

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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February 17, 2022

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

Re: Tim S. McKercher  
Tracy L. Albrecht  
Leonard and Sabrina Bosse  
Dwight and Judy Dubs  
Keith C. Keller and Susan A. Belt

v.

Hanover Municipal Water Works  
Docket Nos. C-2020-3021080  
C-2020-3022354  
C-2020-3022724  
C-2020-3022725  
C-2020-3022804

Dear Secretary Chiavetta:

Attached for electronic filing please find the Joint Petition for Approval of Settlement of All Issues in the above-referenced proceedings.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

A handwritten signature in blue ink that reads "Erin L. Gannon".

Erin L. Gannon  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 83487  
E-Mail: [EGannon@paoca.org](mailto:EGannon@paoca.org)

Enclosures:

cc: The Honorable Mary Long (**email only**)  
Certificate of Service

\*324183

CERTIFICATE OF SERVICE

Re: Tim S. McKercher : Docket Nos. C-2020-3021080  
Tracy L. Albrecht : C-2020-3022354  
Leonard and Sabrina Bosse : C-2020-3022724  
Dwight and Judy Dubs : C-2020-3022725  
Keith C. Keller and Susan A. Belt : C-2020-3022804  
v. :  
Hanover Municipal Water Works :

I hereby certify that I have this day served a true copy of the following document, Joint Petition for Approval of Settlement of All Issues, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 17<sup>th</sup> day of February 2022.

**SERVICE BY E-MAIL ONLY**

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/s/ Erin L. Gannon  
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Dated: February 17, 2022  
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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Administrative Law Judge Mary D. Long

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Tim S. McKercher	:	Docket Nos. C-2020-3021080
Tracy L. Albrecht	:	C-2020-3022354
Leonard and Sabrina Bosse	:	C-2020-3022724
Dwight and Judy Dubs	:	C-2020-3022725
Keith C. Keller and Susan A. Belt	:	C-2020-3022804
	:	
v.	:	
	:	
Hanover Municipal Water Works	:	

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**JOINT PETITION FOR APPROVAL OF  
SETTLEMENT OF ALL ISSUES**

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**I. INTRODUCTION**

Borough of Hanover, Hanover Municipal Water Works (Hanover or Borough), the Office of Consumer Advocate (OCA), and Formal Complainants Tim S. McKercher, Tracy L. Albrecht, Leonard and Sabrina Bosse, Dwight and Judy Dubs, and Keith C. Keller and Susan A. Belt (collectively, the Joint Petitioners) hereby join in this Joint Petition for Approval of Settlement of All Issues (Settlement) and respectfully request that the Honorable Administrative Law Judge Mary D. Long (ALJ Long) recommend approval of, and the Pennsylvania Public Utility Commission (PUC or Commission) approve, this Settlement without modification.

In support of the Settlement, the Joint Petitioners state the following:

## **II. BACKGROUND AND PROCEDURAL HISTORY**

### **A. Formal Complaint Proceedings**

1. The Settlement pertains to the Formal Complaints (Formal Complaint Proceedings) filed by Tim McKercher, Tracy Albrecht, Leonard and Sabrina Bosse, Dwight and Judy Dubs, and Keith Keller and Susan Belt (collectively, the Formal Complainants) against Hanover, requesting the Commission determine that they are not responsible for paying any costs for installing the new service lines required by Hanover's relocation of the main supplying their water as part of the Borough's 2020 Water System Improvements Project (the Project).

2. On July 28, 2020, Tim S. McKercher filed a Formal Complaint (McKercher Complaint).<sup>1</sup>

3. On August 19, 2020, Hanover filed Preliminary Objections to the McKercher Complaint.

4. On August 19, 2020, Hanover filed an Answer and New Matter in response to the McKercher Complaint.

5. On August 30, 2020, Mr. McKercher filed Motions for extensions of time to respond to the New Matter and the Preliminary Objection in order to secure the advice of counsel.

