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January 7, 2022

Via Electronic Filing

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

In Re: Application of Columbia Water Company Pursuant to Sections 1102 of the Public Utility Code For: Approval Of the Acquisition Of the Water System Of East Donegal Township Municipal Authority; Approval Of The Right For Columbia Water Company To Offer, Render Furnish And Supply Water Service To The Public In Portions Of East Donegal Township, Lancaster County; Registration Of A Securities Certificate; And all Other Approvals Or Certificates Appropriate, Customary Or Necessary Under The Public Utility Code To Carry Out The Transactions Described In The Application; Request For Certificates Of Filing For Contracts Between Columbia Water Company And East Donegal Township Municipal Authority, Pursuant To Section 507 Of The Public Utility Code; Docket No. A-2021-3027134 and S-2021-3027145; **RESPONSES TO BUREAU OF TECHNICAL SERVICES' DATA REQUESTS, SET 2**

Dear Secretary Chiavetta,

Enclosed for filing on behalf of Columbia Water Company please find responses to BTUS Data Requests, Set 2 in this proceeding.

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
January 7, 2022
Page 2

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

Respectfully submitted,

/s/ Whitney E. Snyder

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

Counsel for Columbia Water Company

WES/das
Enclosure

cc: David Lewis
Michael Davis (mdavis@barley.com)
Daniel Desmond (ddesmond@barley.com)

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 2

A-35. The Application’s Paragraph IV, Other Regulatory Approvals, indicated Columbia Water will seek any necessary approvals to transfer permits or rights from the Pennsylvania Department of Environmental Protection. Please clarify whether Columbia Water will seek approvals to transfer permits or rights from the Susquehanna River Basin Commission.

RESPONSE: Yes, Columbia Water will seek any necessary approvals to transfer permits or rights from the Susquehanna River Basin Commission.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-36. Please specify the number of public fire protection customers served by EDTMA, the number of fire hydrants that would be subject to Columbia Water’s proposed “Fire Hydrant Fee” rate for public fire protection customers upon closing of the transaction, and the number of service lines that would be subject to Columbia Water’s proposed “Fire Service Fee” rate for public fire protection customers upon closing of the transaction.

RESPONSE:

Consistent with the Purchase Agreement and the Application, Columbia Water will keep current EDTMA rates in place for EDTMA customers for at least three years. At this time, there is no “proposed ‘Fire Hydrant Fee’” or “Fire Service Fee” for EDTMA and won’t be until a future base rate proceeding as described below.

See Columbia Water’s response to TUS Set I, A-10 (pro forma tariff supplement), listing each of the above referenced fees as “none”.

Consistent with 66 Pa. C.S. § 1328, Columbia Water will seek to address any charges for public fire protection in its next base rate proceeding and at least three years after closing of the proposed transaction. Columbia Water notes that the Public Utility Code is permissive as to recovery of public fire protection fees, *id.* § 1328(b) and requires timing of changes of fees to be within a base rate case, *id.* § 1328(b)(1).

Columbia Water also provides the following information regarding fire hydrants and service:

- Seven fire service lines, broken down as follows: one 2” fire service, three 4” fire services and three 6” fire services.
- 130 fire hydrants total.
- 20 private fire hydrants.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-37. Please clarify whether EDTMA serves any customers that would be considered private fire protection customers under Columbia Water’s current effective tariff. If so, please provide responses for each of the following:

- a. Specify the number of private fire protection customers that would be served by Columbia Water after closing;
- b. Provide an amended pro forma tariff supplement that includes Columbia Water’s proposed rates for private fire protection service;
- c. Specify the number of fire hydrants that would be subject to Columbia Water’s proposed private fire protection service rates upon closing of the transaction; and
- d. Specify the number of service lines that would be subject to Columbia Water’s proposed private fire protection service rates upon closing of the transaction.

