern, Inc.*, 664 A.2d 525, 528 (Pa. 1995). Accordingly, the Commission has consistently found that witness testimony on technical issues such as contamination, health, and safety “require expert evidence to be persuasive enough to support the proposing party's burden of proof.” *Application of PPL Elec. Utilities Corp.*, A-2009-2082652, 2010 WL 637063, at \*11 (Jan. 14, 2010) (emphasis added); *Pickford v. Pub. Util. Comm’n*, 4 A.3d 707, 715 (Pa. Cmwlth. 2010) (ALJ “properly disregarded” testimony from 13 lay witnesses related to concerns and personal opinions about damage to pipes, lead leaching, toxicity to fish and home filtration expenses because “the nature of these opinions ... was scientific and required an expert.”); *Lamagna v. Pa. Elec. Co.*, C-2017-2608014, 2018 WL 6124353, at \*20 (Oct. 30, 2018) (finding that lay witness testimony and exhibits regarding technical health and safety issues “carry no evidentiary weight and ... were properly objected to and excluded.)

Additionally, legislators, who are not customers of CUPA, and who spoke generally to inquires they received from various unnamed constituents regarding CUPA's rate increase request did not provide substantial evidence. Order at 19-23. None of these legislators have standing, let alone any substantial, direct, and immediate interest in this matter for their testimony to form the basis of rejecting the settlement. As the Commonwealth Court has held:

A 'substantial' interest is an interest in the outcome of the litigation which surpasses the common interest of all citizens in procuring obedience to the law. A 'direct' interest requires a showing that the matter complained of caused harm to the party's interest. An 'immediate' interest involves the nature of the causal connection between the action complained of and the injury to the party challenging it and is shown where the interest the party seeks to protect is within the zone of interests sought to be protected by the statute or the constitutional guarantee in question.

*See George v. Pennsylvania Pub. Util. Commn.*, 735 A.2d 1282 (Pa. Cmwlth. 1999). Indeed, the legislators lack standing on each of these fundamental principles: 1) substantial interest – their interest does not surpass a common interest in the rate case and they are merely voicing concerns raised by their constituents; 2) direct interest – none of the legislators are customers of CUPA and there can be no showing that the matter complained of caused harm to their individual interests; and 3) immediate interest – there is no causal connection between this rate proceeding and any injury complained of, nor is there a showing that the legislators are within a zone of interest to be protected by the Public Utility Code or any constitutional guarantee. The Order's reliance on the legislator's testimony as a basis for rejecting the Settlement has no legal basis which can support the rejecting of the Joint Petition.

As discussed above, the Joint Petition clearly laid out through stipulated and agreed to facts that CUPA is providing adequate service in compliance with 66 Pa. C.S. § 1501, a fact which CUPA and the parties vigorously explored after the testimony at the public input hearings. While 66 Pa. C.S. § 1501 provides that utilities shall furnish and maintain adequate, efficient, safe, and



reasonable service, it *does not* require a public utility to provide *perfect service*.<sup>28</sup> This concept is axiomatic in Commission decisions and CUPA cannot be held to a standard far outside the requirements of 66 Pa. C.S. § 1501 based exclusively on lay opinion testimony particularly where such testimony was squarely refuted by record evidence expert testimony and supporting records.

## **2. The Joint Petition Contains Meaningful Terms to Improve Service that are in the public interest.**

The Order summarily dismisses the service-related commitments agreed to in the Joint Petition on the basis that they “should already be in place, particularly given the double-digit rate increases approved for CUPA in 2019.” Order at 34. While the context of the “double-digit” argument was addressed above,<sup>29</sup> from a quality of service perspective, the enforceable commitments relate to CUPA’s newly acquired Tamiment territory or are responsive to service issues raised in this proceeding.

In particular, the Joint Petition includes significant service related commitments which support the Settlement being in the public interest, including yearly reporting requirements for capital expenditures, service of boil water advisories on settlement parties, progress reports on a DEP Consent Order related to Penn Estates wastewater system, more detailed lost and unaccounted for water reporting, reporting on isolation valves, advance notice of system flushing/maintenance

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<sup>28</sup> See *Paul v. PPL Electric Utilities Corporation*, Docket No. C-2020-3021733, Initial Decision at 8 (entered June 2, 2021)(ALJ Buckley)(“As a general proposition, neither the Public Utility Code nor the Commission’s regulations require public utilities to provide constantly flawless service. The Public Utility Code at Section 1501 does not require perfect service or the best possible service but does require public utilities to provide reasonable and adequate service. *Analytical Lab. Servs., Inc. v. Metro. Edison Co.*, Docket No. C-2006608 (Order entered December 21, 2007); *Emerald Art Glass v. Duquesne Light Co.*, Docket No. C-00015494 (Order entered June 14, 2002); *Re: Metrop. Edison Co.*, 80 Pa. PUC 662 (1993).”) *adopted by Opinion and Order* entered October 7, 2021.

<sup>29</sup> *Supra* section II.B

to customers that may temporarily discolor water, CUPA implementing studies on pressures and reporting on implementation of the its Consultant's recommendations (the GHD Report), providing information on operation and maintenance of grinder pumps to customers, and call center performance data submitted during next rate case. *See* Joint Petition at ¶ 18-26.

The Order alleges that the service-related improvements within the Joint Petition “should have already been substantially accomplished in the wake of the double-digit percentage 2019 rate increases.” Order at 33. At the outset, it violates CUPA’s due process rights<sup>30</sup> to *sua sponte* inject issues relating to the 2019 rate proceeding and fail to give the parties notice and opportunity to respond.<sup>31</sup> The implication that CUPA has not engaged in prudent investments for customers that received a rate increase in 2019 fails to consider substantial facts from the 2019 rate proceedings and subsequent yearly capital reporting requirements detailing CUPA’s significant capital investments. Had CUPA been able to respond to the *sua sponte* allegations based on the 2019 rate case, it would have been clear that CUPA in-fact filed annual capital expenditure reports detailing how it was spending increased revenues. In sum, the 2020 and 2021 reports, which do not and could not include the investments made in the Tamiment system, show CUPA invested in its Westgate, UIP, and PEUI systems:

Year end 2019

- Water - \$914,165 in plant additions
- Wastewater - \$610,472 in plant additions

Year end 2020

- Water - \$756,031 in plant additions
- Wastewater - \$835,457 in plant additions

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<sup>30</sup> *Supra* n.9, n.10.

<sup>31</sup> *See* 52 Pa. Code § 5.408.

The capital expenditure reports are publicly available at the 2019 rate case dockets and are attached to this Brief as **Appendix A**. Moreover, the Joint Petition expressly detailed improvements CUPA had made to the divisions that had rate increases in 2019. Joint Petition at 23-28 (detailing various improvements made and service issues remediated in each territory for which rate increase was granted in 2019).