6. On September 10, 2020, the OCA filed a Notice of Intervention and Public Statement in the McKercher Complaint.

7. On September 21, 2020, the McKercher Complaint was assigned to ALJ Mary D. Long.

8. On September 22, 2020, ALJ Long issued a Prehearing Conference Order, in which she held the ruling on Hanover's Preliminary Objections to the McKercher Complaint in abeyance

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<sup>1</sup> Docket No. C-2020-3021080

and directed Hanover to notify her of any other complaints related to the Project and to contact the customer at least one week before the initial telephonic prehearing conference to discuss a possible settlement of the case.

9. On October 7, 2020, Mr. McKercher filed an Amended Formal Complaint.

10. On October 9, 2020, Tracy L. Albrecht filed a Formal Complaint (Albrecht Complaint).<sup>2</sup>

11. On October 13, 2020, a Prehearing Conference was held. The Albrecht Complaint was consolidated with the McKercher Complaint. Oral argument was heard on the merits of the preliminary objections, and the preliminary objections were dismissed. An Interim Order was issued memorializing the rulings of the Prehearing Conference and directing the parties to discuss a procedural schedule and present a status update no later than November 6, 2020.

12. On November 4, 2020, a Formal Complaint was filed by Dwight and Judy Dubs (Dubs Complaint), which contained a request that the complaint be consolidated with the McKercher Complaint.<sup>3</sup>

13. On November 4, 2020, a Formal Complaint was filed by Leonard and Sabrina Bosse (Bosse Complaint), which contained a request that the complaint be consolidated with the McKercher Complaint.<sup>4</sup>

14. On November 6, 2020, the OCA and Hanover jointly requested that litigation should be stayed for sixty days, be referred to the Commission's Office of Mediation, and that a mediator be assigned.

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<sup>2</sup> Docket No. C-2020-3022354

<sup>3</sup> Docket No. C-2020-3022724

<sup>4</sup> Docket No. C-2020-3022725

15. On November 9, 2020, a Formal Complaint was filed by Keith Keller and Susan Belt (Keller/Belt Complaint), which contained a request that the complaint be consolidated with the McKercher Complaint.<sup>5</sup>

16. On November 10, 2020, ALJ Long consolidated the Bosse Complaint and Dubs Complaint with the McKercher Complaint, and issued an Interim Order referring the McKercher Complaint, *et al.* to the Commission's Mediation Unit for mediation review.

17. On November 12, 2020, ALJ Long consolidated the Keller/Belt Complaint with the McKercher Complaint, and as consolidated, was referred to the Commission's Mediation Unit for mediation review.

18. On November 16, 2020, the OCA filed a Reply to the New Matter raised by Hanover to the Initial and Amended McKercher Complaint and the Albrecht Complaint.

19. On November 24, 2021, Hanover filed an Answer and New Matter to the Bosse Complaint, the Dubs Complaint, and the Keller/Belt Complaint.

20. On November 25, 2020, Mediator Cynthia Lehman issued a Telephonic Mediation Notice indicating that a mediation session would be held on December 11, 2020.

21. On December 11, 2020, the parties participated in a mediation session.

22. On December 14, 2020, the OCA filed a Reply to New Matter raised by Hanover to the Bosse Complaint, the Dubs Complaint, and the Keller/Belt Complaint.

23. Since that time, the parties engaged in settlement negotiations, which resulted in the proposed unanimous and comprehensive settlement of the consolidated Formal Complaint Proceedings and also proposes to resolve the related Petition proceeding, explained below.

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<sup>5</sup> Docket No. C-2020-3022804

**B. Petition Proceeding**

24. On August 19, 2020, Hanover filed a Petition for Declaratory Order (Petition for Declaratory Order) at Docket No. P-2020-3021398 (Petition Proceeding) seeking to have the Commission declare that, pursuant to Section 4.3 of its Commission-approved Tariff, the Respondents<sup>6</sup> are responsible for paying the costs to construct their new customer service lines to connect to a new water main installed as part of the Borough's Project.<sup>7</sup> On September 8, 2020, the OCA filed a Notice of Intervention and Public Statement in the Petition Proceeding.