RESPONSE: See response to A-36.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-38. Under the APA’s Section 2(e), EDTMA is entitled to billed and unbilled revenues for water service provided by EDTMA prior to the day of closing, where unbilled revenue is determined by EDTMA and Columbia Water using a ratio of the number of days prior to the day of closing to the number of days in the unbilled quarter. Columbia Water is authorized to act as EDTMA’s collection agent for any of EDTMA’s accounts receivable, although Columbia Water will not attempt to collect EDTMA accounts receivable that are greater than 90 days old on the closing date. Regarding this arrangement, please confirm whether the following apply, or explain why the following do not apply:

- a. Pursuant to 52 Pa. Code § 56.13, any EDTMA charges that may be billed by Columbia Water will appear after charges for basic services rendered by Columbia Water and will appear in a separate and distinct manner;
- b. Pursuant to 52 Pa. Code § 56.23, payments received by Columbia Water without written instructions that they be applied to EDTMA’s charges and which are insufficient to pay the balance due will be applied to Columbia Water’s charges before being applied to EDTMA’s charges;
- c. Pursuant to 52 Pa. Code § 56.83(3), Columbia Water will not terminate service due to unpaid EDTMA charges; and
- d. Since EDTMA charges are not charges for services rendered by Columbia Water, Columbia Water will not charge its late fees for unpaid EDTMA charges.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-39. Columbia Water’s response to Data Request A-12 indicated that Columbia Water intends to exempt EDTMA customers from its PVS. However, Columbia Water’s pro forma tariff supplement, provided in response to Data Request A-10, does not include language describing applicable modifications that Columbia Water will make to individual components of its PVS calculation. These modifications may include changes to EDU’s to exclude those EDU’s associated with the transaction. Please provide an amended pro forma tariff supplement that describes modifications that Columbia Water will make to the components of the PVS calculation after closing on the proposed transaction.

RESPONSE: See attached updated pro forma tariff.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-40. Columbia Water’s response to Data Request A-13 indicated that Columbia Water will not include capital improvements to the EDTMA system in its DSIC and that the transaction will not impact quarterly revenues from the DSIC for this period. However, Columbia Water’s pro forma tariff supplement, provided in response to Data Request A-10, does not include language describing applicable modifications that Columbia Water will make to individual components of its DSIC calculation. These modifications may include changes to PQR to exclude certain revenues and to PTRR to exclude certain financing associated with the transaction (i.e., the EDTMA Loan) or related capital improvements. Please provide an amended pro forma tariff supplement that describes any modifications that Columbia Water will make to the components of its DSIC calculation after closing on the proposed transaction.

RESPONSE: See attached updated pro forma tariff.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-41. Please provide either of the following: (1) a verified statement that Columbia Water will not consider capital improvements made to the EDTMA system to be DSIC-eligible property until both the EDTMA system has been incorporated into a Commission-approved LTIP and EDTMA customers are subject to Columbia Water’s DSIC; or (2) an amended pro forma tariff supplement that describes applicable modifications that Columbia Water will make to individual components of its DSIC calculation, which may include modifications Columbia Water may make to DSIC to exclude the original cost and accumulated depreciation of EDTMA system capital investments and to “dep” to exclude depreciation associated with EDTMA system capital investments.

RESPONSE: See attached updated pro forma tariff.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-42. Columbia Water’s pro forma tariff supplement, provided in response to Data Request A-10, specifies residential customer rates of \$48 per quarter, which includes the first 9,000 gallons of water used per quarter, plus \$2.10 for each additional 1,000 gallons of water used. However, the pro forma tariff supplement does not specify monthly rates for residential customers. Pursuant to 52 Pa. Code § 56.2, residential customers must be permitted to receive bills monthly. Please provide an amended pro forma tariff supplement that includes tariff language that describes the monthly rates that Columbia Water will charge to EDTMA District residential customers that receive bills monthly and the default billing period (i.e., quarterly or monthly) that will apply if a residential customer does not elect a different billing period.