Additionally, the 2019 base rate proceedings did not include CUPA's newly acquired Tamiment system. *See* Joint Petition at 23-24 (citing CUPA W&WW Statement No. 7-R at 9:21-3, CUPA W&WW Statement No. 7-R at 10:6-11:2; Exhibit No. EL-4R (before and after pictures)). Indeed, the Tamiment division ratepayers have not had a rate increase in over ten years. CUPA W St. No. 4-R, Dickson Rebuttal at 4:13-14. Nonetheless, the Joint Petition detailed the significant improvements made by CUPA to the Tamiment system prior to any rate increase for Tamiment customers. Joint Petition at 23-24. CUPA prudently invested its 2019 base rate revenues in significant capital improvements, and the Order's speculation to the contrary to deny the Joint Petition must be overruled.

The quality of service related Settlement terms are in the public interest and will further the ability of I&E, OCA, and OSBA to monitor CUPA's ongoing improvements in service.

### III. CONCLUSION

WHEREFORE, CUPA respectfully requests the Commission issue an Order answering the material question in the negative and issue an Order approving the Settlement without modification because the Settlement is in the public interest.

/s/ Thomas J. Sniscak  
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Whitney E. Snyder, Esquire  
Bryce R. Beard, Esquire  
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*Counsel for Community Utilities of Pennsylvania Inc.*

Date: November 16, 2021

# APPENDIX A



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April 1, 2020

**Via Electronic Filing**

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

RE: Community Utilities of Pennsylvania Inc. Water & Wastewater Divisions; Docket  
Nos. R-2019-3008947, R-2019-3008948, C-2019-3009591, C-2019-3009592, C-  
2019-3011086 and C-2019-3011091; **COMPLIANCE FILING**

Dear Secretary Chiavetta:

In compliance with paragraph 28 of the Joint Petition for Full Settlement dated September 6, 2019, and the Recommended Decision entered on September 27, 2019 by the Pennsylvania Public Utility Commission (“Commission”) in the above-captioned proceeding, enclosed you will find Community Utilities of Pennsylvania Inc. Water and Wastewater Divisions’ updated capital reporting compliance filing. This compliance filing is being filed and served electronically pursuant to the COVID-19 Suspension Emergency Order dated March 20, 2020 and ratified March 26, 2020.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me at (717) 236-1300.

Very truly yours,

*/s/ Whitney E. Snyder*

Thomas J. Sniscak (Attorney ID No. 33891)  
Whitney E. Snyder (Attorney ID No. 316625)  
Bryce R. Beard (Attorney ID No. 325837)

*Counsel for Community Utilities of Pennsylvania  
Inc.*

WES/das  
Enclosure  
cc: Per Certificate of Service

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

### **BY ELECTRONIC MAIL**

Allison C. Kaster  
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/s/ Whitney E. Snyder

Thomas J. Sniscak  
Whitney E. Snyder  
Bryce R. Beard

Dated this 1<sup>st</sup> day of April, 2020

Community Utilities of PA, Inc.  
Capital Reporting Update  
As of December 31, 2019  
Docket: R-2019-3008947 & R-2019-3008948

Westgate				2019			2020		
	Date Started	Date Completed		As Filed	Actual	Difference	As Filed	Projected	Difference
<b>Capital Projects Included in Filing</b>									
Westgate Water Main Replacement	1/1/2019	12/31/2019	\$	680,385	\$ 498,358	\$ 182,027	\$ -	\$ -	\$ -
Westgate Demo	Not Yet Started			-	-	-	507,410	248,000	259,410
<b>Capital Projects Not Included in Filing</b>									
N/A									
<b>UIP</b>									
	Date Started	Date Completed		As Filed	Actual	Difference	As Filed	Projected	Difference
<b>Capital Projects Included in Filing</b>									
Controls and SCADA Improvement UIP	Not Yet Started		\$	-	\$ -	\$ -	\$ 164,396	\$ 160,000	\$ 4,396
UIP C&T Project 2020	Not Yet Started						77,154	180,000	(102,846)
UIP Huber Screen	4/1/2019			116,000	20,015	95,985	-	238,220	(238,220)
UIP 2019 I&I	[1]	Consolidated into 2020 C&T		77,154	-	77,154	-	-	-
UIP Structure Recondition	Not Yet Started			-	-	-	80,886	50,000	30,886
<b>Capital Projects Not Included in Filing</b>									
UIP Emergency Electric Upgrade	8/1/2019			-	62,307	(62,307)	-	69,692	(69,692)
UIP Lift Station Grinder	[4]	10/1/2019		-	88	(88)	-	28,750	(28,750)
<b>PEUI</b>									
	Date Started	Date Completed		As Filed	Actual	Difference	As Filed	Projected	Difference
<b>Capital Projects Included in Filing</b>									
Corrosion Control PEUI	[2]	Not Yet Started	\$	-	\$ -	\$ -	\$ 154,431	\$ 50,000	\$ 104,431
Lift Station 1 Replacement	Not Yet Started			216,489	-	216,489	-	200,000	(200,000)
PEUI 2019 I&I	10/1/2019	10/31/2019		77,154	49,043	28,110	-	-	-
Controls and SCADA	7/1/2019			-	238,917	(238,917)	204,750	21,500	183,250
PEUI Generator Installation	Not Yet Started			-	-	-	102,375	340,800	(238,425)
PEUI C&T Project 2020	[3]	Not Yet Started		-	-	-	77,154	315,000	(237,846)
Inspect/Paint GST	Not Yet Started			-	-	-	203,968	240,700	(36,732)
PEUI Structure Recondition	Not Yet Started			-	-	-	68,982	100,000	(31,018)
<b>Capital Projects Not Included in Filing</b>									
PEUI Emergency EQ Valves	[5]	8/1/2019		-	65,922	(65,922)	-	-	-

**Footnotes**

- [1] As part of a strategic shift in our Asset Management Program, this project was deferred to 2020 where 100% of the collection system will be inspected.  
[2] The project "Corrosion Control PEUI" has been delayed until 2020 and costs reduced due to the scope of engineering and installation not being as exhaustive as anticipated.  
[3] The scope of the 2019 I&I project for PEUI system (10% collection system inspection and remediation) was adjusted to a full system smoke testing and remediation. As part of a strategic shift in our Asset Management Program, 100% of the collection system will be inspected in 2020.  
[4] Unanticipated project. Recurring blockages within the lift station were requiring confined space entry to clean the basket screen. Due to safety concerns, a grinder will be installed to replace the basket screen.  
[5] Unanticipated project. Potential for environmental compliance violations were recognized, which required installation of valves for certain equalization tanks and a change to piping configuration.