25. On September 8, 2020, the OCA filed an Answer of the Office of Consumer Advocate in response to the Petition for Declaratory Order, seeking that the Commission deny the Petition for Declaratory Order.

26. On September 24, 2020, Hanover filed a Reply to the Answer of the Office of Consumer Advocate to the Petition for Declaratory Order.

**III. STIPULATION OF FACTS**

1. The Joint Petitioners stipulate to a number of facts relevant to the proposed Settlement, which are set forth below. A verification in support of the facts is provided in Attachment 1 to this Settlement.

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<sup>6</sup> The Respondents named in this Petition for Declaratory Order were John and Wendy McGrew, Tim and Susan McKercher, Tracey Albrecht, Gary and Patricia Waltman, Keith Keller & Susan Belt, Thornton and Mary Shriner, Dwight and Judith Dubs, Leonard and Sabrina Bosse, Bernard and Judy Spangler, and Shilo and Michelle Mitchell.

<sup>7</sup> Specifically, the Borough asserted that the Respondents, as customers, are responsible for the portion of the service line between their home and the curb stop. Petition for Declaratory Order at p. 9-10, ¶¶62-63. The costs for the portion of the service line between the curb stop and the new main are not at issue in the Petition Proceeding. *Id.* at p. 9, ¶61.

2. Hanover is a certificated public utility under the Commission’s jurisdiction in respect to its provision of water service to certain residential properties in Penn Township, beyond the municipal boundaries of the Borough of Hanover.

3. Section 4.1 of Hanover’s Tariff provides that Hanover will “make all connections to its mains, furnish, install and maintain all service lines from the main to the curb, including the service pipe, corporation stop, curb stop, curb box, or other appurtenances, all of which will be the property of the Water Works and shall be accessible to and under the exclusive control of the Water Works.” Supplement No. 31 to Water-PA P.U.C. No. 3, § 4.1. See Attachment 2 (relevant pages from Hanover’s current Tariff).

4. Section 4.3 of the Tariff provides that “[t]he service line from the main to the curb line shall be installed and maintained at the expense of the Water Works as an integral part of its distribution system.” Section 4.3 further provides that “[t]he service line and all appurtenances installed from the curb line to the customer’s premises shall be installed and maintained at the expense of the customer.” Supplement No. 31 to Water-PA P.U.C. No. 3, § 4.3.

5. On May 5, 2020, the Borough sent a letter to the owners of 11 properties (Affected Property Owners) indicating that it would begin to construct water system improvements on Beck Mill Road as part of the Borough’s 2020 Water System Improvements Project. See Attachment 3 (Hanover letter to Mr. McKercher).

6. The 11 properties at issue and the Affected Property Owners are as follows:

- a. 355 Park Heights Blvd., Hanover, PA – John R. McGrew & Wendy J. Bish-McGrew
- b. 375 Park Heights Blvd., Hanover, PA – Tim S. & Susan L. McKercher
- c. 390 Park Heights Blvd., Hanover, PA – Tracey L. Albrecht

- d. 391 Park Heights Blvd., Hanover, PA – Logan Etzler & Chelsea Barnett<sup>8</sup>
- e. 410 Park Heights Blvd., Hanover, PA – Keith Keller & Susan Belt – Keith Keller & Susan Belt
- f. 430 Park Heights Blvd., Hanover, PA 17331 – Thornton P. & Mary B. Shriener
- g. 415 Beck Mill Rd., Hanover, PA 17331 – Dwight D. & Judith S. Dubs
- h. 419 Beck Mill Rd., Hanover, PA 17331 – Leonard E. & Sabrina E. Bosse
- i. 421 Beck Mill Rd., Hanover, PA 17331 – Leonard E. & Sabrina E. Bosse
- j. 435 Beck Mill Rd., Hanover, PA 17331 – Bernard E. & Judy A. Spangler
- k. 445 Beck Mill Rd., Hanover, PA 17331 – Shilo W. & Michelle R. Mitchell

7. The Project includes the abandonment of an existing 12-inch water main located within private property and the installation of a new 12-inch water main located within the Beck Mill Road right-of-way. See Attachment 4 (maps showing the approximate location of the existing main).