RESPONSE: 52 Pa. Code § 56.2 specifically allows for quarterly billing for water customers. To the extent any EDTMA customer wants to elect a monthly billing period, Columbia Water has included additional changes in the attached updated pro forma tariff.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

Application of Columbia Water Company for approval of the right to: (1) acquire, by sale, substantially all the water systems assets of East Donegal Township Municipal Authority; and (2) begin to offer, render, furnish and supply water service to the public in portions of East Donegal Township, Lancaster County, Pennsylvania; Docket No. A-2021-3027134

COLUMBIA WATER COMPANY’S RESPONSES TO BUREAU OF TECHNICAL SERVICES’ DATA REQUESTS, SET 1

A-43. Columbia Water’s pro forma tariff supplement, provided in response to Data Request A-10, specified a rate of \$8 per quarter for “Late Payment Charge”. However, pursuant to 52 Pa. Code § 56.22(a), public utilities may not levy or assess a late charge or penalty on any overdue public utility bill in an amount which exceeds 1.5% interest per month on the overdue balance of the bill. Also, the pro forma tariff supplement does not specify the late payment charge for customers that are billed monthly. Please provide an amended pro forma tariff supplement that includes tariff language describing the late charge or penalty rate that Columbia Water will charge to EDTMA District customers that receive bills monthly and that limits the amount of Columbia Water’s proposed late charge or penalty to an amount which does not exceed 1.5% interest per month on the overdue balance of the bill.

RESPONSE: See attached updated pro forma tariff.

PROVIDED BY: David T. Lewis

DATE: January 7, 2022

THE COLUMBIA WATER COMPANY

RATES, RULES, AND REGULATIONS GOVERNING
THE DISTRIBUTION OF WATER IN WEST HEMPFIELD, RAPHO,
EAST DONEGAL AND MANOR TOWNSHIPS AND
THE BOROUGHS OF COLUMBIA AND MOUNTVILLE, AND MARIETTA
LANCASTER COUNTY AND HELLAM TOWNSHIP, YORK COUNTY, PENNSYLVANIA

Issued: _____

Effective: _____

By: Donald H. Nikolaus, President
The Columbia Water Company
220 Locust Street
Columbia, PA 17512

NOTICE

This Tariff filing updates the Schedule of Rates and Rules and Regulations pursuant to the Pennsylvania Public Utility Commission’s Final Order in Docket No. A-2021-3027134.

See Page Two

Issued: _____

Effective: _____

List of Changes Made by this Supplement

Change:

Supplement No. 112 updates the Schedule of Rates and Rules and Regulations to include the service territory formerly known as the East Donegal Township Municipal Authority in accordance with the Pennsylvania Public Utility Commission's Ordering Paragraph [number] of the [date] Final Order entered in A-2021-3027134.

(C)

(C) Indicates Change

Issued: _____

Effective: _____

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(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

Issued: _____

Effective: _____

THE COLUMBIA WATER COMPANY
SCHEDULE OF RATES APPLICABLE TO EDTMA DISTRICT

Schedule of Rates – General Meter Rates EDTMA District

(C)

<u>Use Classification</u>	<u>Water Use Rates</u>
Residential Users (Quarterly):	
First 9,000 Gallons per Quarter	\$48.00 / Quarter
All over 9,000 Gallons per Quarter	\$2.10 / 1000 gal.
Residential Users (Monthly, if elected):	
First 3,000 Gallons per Month	\$16.00 / Month
All over 3,000 Gallons per Month	\$2.10 / 1000 gal.
Commercial Users (Quarterly):	
First 9,000 Gallons per Quarter	\$73.00 / Quarter
All over 9,000 Gallons per Quarter	\$2.10 / 1000 gal.
Commercial Users (Monthly, if elected):	
First 3,000 Gallons per Month	\$24.33/Month
All over 3,000 Gallons per Month	\$2.10 / 1000 gal.
Industrial Users:	
First 75,000 Gallons per Month	\$390.26 / Month
All over 75,000 Gallons per Month	\$3.00 / 1000 gal.
Farm Users (Quarterly):	
First 35,000 Gallons per Quarter	\$182.58 / Quarter
All over 35,000 Gallons per Quarter	\$2.10 / 1000 gal.
Farm Users (Monthly, if elected)	
First 11,667 Gallons per Month	\$60.86/ Month
All over 11,667 Gallons per Month	\$2.10/1000 gal.
Late Payment Charge	1.5% per month on overdue balance of the bill not to exceed 18% annum