Community Utilities of Pennsylvania Inc.  
Water Division  
Original Cost Utility Plant in Service for the Base Year Ended December 31, 2018  
Future Test Year Ended December 31, 2019, and FPFTY Ended December 31, 2020  
Answer to 52 Pa. Code 53.52 (c)(3)

**Water Operations**

NARUC Acct. No.	Account Description	Per Books Base Year Ended 12/31/2018	Future Test Year 2019 GL Additions & Pro-forma Plant	Future Test Year 2019 Retirements [1]	Pro Forma Plant Future Test Year Ended 12/31/2019	Actual 2019 GL Additions & Pro-forma Plant	Actual 2019 Retirements [1]	Actual Year Ended 12/31/2019	FPFTY 2020 GL Additions & Pro-forma Plant	FPFTY 2020 Retirements [1]	Pro Forma Plant FPFTY Ended 12/31/2020
301.1	WATER - ORGANIZATION	\$ 219,938	\$ -	\$ -	\$ 219,938	\$ -	\$ -	\$ 219,938	-	\$ -	\$ 219,938
302.1	WATER - FRANCHISES	6,608	-	-	6,608	\$ -	-	\$ 6,608	-	-	6,608
303.2	WATER - LAND & LAND RIGHTS PUMP	-	-	-	-	\$ -	-	\$ -	-	-	-
303.3	WATER - LAND & LAND RIGHTS WTR TRT	-	-	-	-	\$ -	-	\$ -	-	-	-
303.4	WATER - LAND & LAND RIGHTS TRANS DIST	-	-	-	-	\$ -	-	\$ -	-	-	-
303.5	WATER - LAND & LAND RIGHTS GEN PLT	7,202	272	-	7,475	\$ (5)	-	\$ 7,198	286	-	7,761
304.2	WATER - STRUCT & IMPRV SRC SUPPLY	75,384	6,055	-	81,439	\$ 1,908	-	\$ 77,292	6,360	-	87,799
304.3	WATER - STRUCT & IMPRV WTR TRT PLT	32,333	1,340	-	33,673	\$ -	-	\$ 32,333	1,407	-	35,080
304.4	WATER - STRUCT & IMPRV TRANS DIST PLT	12,015	2,103	-	14,118	\$ -	-	\$ 12,015	2,210	-	16,328
304.5	WATER - STRUCT & IMPRV GEN PLT	63,435	263	-	63,697	\$ -	-	\$ 63,435	276	-	63,973
305.2	WATER - COLLECTING RESERVOIRS	-	-	-	-	\$ -	-	\$ -	-	-	-
307.2	WATER - WELLS & SPRINGS	637,396	57,524	-	694,920	\$ 80,994	(4,612)	\$ 713,778	5,253	-	700,172
309.2	WATER - SUPPLY MAINS	123,003	1,825	-	124,827	\$ 611	-	\$ 123,614	1,917	-	126,744
310.2	WATER - POWER GENERATION EQUIP	917	-	-	917	\$ -	-	\$ 917	-	-	917
311.2	WATER - ELECTRIC PUMP EQUIP SRC PUMP	6,686	720	-	7,406	\$ 13,902	(5,463)	\$ 15,125	757	-	8,163
311.3	WATER - ELECTRIC PUMP EQUIP WTP	242,870	13,468	-	256,338	\$ 24,818	-	\$ 267,688	14,148	-	270,486
311.4	WATER - ELECTRIC PUMP EQUIP TRANS DIST	9,189	314	-	9,503	\$ -	-	\$ 9,189	329	-	9,832
320.3	WATER - WATER TREATMENT EQPT	100,386	3,261	-	103,646	\$ 2,565	-	\$ 102,951	157,856	-	261,503
330.4	WATER - DIST RESV & STANDPIPES	1,176,915	7,201	-	1,184,115	\$ 4,773	-	\$ 1,181,687	211,532	-	1,395,647
331.4	WATER - TRANS & DISTR MAINS	3,586,699	719,705	-	4,306,404	\$ 533,822	-	\$ 4,120,521	41,304	-	4,347,707
333.4	WATER - SERVICE LINES	522,145	38,116	-	560,261	\$ 77,246	(8,026)	\$ 591,365	40,040	-	600,301
334.4	WATER - METERS	631,315	21,917	-	653,231	\$ 7,374	(225)	\$ 638,464	23,023	-	676,254
334.4	WATER - METER INSTALLATIONS	86,037	9,424	-	95,461	\$ 295	-	\$ 86,332	9,900	-	105,361
335.4	WATER - HYDRANTS	410,080	40,558	-	450,637	\$ 32,213	-	\$ 442,293	20,535	-	471,173
336.4	WATER - BACKFLOW PREVENTION DEVICES	-	-	-	-	\$ -	-	\$ -	-	-	-
339.3	WATER - OTH PLT&MISC EQUIP WTP	-	-	-	-	\$ -	-	\$ -	-	-	-
304.5	WATER - OFFICE STRUCT & IMPRV	31,478	16,229	-	47,707	\$ 31,472	-	\$ 62,950	234,325	-	282,032
340.5	WATER - OFFICE FURN & EQPT	25,486	262	-	25,749	\$ 11,356	-	\$ 36,843	273	-	26,022
343.5	STORES EQUIPMENT	400	70	-	470	\$ -	-	\$ 400	74	-	544
343.5	WATER - TOOL SHOP & MISC EQPT	115,617	8,031	-	123,648	\$ 24,064	(9,850)	\$ 129,830	8,437	-	132,085
344.5	WATER - LABORATORY EQUIPMENT	26,759	3,120	-	29,879	\$ 946	(524)	\$ 27,181	3,277	-	33,156
345.5	WATER - POWER OPERATED EQUIP	35,740	1,489	-	37,229	\$ -	-	\$ 35,740	1,564	-	38,794
346.5	WATER - COMMUNICATION EQPT	15,556	784	-	16,340	\$ 232	-	\$ 15,788	824	-	17,164
347.5	WATER - MISC EQUIPMENT	-	-	-	-	\$ -	-	\$ -	-	-	-
392.7	WATER - STORES EQUIPMENT	1,994	369	-	2,364	\$ 185	-	\$ 2,180	388	-	2,752
341.5	WATER - TRANSPORTATION EQPT	168,159	16,154	-	184,313	\$ 4,468	-	\$ 172,628	32,308	-	216,621
340.5	WATER - MAINFRAME COMPUTER	9,956	-	-	9,956	\$ 87	-	\$ 10,043	-	-	9,956
340.5	WATER - MINI COMPUTERS	60,536	7,066	-	67,603	\$ 14,319	-	\$ 74,855	7,278	-	74,881
340.5	WATER - COMP SYS COST	260,508	9,160	-	269,668	\$ 46,473	-	\$ 306,981	13,282	-	282,950
340.5	WATER - MICRO SYS COST	5,151	-	-	5,151	\$ 45	-	\$ 5,196	-	-	5,151
348.5/398.7	WATER - OTHER PLANT	-	-	-	-	\$ -	-	\$ -	-	-	-
	Total Plant in Service	\$ 8,707,891	\$ 986,800	\$ -	\$ 9,694,691	\$ 914,165	\$ (28,700)	\$ 9,593,356	\$ 839,161	\$ -	\$ 10,533,852

[1] Per Books and General Ledger Additions amounts are net of retirements.