8. Hanover estimates that the existing 12-inch transmission main was installed sometime between 1931 and 1933.

9. Hanover estimates that it has been providing water service to the Formal Complainants, or former owners of their properties, through service lines connected to the existing 12-inch main for more than 33 years:

375 Park Heights Blvd.	1966
390 Park Heights Blvd.	1988
410 Park Heights Blvd.	1971
415 Beck Mill Rd.	1982
419 and 421 Beck Mill Rd.	1962

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<sup>8</sup> Logan Etzler & Chelsea Barnett are the current owners of this property that was previously owned by Gary and Patricia Waltman.

10. The existing 12-inch main is made of cast iron, and the joints are made of lead. It has a history of leaks at the lead joints.

11. The existing 12-inch transmission main has a dual functionality in that the main conveys water from the water treatment plant to the Parr's Hill Reservoirs, where finished water is stored, and provides water to customers located between the water treatment plant and the reservoirs.

12. The new 12-inch main will serve the same purpose.

13. It is anticipated that installation of the new 12-inch main will be completed on June 1, 2022.

14. The new 12-inch main will be made of cement-lined ductile iron.

15. Hanover intends for the end portions of the existing main to be capped and filled with grout, and the remaining portion of the existing main to be abandoned in place.

16. In 2020, the estimated cost of the Project was \$1,253,709.96.

17. On May 19, 2020, Hanover staff and engineering consultant met with available, Affected Property Owners to discuss the proposed location of the new facilities.

18. On June 11, 2020, Hanover sent letters to the Affected Property Owners, which provided estimates specific to each property for the cost of relocating their customer service line, identified pursuant to Hanover's Tariff as the service line from the curb stop to the home (Customer Service Line). See Attachment 5 (Hanover letters to Formal Complainants). The estimates for the Formal Complainants were as follows:

Tim McKercher	\$5,175.75
Tracey Albrecht	\$5,050.00
Keith Keller and Susan Belt	\$2,657.23
Dwight Dubs and Judith Dubs	\$2,644.00
Leonard Bosse and Sabrina Bosse (419 Beck Mill Rd)	\$2,216.00
Leonard Bosse and Sabrina Bosse (412 Beck Mill Rd)	\$2,708.88
Total	\$20,451.86

19. The estimates do not include the cost of reconfiguring plumbing within the Affected Property Owners' homes where that is necessitated by the relocation of their Customer Service Lines.

20. The June 11, 2020 letter stated that Hanover could relocate the Affected Property Owner's Customer Service Line and accept payment for this work via monthly installments, up to 18 months or, alternatively, the Affected Property Owners could each proceed with the installation of their new Customer Service Line using a private contractor at his or her own cost.

21. Hanover has entered into binding agreements with the following Affected Property Owners, who are not Formal Complainants, establishing the terms and conditions of Hanover's relocation of their Customer Service Lines: (1) Bernard E. & Judy A. Spangler; (2) Thornton P. & Mary B. Shriner; and (3) John R. McGrew & Wendy J. Bish-McGrew (collectively the Settled Customers).

22. The following Affected Property Owners are neither Formal Complainants nor Settled Customers: (1) Shilo W. & Michelle R. Mitchell; and (2) Logan Etzler & Chelsea Barnett (collectively the Other Affected Customers).