(I) Indicates Increase (C) Indicates Change

THE COLUMBIA WATER COMPANY

5. The PENNVEST surcharge shall remain in effect until the principal and interest charges (amounts payable pursuant to the final amortization schedule) for the applicable loan have been collected. The surcharge mechanism will be continued but set at zero if there are no PENNVEST loans approved by the Commission for surcharge recovery.

6. The surcharge is solely designed to begin timely recovery of PENNVEST principal and interest loan obligations(s).

7. The Company will segregate all revenues dedicated for PENNVEST repayment so long as the surcharge remains in effect.

8. Subject to the Final Order at A-2021-3027134, customers within the EDTMA District are exempt from the PENNVEST Surcharge under the terms and conditions ordered therein. “EDU’s” as described in Paragraph 2 above shall not include EDTMA customers. (C)
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|

THE COLUMBIA WATER COMPANY
SCHEDULE OF FIRE PROTECTION RATES APPLICABLE TO THE EDTMA
DISTRICT

SCHEDULE OF FLAT RATES

(C)

PUBLIC FIRE PROTECTION SERVICE

Application

This Schedule is applicable to Public Fire Protection Service to the service territory formerly known as the East Donegal Township Municipal Authority.

PUBLIC FIRE PROTECTION SERVICE RATE

Fire Hydrant Fee:	NONE
Fire Service Fee:	NONE

Issued: _____

Effective: _____

**RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF WATER**

(Cont'd)

27. Distribution System Improvement Charge (DSIC)

Customer Safeguards

Cap: The DSIC will be capped at 5% of the amount billed to customers for service (including all applicable clauses and riders) as determined on an annualized basis.

Audit/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. **Any cost determined by the Commission not to comply with any provision of 66 Pa. C.S. §§ 1350, et seq. shall be credited to customer accounts. The DSIC is** subject to annual reconciliation based on a reconciliation period consisting of the 12 months ending December 31 of each year **or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval of the Commission.** The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on **April 1, of each year or in the next quarter if permitted by the Commission.** If DSIC revenues exceed DSIC-eligible costs, such overcollections will be refunded with interest. Interest on over-collections **and credits** will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. sec. 101, et seq.) and will be refunded in the same manner as an over-collection. **The Company is not permitted to accrue interest on under-collections.**

New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rate or rate base will be reflected in the quarterly updates of the DSIC.

All Customer Classes: The DSIC shall be applied equally to all customer classes except for customers within the EDTMA District pursuant to the terms and conditions contained in the Final Order entered at A-2021-3027134. For purposes of the DSIC calculation described above:

- DSI shall not include projects on property acquired from EDTMA.
- "DSIC-eligible property" shall not include property acquired from EDTMA.
- PQR shall not include projected or netted revenues from EDTMA customers.

Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section. **The Company shall file a tariff supplement implementing the reset to zero due to over-earning on one day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.**

(C)

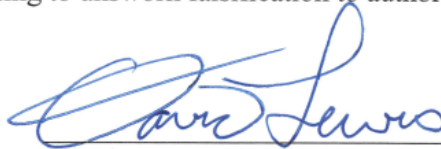
(C) Indicates Change

Issued: _____

Effective: _____

VERIFICATION

I, David T. Lewis, on behalf of Columbia Water Company, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



David T. Lewis, P.E.
General Manager
Columbia Water Company

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).

VIA ELECTRONIC MAIL ONLY

Erin L. Gannon
Office of Consumer Advocate
555 Walnut Street
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Harrisburg, PA 17101-1923
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Commonwealth Keystone Building
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/s/ Whitney E. Snyder

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

Dated: January 7, 2022