Community Utilities of Pennsylvania Inc.  
Wastewater Division  
Original Cost Utility Plant in Service for the Base Year Ended December 31, 2018  
Future Test Year Ended December 31, 2019, and FPFTY Ended December 31, 2020  
Answer to 52 Pa. Code 53.52 (c)(3)

**Wastewater Operations**

NARUC Acct. No.	Account Description	Per Books Base Year Ended 12/31/2018	Future Test Year 2019 GL Additions & Pro-forma Plant	Future Test Year 2019 Retirements [1]	Pro Forma Plant Future Test Year Ended 12/31/2019	Actual 2019 GL Additions & Pro-forma Plant	Actual 2019 Retirements	Actual Year Ended 12/31/2019	FPFTY 2020 GL Additions & Pro-forma Plant	FPFTY 2020 Retirements	Pro Forma Plant FPFTY Ended 12/31/2020
351.1	WASTEWATER - ORGANIZATION	\$ 286,959	\$ -	\$ -	\$ 286,959	\$ -	\$ -	\$ 286,959	\$ -	\$ -	\$ 286,959
352.1	WASTEWATER - FRANCHISES INTANG PLT	-	-	-	-	-	-	-	-	-	-
353.1	WASTEWATER - LAND & LAND RIGHTS INTANG PLT	-	-	-	-	-	-	-	-	-	-
353.7	WASTEWATER - LAND & LAND RIGHTS GEN PLT	89,625	-	-	89,625	\$ 15,021	-	\$ 104,647	-	-	89,625
354.2	WASTEWATER - STRUCT/IMPRV COLL PLT	3,026	124	-	3,150	\$ -	-	\$ 3,026	130	-	3,280
354.3	WASTEWATER - STRUCT/IMPRV PUMP PLT LS	684,288	15,181	-	699,470	\$ 3,192	-	\$ 687,480	15,947	-	715,417
354.4	WASTEWATER - STRUCT/IMPRV TREAT PLT	619,792	20,336	-	640,127	\$ 84,708	-	\$ 704,500	21,362	-	661,489
354.5	WASTEWATER - STRUCT/IMPRV RECLAIM WTP	-	-	-	-	\$ -	-	\$ -	-	-	-
354.6	WASTEWATER - STRUCT/IMPRV RECLAIM WTR DIST PLT	-	-	-	-	\$ -	-	\$ -	-	-	-
354.7	WASTEWATER - STRUCT/IMPRV GEN PLT	670,154	8,063	-	678,217	\$ -	-	\$ 670,154	8,470	-	686,687
355.4	WASTEWATER - POWER GEN EQUIP TREAT PLT	6,221	749	-	6,970	\$ 218	-	\$ 6,439	787	-	7,758
360.2	WASTEWATER - SEWER FORCE MAIN	406,681	27,390	-	434,072	\$ -	-	\$ 406,681	12,220	-	446,292
361.2	WASTEWATER - SEWER GRAVITY MAIN	6,155,264	170,791	-	6,326,055	\$ 54,544	-	\$ 6,209,808	171,623	-	6,497,678
361.2	WASTEWATER - MANHOLES	63,892	5,495	-	69,387	\$ 17,046	-	\$ 80,939	5,772	-	75,159
362.2	WASTEWATER - SPECIAL COLL STRUCTURES	-	-	-	-	\$ -	-	\$ -	-	-	-
363.2	WASTEWATER - SERVICES TO CUSTOMERS	28,156	2,298	-	30,454	\$ -	-	\$ 28,156	2,414	-	32,868
364.2	WASTEWATER - FLOW MEASURE DEVICES	41,994	7,613	-	49,607	\$ 50,363	-	\$ 92,358	7,997	-	57,604
365.2	WASTEWATER - FLOW MEASURE INSTALL	87,794	46	-	87,839	\$ -	-	\$ 87,794	48	-	87,887
370.3	WASTEWATER - RECEIVING WELLS	168	-	-	168	\$ -	-	\$ 168	-	-	168
371.3	WASTEWATER - PUMPING EQUIPMENT PUMP PLT	145,659	10,085	-	155,743	\$ 27,221	(9,923)	\$ 162,957	10,593	-	166,337
371.5	WASTEWATER - PUMPING EQUIPMENT RECLAIM WTP	-	-	-	-	\$ -	-	\$ -	-	-	-
380.4	WASTEWATER - TREAT/DISP EQUIP LAGOON	320,027	59	-	320,086	\$ -	-	\$ 320,027	62	-	320,148
380.4	WASTEWATER - TREAT/DISP EQUIP TRT PLT	4,923,093	385,695	-	5,308,787	\$ 169,562	(28,964)	\$ 5,063,691	677,280	-	5,986,068
380.5	WASTEWATER - TREAT/DISP EQUIP RCL WTP	-	-	-	-	\$ -	-	\$ -	-	-	-
381.4	WASTEWATER - PLANT SEWERS TRTMT PLT	77,908	2,779	-	80,687	\$ 34,634	(27,928)	\$ 84,615	2,919	-	83,606
381.5	WASTEWATER - PLANT SEWERS RECLAIM WTP	-	-	-	-	\$ -	-	\$ -	-	-	-
382.4	WASTEWATER - OUTFALL LINES	-	-	-	-	\$ 813	(813)	\$ -	-	-	-
398.7	WASTEWATER - OTHER PLT TANGIBLE	1,000	-	-	1,000	\$ -	-	\$ 1,000	-	-	1,000
389.2	WASTEWATER - OTHER PLT COLLECTION	1,450	-	-	1,450	\$ 887	-	\$ 2,337	-	-	1,450
389.3	WASTEWATER - OTHER PLT PUMP	26,096	582	-	26,678	\$ 45	-	\$ 26,142	611	-	27,290
389.4	WASTEWATER - OTHER PLT TREATMENT	8,674	46	-	8,720	\$ 90	-	\$ 8,764	48	-	8,768
389.5	WASTEWATER - OTHER PLT RECLAIM WTR TRT	-	-	-	-	\$ -	-	\$ -	-	-	-
354.7	WASTEWATER - OFFICE STRUCT & IMPRV	36,724	18,934	-	55,657	\$ 36,717	-	\$ 73,440	273,375	-	329,032
390.7	WASTEWATER - OFFICE FURN & EQPT	29,734	306	-	30,040	\$ 13,249	-	\$ 42,982	319	-	30,359
392.7	WASTEWATER - STORES EQUIPMENT	2,793	513	-	3,306	\$ 216	-	\$ 3,010	539	-	3,845
393.7	WASTEWATER - TOOL SHOP & MISC EQPT	134,884	9,370	-	144,254	\$ 22,913	(6,331)	\$ 151,466	9,842	-	154,096
394.7	WASTEWATER - LABORATORY EQPT	31,218	3,640	-	34,858	\$ 2,470	(1,977)	\$ 31,711	3,823	-	38,691
395.7	WASTEWATER - POWER OPERATED EQUIP	41,696	1,737	-	43,434	\$ -	-	\$ 41,696	1,825	-	45,268
396.7	WASTEWATER - COMMUNICATION EQPT	18,148	915	-	19,063	\$ 271	-	\$ 18,419	961	-	20,024
397.7	WASTEWATER - MISC EQUIP SEWER	1,170	205	-	1,375	\$ -	-	\$ 1,170	215	-	1,590
398.7	WASTEWATER - OTHER TANGIBLE PLT SEWER	3,705	-	-	3,705	\$ -	-	\$ 3,705	-	-	3,705
374.5	WASTEWATER - REUSE DIST RESERVOIRS	-	-	-	-	\$ -	-	\$ -	-	-	-
375.6	WASTEWATER - REUSE TRANSMISSION & DIST SYS	2,438	-	-	2,438	\$ -	-	\$ 2,438	-	-	2,438
341.5	WASTEWATER - TRANSPORTATION EQPT	196,183	18,846	-	215,029	\$ 5,213	-	\$ 201,396	37,692	-	252,721
340.5	WASTEWATER - MAINFRAME COMPUTER	11,616	-	-	11,616	\$ 101	-	\$ 11,717	-	-	11,616
340.5	WASTEWATER - MINI COMPUTERS	70,625	8,244	-	78,868	\$ 16,705	-	\$ 87,330	8,491	-	87,359
340.5	WASTEWATER - COMP SYS COST	303,921	10,686	-	314,608	\$ 54,217	-	\$ 358,139	15,495	-	330,103
340.5	WASTEWATER - MICRO SYS COST	6,009	-	-	6,009	\$ 52	-	\$ 6,062	-	-	6,009
348.5/398.7	WASTEWATER - OTHER PLANT	-	-	-	-	\$ -	-	\$ -	-	-	-
	Total Plant in Service	\$ 15,538,788	\$ 730,724	\$ -	\$ 16,269,513	\$ 610,472	\$ (75,936)	\$ 16,073,325	\$ 1,290,861	\$ -	\$ 17,560,373