#### **IV. SETTLEMENT TERMS**

The Joint Petitioners agree as follows:

1. Hanover will offer the same terms identified in this Settlement to the Other Affected Customers (the Offer). Hanover will provide the Other Affected Customers 30 days from the date the Offer is made to accept its terms. As to any Other Affected Customers who choose not to accept the terms of the Offer within the time allowed, Hanover's Tariff shall still control. The Joint Petitioners do not agree on whether Hanover's Tariff applies to relocation of existing Customer Service Lines and reserve their rights to make or challenge such claim as to customers who are not: (1) Formal Complainants in this proceeding; or (2) Other Affected Customers who have accepted the terms of the Offer pursuant to this Paragraph.

2. Each Formal Complainant will pay to Hanover a sum equal to the lesser of \$750.00 or 20% of the actual cost of relocating each of their Customer Service Lines (the Work).

3. The Borough will perform the Work for each Formal Complainant through its own forces or by a retained contractor.

4. To the extent practicable, prior to installation, the Borough will meet with each Formal Complainant regarding the location and orientation of their Customer Service Line. Unless further changes are discussed and agreed to by the Borough and the Formal Complainant at that meeting, the plans developed with the Formal Complainant in spring/summer of 2020 for the location and orientations of their Customer Service Lines and materials to be used remain in effect. Said location and orientation of the Customer Service Lines will, however, ultimately be within the discretion of the Borough.

5. The Borough will provide a 12-month warranty for the Customer Service Lines of the Formal Complainants. For the Formal Complainants whose Customer Service Lines are installed by the Borough or its contractor, the Borough will repair or replace any defect in

workmanship and materials for a period of 12-months after the Customer Service Line is put in service.

6. Hanover or its contractors are hereby authorized to enter the Formal Complainants' properties to perform the Work.

7. Upon completion of the Work, the Borough will restore the Formal Complainants' properties, including but not limited to sidewalks, driveways, landscaping or sod, as nearly as practicable to their former condition.

8. Upon completion of the Work, the Borough will invoice each Formal Complainant based upon the payment terms specified above.

9. Payment on the invoiced sum will be due by the Formal Complainants within thirty days of the date of invoice.

10. In the event of non-payment for the Work by any Formal Complainant, the Borough will retain its ability to pursue collection of the delinquent amount by any legal method including, but not limited to, filing of a municipal lien.

11. All of Hanover's Work and any contribution it makes toward the cost of the Work will relate only to the relocation of the Customer Service Line for the Formal Complainants. Hanover will not in any way be responsible for any internal plumbing work or costs incurred by a Formal Complainant. The Joint Petitioners agree that Hanover shall be permitted to record the cost for replacement of the Formal Complainants and Other Affected Customers' Customer Service Lines to a regulatory asset account. In the first base rate proceeding filed after approval of the Settlement, Hanover will be permitted a ratemaking amortization of the amounts booked to the regulatory asset account. Hanover agrees that it will not be permitted to recover interest or return on any unamortized balance. The costs will not be included in rate

base. The amortization period and the allocation among customer classes of the recovery of amortized costs will be determined in the base rate proceeding. Hanover will support the claimed operating expenses with invoices or records of payment, which the OCA reserves the right to review. No amortization will commence until the effective date of new rates in the base rate proceeding that establishes the amortization. The regulatory asset account will remain in place until the eligible costs are finally amortized. The OCA and Hanover recognize that this provision does not bind other parties to the base rate proceeding.

12. Costs that Hanover incurs to connect the relocated Customer Service Lines for the Formal Complainants and Other Affected Customers to the new main, *i.e.*, to install a service line from the main to the curb box, can be booked to rate base and will begin depreciating when the line is placed into service. For ratemaking purposes, the line can be claimed in Hanover's next base rate case.