[1] Per Books and General Ledger Additions amounts are net of retirements.



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April 1, 2021

**Via Electronic Filing**

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

RE: Community Utilities of Pennsylvania Inc. Water & Wastewater Divisions; Docket  
Nos. R-2019-3008947, R-2019-3008948, C-2019-3009591, C-2019-3009592, C-  
2019-3011086 and C-2019-3011091; **COMPLIANCE FILING**

Dear Secretary Chiavetta:

In compliance with paragraph 28 of the Joint Petition for Full Settlement dated September 6, 2019, and the Recommended Decision entered on September 27, 2019 by the Pennsylvania Public Utility Commission (“Commission”) in the above-captioned proceeding, enclosed you will find Community Utilities of Pennsylvania Inc. Water and Wastewater Divisions’ updated capital reporting compliance filing. This compliance filing is being filed and served electronically pursuant to the COVID-19 Suspension Emergency Order dated March 20, 2020 and ratified March 26, 2020.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me at (717) 236-1300.

Very truly yours,

*/s/ Bryce R. Beard*

Thomas J. Sniscak (Attorney ID No. 33891)  
Whitney E. Snyder (Attorney ID No. 316625)  
Bryce R. Beard (Attorney ID No. 325837)

*Counsel for Community Utilities of Pennsylvania  
Inc.*

WES/das  
Enclosure  
cc: Per Certificate of Service

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

### **BY ELECTRONIC MAIL**

Allison C. Kaster  
Deputy Chief Prosecutor  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
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/s/ Bryce R. Beard

Thomas J. Sniscak  
Whitney E. Snyder  
Bryce R. Beard

Dated this 1<sup>st</sup> day of April, 2021

Community Utilities of PA, Inc.  
Capital Reporting Update  
As of December 31, 2020  
Docket: R-2019-3008947 & R-2019-3008948

Westgate			2019			2020		
	Date Started	Projected Completion	As Filed	Actual	Difference	As Filed	Actual	Difference
<b>Capital Projects Included in Filing</b>								
Westgate Water Main Replacement	1/1/2019	12/31/2019	\$ 680,385	\$ 498,358	\$ 182,027	\$ -	\$ 191	\$ (191)
Westgate Demo	12/1/2020	4/30/2021	-	-	-	[6] 507,410	52,763	454,646
<b>Capital Projects Not Included in Filing</b>								
N/A								
UIP			2019			2020		
	Date Started	Projected Completion	As Filed	Actual	Difference	As Filed	Actual	Difference
<b>Capital Projects Included in Filing</b>								
Controls and SCADA Improvement UIP	8/1/2020	5/31/2021	\$ -	\$ -	\$ -	\$ 164,396	\$ 146,475	\$ 17,921
UIP C&T Project 2020	11/1/2020	1/31/2021	-	-	-	77,154	88,439	(11,286)
UIP Huber Screen	4/1/2019	10/31/2020	116,000	20,015	95,985	-	174,961	(174,961)
UIP 2019 I&I	[1] Consolidated into 2020 C&T		77,154	-	77,154	-	-	-
UIP Structure Recondition	10/1/2020	10/31/2020	-	-	-	80,886	78,010	2,877
<b>Capital Projects Not Included in Filing</b>								
UIP Emergency Electric Upgrade	8/1/2019	10/31/2020	-	62,307	(62,307)	-	119,538	(119,538)
UIP Lift Station Grinder	[4] 10/1/2019	3/31/2020	-	88	(88)	-	57,889	(57,889)
PEUI			2019			2020		
	Date Started	Projected Completion	As Filed	Actual	Difference	As Filed	Actual	Difference
<b>Capital Projects Included in Filing</b>								
Corrosion Control PEUI	[2] 12/1/2020	3/31/2021	\$ -	\$ -	\$ -	\$ 154,431	\$ 45,460	\$ 108,971
Lift Station 1 Replacement	7/1/2020	7/31/2021	216,489	-	216,489	[7] -	111,657	(111,657)
PEUI 2019 I&I	10/1/2019	10/31/2019	77,154	49,043	28,110	-	-	-
Controls and SCADA	7/1/2019	11/30/2020	-	238,917	(238,917)	204,750	71,974	132,776
PEUI Generator Installation	11/1/2020	1/31/2021	-	-	-	[8] 102,375	317,693	(215,318)
PEUI C&T Project 2020	[3] 10/1/2020	11/30/2020	-	-	-	77,154	195,412	(118,258)
Inspect/Paint GST	Not Yet Started	8/31/2021	-	-	-	[9] 203,968	4,577	199,390
PEUI Structure Recondition	7/1/2020	10/31/2020	-	-	-	68,982	81,064	(12,082)
<b>Capital Projects Not Included in Filing</b>								
PEUI Emergency EQ Valves	[5] 8/1/2019	8/31/2019	-	65,922	(65,922)	-	-	-

**Footnotes**

- [1] As part of a strategic shift in our Asset Management Program, this project was deferred to 2020 where 100% of the collection system will be inspected.
- [2] The project "Corrosion Control PEUI" was delayed and costs reduced due to the scope of engineering and installation not being as exhaustive as anticipated.
- [3] The scope of the 2019 I&I project for PEUI system (10% collection system inspection and remediation) was adjusted to a full system smoke testing and remediation. As part of a strategic shift in our Asset Management Program, 100% of the collection system will be inspected in 2020. Additional overages due to heavy cleaning, cutting open manholes, and trouble finding materials.
- [4] Unanticipated project. Recurring blockages within the lift station were requiring confined space entry to clean the basket screen. Due to safety concerns, a grinder will be installed to replace the basket screen.
- [5] Unanticipated project. Potential for environmental compliance violations were recognized, which required installation of valves for certain equalization tanks and a change to piping configuration.
- [6] Project was delayed due to permitting. Projected completion in April 2021.
- [7] Project was delayed due to permitting. Projected completion in July 2021.
- [8] Project was more extensive than originally anticipated.
- [9] Project was delayed due to the pandemic. Projected completion in August 2021.

Community Utilities of Pennsylvania Inc.  
Water Division  
Original Cost Utility Plant in Service for the Base Year Ended December 31, 2018  
Future Test Year Ended December 31, 2019, and FPFTY Ended December 31, 2020  
Answer to 52 Pa. Code 53.52 (c)(3)

Water Operations		Hardcode	Hardcode	Hardcode	Hardcode				Hardcode	Hardcode	Hardcode			
NARUC Acct. No.	Account Description	Per Books Base Year Ended 12/31/2018	Future Test Year 2019 GL Additions & Pro-forma Plant	Future Test Year 2019 Retirements [1]	Pro Forma Plant Future Test Year Ended 12/31/2019	Actual 2019 GL Additions & Pro-forma Plant	Actual 2019 Retirements	Actual Year Ended 12/31/2019	FPFTY 2020 GL Additions & Pro-forma Plant	FPFTY 2020 Retirements [1]	Pro Forma Plant FPFTY Ended 12/31/2020	Actual 2020 GL Additions & Pro-forma Plant	Actual 2020 Retirements [1]	Actual Year Ended 12/31/2020
301.1	WATER - ORGANIZATION	\$ 219,938	\$ -	\$ -	\$ 219,938	\$ -	\$ -	\$ 219,938	-	\$ -	\$ 219,938	\$ 12,156	\$ -	\$ 232,094
302.1	WATER - FRANCHISES	6,608	-	-	6,608	-	-	6,608	-	-	6,608	-	-	6,608
303.2	WATER - LAND & LAND RIGHTS PUMP	-	-	-	-	-	-	-	-	-	-	-	-	-
303.3	WATER - LAND & LAND RIGHTS WTR TRT	-	-	-	-	-	-	-	-	-	-	-	-	-
303.4	WATER - LAND & LAND RIGHTS TRANS DIST	-	-	-	-	-	-	-	-	-	-	-	-	-
303.5	WATER - LAND & LAND RIGHTS GEN PLT	7,202	272	-	7,475	(5)	-	7,198	286	-	7,761	37,145	-	44,343
304.2	WATER - STRUCT & IMPRV SRC SUPPLY	75,384	6,055	-	81,439	1,908	-	77,292	6,360	-	87,799	-	-	77,292
304.3	WATER - STRUCT & IMPRV WTR TRT PLT	32,333	1,340	-	33,673	-	-	32,333	1,407	-	35,080	5,330	-	37,663
304.4	WATER - STRUCT & IMPRV TRANS DIST PLT	12,015	2,103	-	14,118	-	-	12,015	2,210	-	16,328	(0)	-	12,015
304.5	WATER - STRUCT & IMPRV GEN PLT	63,435	263	-	63,697	-	-	63,435	276	-	63,973	272,455	-	335,890
305.2	WATER - COLLECTING RESERVOIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
307.2	WATER - WELLS & SPRINGS	637,396	57,524	-	694,920	80,994	(4,612)	713,778	5,253	-	700,172	4,008	-	717,786
309.2	WATER - SUPPLY MAINS	123,003	1,825	-	124,827	611	-	123,614	1,917	-	126,744	768	-	124,382
310.2	WATER - POWER GENERATION EQUIP	917	-	-	917	-	-	917	-	-	917	-	-	917
311.2	WATER - ELECTRIC PUMP EQUIP SRC PUMP	6,686	720	-	7,406	13,902	(5,463)	15,125	757	-	8,163	31,336	(1,029)	45,432
311.3	WATER - ELECTRIC PUMP EQUIP WTP	242,870	13,468	-	256,338	24,818	-	267,688	14,148	-	270,468	46,080	-	313,768
311.4	WATER - ELECTRIC PUMP EQUIP TRANS DIST	9,189	314	-	9,503	-	-	9,189	329	-	9,832	71	-	9,260
320.3	WATER - WATER TREATMENT EQPT	100,386	3,261	-	103,646	2,565	-	102,951	157,856	-	261,503	11,119	(2,830)	111,240
330.4	WATER - DIST RESV & STANDPIPES	1,176,915	7,201	-	1,184,115	4,773	-	1,181,687	211,532	-	1,395,647	1,579	(847)	1,182,419
331.4	WATER - TRANS & DISTR MAINS	3,586,699	719,705	-	4,306,404	533,822	-	4,120,521	41,304	-	4,347,707	11,730	-	4,132,251
333.4	WATER - SERVICE LINES	522,145	38,116	-	560,261	77,246	(8,026)	591,365	40,040	-	600,301	40,343	-	631,708
334.4	WATER - METERS	631,315	21,917	-	653,231	7,374	(225)	638,464	23,023	-	676,254	17,217	(2,126)	653,554
334.4	WATER - METER INSTALLATIONS	86,037	9,424	-	95,461	295	-	86,332	9,900	-	105,361	9,476	-	95,808
335.4	WATER - HYDRANTS	410,080	40,558	-	450,637	32,213	-	442,293	20,535	-	471,173	25,594	-	467,886
336.4	WATER - BACKFLOW PREVENTION DEVICES	-	-	-	-	-	-	-	-	-	-	19,660	(19,660)	-
339.3	WATER - OTH PLT&MSC EQUIP WTP	-	-	-	-	-	-	-	-	-	-	-	-	-
304.5	WATER - OFFICE STRUCT & IMPRV	31,478	16,229	-	47,707	31,472	-	62,950	234,325	-	282,032	(349)	-	62,601
340.5	WATER - OFFICE FURN & EQPT	25,486	262	-	25,749	11,356	-	36,843	273	-	26,022	(274)	-	36,569
343.5	STORES EQUIPMENT	400	70	-	470	-	-	400	74	-	544	7,695	-	8,095
343.5	WATER - TOOL SHOP & MISC EQPT	115,617	8,031	-	123,648	24,064	(8,850)	129,830	8,437	-	132,085	20,275	-	150,106
344.5	WATER - LABORATORY EQUIPMENT	26,759	3,120	-	29,879	946	(524)	27,181	3,277	-	33,156	(2,661)	-	24,520
345.5	WATER - POWER OPERATED EQUIP	35,740	1,489	-	37,229	-	-	35,740	1,564	-	38,794	(284)	-	35,456
346.5	WATER - COMMUNICATION EQPT	15,556	784	-	16,340	232	-	15,788	824	-	17,164	143,320	-	159,108
347.5	WATER - MISC EQUIPMENT	-	-	-	-	-	-	-	-	-	-	17,228	-	17,228
392.7	WATER - STORES EQUIPMENT	1,994	369	-	2,364	185	-	2,180	388	-	2,752	(2,180)	-	-
341.5	WATER - TRANSPORTATION EQPT	168,159	16,154	-	184,313	4,468	-	172,628	32,308	-	216,621	9,628	-	182,255
340.5	WATER - DESKTOP COMPUTER	-	-	-	-	-	-	-	-	-	-	45	-	45
340.5	WATER - MAINFRAME COMPUTER	9,956	-	-	9,956	87	-	10,043	-	-	9,956	(73)	-	9,970
340.5	WATER - MINI COMPUTERS	60,536	7,066	-	67,603	14,319	-	74,855	7,278	-	74,881	19,100	-	93,955
340.5	WATER - COMP SYS COST	260,508	9,160	-	269,668	46,473	-	306,981	13,282	-	282,950	(1,468)	-	305,513
340.5	WATER - MICRO SYS COST	5,151	-	-	5,151	45	-	5,196	-	-	5,151	(38)	-	5,158
346.5/988.7	WATER - OTHER PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Plant in Service	\$ 8,707,891	\$ 986,800	\$ -	\$ 9,694,691	\$ 914,165	\$ (28,700)	\$ 9,593,356	\$ 839,161	\$ -	\$ 10,533,852	\$ 756,031	\$ (26,493)	\$ 10,322,894

[1] Company has Water CWIP balances of \$599,617 as of 12/31/2020  
[2] Company experienced capital project delays due to the pandemic

Community Utilities of Pennsylvania Inc.  
Wastewater Division  
Original Cost Utility Plant in Service for the Base Year Ended December 31, 2019  
Future Test Year Ended December 31, 2019, and FPFTY Ended December 31, 2020  
Answer to 52 Pa. Code 53.52 (c)(3)

**Wastewater Operations**

NARUC Acct.		Per Books Base Year	Future Test Year	Future Test	Pro Forma Plant	Actual	Actual 2019	Actual Year	FPFTY 2020	FPFTY 2020	Pro Forma Plant	Actual	Actual 2020	Actual Year
No.	Account Description	Ended 12/31/2018	2019 GL Additions & Pro-forma Plant	Year 2019 Retirements [1]	Future Test Year Ended 12/31/2019	2019 GL Additions & Pro-forma Plant	Retirements	Ended 12/31/2019	GL Additions & Pro-forma Plant	Retirements [1]	FPFTY Ended 12/31/2020	2020 GL Additions & Pro-forma Plant	Retirements	Ended 12/31/2020
351.1	WASTEWATER - ORGANIZATION	\$ 286,959	\$ -	\$ -	\$ 286,959	\$ -	\$ -	\$ 286,959	\$ -	\$ -	\$ 286,959	\$ (12,156)	\$ -	\$ 274,803
352.1	WASTEWATER - FRANCHISES INTANG PLT	-	-	-	-	-	-	-	-	-	-	-	-	-
353.1	WASTEWATER - LAND & LAND RIGHTS INTANG PLT	-	-	-	-	-	-	-	-	-	-	-	-	-
353.3	WASTEWATER - LAND AND RIGHTS COLLECTIONS	-	-	-	-	-	-	-	-	-	-	15,000	-	15,000
353.7	WASTEWATER - LAND & LAND RIGHTS GEN PLT	-	-	-	-	-	-	-	-	-	-	(52,144)	-	52,503
354.2	WASTEWATER - STRUCT/MPRV COLL PLT	89,625	124	-	89,625	15,021	-	104,647	-	-	89,625	(0)	-	3,026
354.3	WASTEWATER - STRUCT/MPRV PUMP PLT LS	684,288	15,181	-	699,470	3,192	-	687,480	130	-	715,417	(0)	-	687,480
354.4	WASTEWATER - STRUCT/MPRV TREAT PLT	619,792	20,336	-	640,127	84,708	-	704,500	21,362	-	661,489	278,317	-	982,817
354.5	WASTEWATER - STRUCT/MPRV RECLAIM WTP	-	-	-	-	-	-	-	-	-	-	-	-	-
354.6	WASTEWATER - STRUCT/MPRV RECLAIM WTR DIST PLT	-	-	-	-	-	-	-	-	-	-	-	-	-
354.7	WASTEWATER - STRUCT/MPRV GEN PLT	670,154	8,063	-	678,217	-	-	670,154	8,470	-	686,687	(272,455)	-	397,699
355.3	WASTEWATER - POWER GEN EQUIP PUMP PLT	-	-	-	-	-	-	-	-	-	-	-	-	-
355.4	WASTEWATER - POWER GEN EQUIP TREAT PLT	6,221	749	-	6,970	218	-	6,439	787	-	7,758	10,524	-	16,963
360.2	WASTEWATER - SEWER FORCE MAIN	406,681	27,390	-	434,072	-	-	406,681	12,220	-	446,292	(0)	-	406,681
361.2	WASTEWATER - SEWER GRAVITY MAIN	6,155,264	170,791	-	6,326,055	54,544	-	6,209,808	171,623	-	6,497,678	4,032	(1,029)	6,212,811
361.2	WASTEWATER - MANHOLES	63,892	5,495	-	69,387	17,046	-	80,939	5,772	-	75,159	60,573	-	131,511
362.2	WASTEWATER - SPECIAL COLL STRUCTURES	-	-	-	-	-	-	-	-	-	-	-	-	57,977
363.2	WASTEWATER - SERVICES TO CUSTOMERS	28,156	2,298	-	30,454	-	-	28,156	2,414	-	32,868	35,544	(2,830)	60,870
364.2	WASTEWATER - FLOW MEASURE DEVICES	41,994	7,613	-	49,607	50,363	-	92,358	7,997	-	57,604	16,515	(847)	106,026
365.2	WASTEWATER - FLOW MEASURE INSTALL	87,794	46	-	87,839	87,794	-	87,794	46	-	87,887	0	-	87,794
370.3	WASTEWATER - RECEIVING WELLS	168	-	-	168	-	-	168	-	-	168	-	-	168
371.3	WASTEWATER - PUMPING EQUIPMENT PUMP PLT	145,659	10,085	-	155,743	27,221	(9,923)	162,957	10,593	-	166,337	13,629	(2,126)	174,460
371.5	WASTEWATER - PUMPING EQUIPMENT RECLAIM WTP	-	-	-	-	-	-	-	-	-	-	-	-	-
380.4	WASTEWATER - TREAT/DISP EQUIP LAGOON	320,027	59	-	320,086	-	-	320,027	62	-	320,148	-	-	320,027
380.4	WASTEWATER - TREAT/DISP EQUIP TRT PLT	4,923,093	385,695	-	5,308,787	169,562	(28,964)	5,063,691	677,280	-	5,986,068	390,823	(19,660)	5,434,854
380.5	WASTEWATER - TREAT/DISP EQUIP RCL WTP	-	-	-	-	-	-	-	-	-	-	-	-	-
381.4	WASTEWATER - PLANT SEWERS TRTMT PLT	77,908	2,779	-	80,687	34,634	(27,928)	84,615	2,919	-	83,606	29,191	-	113,806
381.5	WASTEWATER - PLANT SEWERS RECLAIM WTP	-	-	-	-	-	-	-	-	-	-	-	-	-
382.4	WASTEWATER - OUTFALL LINES	-	-	-	-	813	(813)	-	-	-	-	887	-	887
398.7	WASTEWATER - OTHER PLT TANGIBLE	1,000	-	-	1,000	-	-	1,000	-	-	1,000	3,705	-	4,705
398.2	WASTEWATER - OTHER PLT COLLECTION	1,450	-	-	1,450	887	-	2,337	-	-	1,450	(887)	-	1,450
399.3	WASTEWATER - OTHER PLT PUMP	26,096	582	-	26,678	45	-	26,142	611	-	27,290	(0)	-	26,142
399.4	WASTEWATER - OTHER PLT TREATMENT	8,674	46	-	8,720	90	-	8,764	48	-	8,768	6,550	-	15,315
399.5	WASTEWATER - OTHER PLT RECLAIM WTR TRT	-	-	-	-	-	-	-	-	-	-	-	-	-
354.7	WASTEWATER - OFFICE STRUCT & MPRV	36,724	18,934	-	55,657	36,717	-	73,440	273,375	-	320,032	680	-	74,130
390.7	WASTEWATER - OFFICE FURN & EQPT	29,734	306	-	30,040	13,249	-	42,982	319	-	30,359	316	-	43,298
392.7	WASTEWATER - STORES EQUIPMENT	2,793	513	-	3,306	216	-	3,010	539	-	3,845	6,575	-	9,585
393.7	WASTEWATER - TOOL SHOP & MISC EQPT	134,884	9,370	-	144,254	22,913	(6,331)	151,466	9,842	-	154,096	26,281	-	177,728
394.7	WASTEWATER - LABORATORY EQPT	31,218	3,640	-	34,858	2,470	(1,977)	31,711	3,823	-	38,681	(2,678)	-	29,032
395.7	WASTEWATER - POWER OPERATED EQUIP	41,696	1,737	-	43,434	-	-	41,696	1,825	-	45,258	294	-	41,981
396.7	WASTEWATER - COMMUNICATION EQPT	18,148	915	-	19,063	271	-	18,419	961	-	20,024	169,967	-	188,387
397.7	WASTEWATER - MISC EQUIP SEWER	1,170	205	-	1,375	-	-	1,170	215	-	1,590	19,228	-	20,398
398.7	WASTEWATER - OTHER TANGIBLE PLT SEWER	3,705	-	-	3,705	-	-	3,705	-	-	3,705	(3,705)	-	-
374.5	WASTEWATER - REUSE DIST RESERVOIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
375.6	WASTEWATER - REUSE TRANSMISSION & DIST SYS	2,438	-	-	2,438	-	-	2,438	-	-	2,438	813	-	3,251
341.5	WASTEWATER - TRANSPORTATION EQPT	196,183	18,846	-	215,029	5,213	-	201,396	37,692	-	252,721	14,398	-	215,794
340.5	WASTEWATER - DESKTOP COMPUTER	-	-	-	-	-	-	-	-	-	-	53	-	53
340.5	WASTEWATER - MAINFRAME COMPUTER	11,616	-	-	11,616	101	-	11,717	-	-	11,616	88	-	11,805
340.5	WASTEWATER - MINI COMPUTERS	70,625	8,244	-	78,868	16,705	-	87,330	8,491	-	87,359	23,915	-	111,244
340.5	WASTEWATER - COMP SYS COST	303,921	10,686	-	314,608	54,217	-	358,139	15,495	-	330,103	3,594	-	361,732
340.5	WASTEWATER - MICRO SYS COST	6,009	-	-	6,009	52	-	6,062	-	-	6,009	46	-	6,107
348.5/398.7	WASTEWATER - OTHER PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Plant in Service	\$ 15,538,788	\$ 730,724	\$ -	\$ 16,269,513	\$ 610,472	\$ (75,936)	\$ 16,073,325	\$ 1,290,861	\$ -	\$ 17,560,373	\$ 835,457	\$ (26,493)	\$ 16,882,290

[1] Company has Wastewater CWIP balances of \$709,957 as of 12/31/2020

[2] Company experienced capital project delays due to the pandemic

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

### **BY ELECTRONIC MAIL ONLY**

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/s/ Thomas J. Sniscak

Thomas J. Sniscak  
Whitney E. Snyder  
Bryce R. Beard

Dated this 16<sup>th</sup> day of November, 2021.