13. To the extent necessary to effect the terms of this Settlement, the parties request that the Commission approve a limited waiver of Hanover's Tariff rules providing that customers are responsible for the installation and replacement of their Customer Service Lines. This waiver shall be limited to Hanover's relocation of Customer Service Lines as part of the Project for: (a) the Formal Complainants and (b) Other Affected Customers who have accepted the terms of the Offer pursuant to Paragraph IV.1. Hanover will not take ownership of, or maintain in the future after the 12-month warranty period pursuant to Paragraph IV.5. above, the Formal Complainants' Customer Service Lines.

14. The terms and conditions of the agreements executed between Hanover and the Settled Customers are unaffected by this Settlement.

15. The parties agree that, after Hanover files a verified letter confirming that the Formal Complainants have been reconnected to the water system in accordance with the terms of the Settlement, and the Other Affected Customers and Settled Customers have been reconnected to the water system in accordance with the terms of their agreements with Hanover, the Formal Complaint Proceedings shall be marked closed and Hanover will file a Petition for Leave to Withdraw its Petition for Declaratory Order.

## **V. STANDARD SETTLEMENT TERMS AND CONDITIONS**

1. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in the Settlement without modification. If the Commission modifies the Settlement, any Joint Petitioner may elect to withdraw from the Settlement and may proceed with litigation and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Joint Petitioners within five (5) business days after the entry of an Order modifying the Settlement. The Joint Petitioners acknowledge and agree that the Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding.

2. The Settlement is proposed by the Joint Petitioners to settle all issues in the instant Formal Complaint Proceedings. If the Commission does not approve the Settlement and the Formal Complaint Proceedings continue, the Joint Petitioners reserve their respective procedural rights, including the right to present additional testimony and to conduct full cross-examination, briefing and argument. The Settlement is made without any admission against, or prejudice to, any position which any Joint Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

3. The parties acknowledge and agree that the Settlement reflects a compromise of competing positions and does not reflect any party's position with respect to any issues raised in the Formal Complaint Proceedings or the Declaratory Proceeding. This Settlement shall not be cited as precedent and shall not bind the Joint Petitioners in any future proceeding, except to the extent required to implement this Settlement.

4. Hanover and the OCA have each prepared a Statement in Support of Settlement (attached as Appendices A and B, respectively) setting forth the bases upon which the Joint Petitioner believes the Settlement to be fair, just and reasonable and, therefore, in the public interest.

5. If the ALJ recommends approval of the Settlement without modification, the Joint Petitioners will waive their rights to file Exceptions and respectfully request that, if an Exception/Reply Exception period is set, an expedited period for the filing of Exceptions or Reply Exceptions be established. However, the Joint Petitioners do not waive their right to file Exceptions with respect to any modifications to the terms and conditions of this Settlement, or any additional matters, proposed by Administrative Law Judge Long in her Recommended Decision. The Joint Petitioners reserve their rights to file Reply Exceptions to any Exceptions which may be filed.

6. This document may be signed or executed in separate counterparts or signature pages that shall be binding upon the Joint Petitioners and such counterparts shall be considered as one document.

## **VI. REQUEST FOR RELIEF**

WHEREFORE, Borough of Hanover, Hanover Municipal Water Works and the Office of Consumer Advocate, by their respective counsel, and the Formal Complainants, Tim S. McKercher, Tracey L. Albrecht, Leonard and Sabrina Bosse, Judy and Dwight Dubs, and Keith C. Keller and Susan A. Belt respectfully request that:

(a) The Honorable Administrative Law Judge Mary D. Long recommend approval of, and the Commission enter an order approving this Settlement as submitted, including all terms and conditions thereof, without modification and

(b) These Formal Complaint Proceedings at Docket Nos. C-2020-3021080, *et al.* and the Petition Proceeding at Docket No. P-2020-3021398 will remain open until the Formal Complainants and Other Affected Customers have been reconnected to the water system in accordance with the terms of the Settlement, and the Settled Customers have been reconnected to the water system in accordance with the terms of their agreements with Hanover, and Hanover has filed a verified letter confirming such; at which time, the Formal Complaint Proceedings shall be marked closed and Hanover will file a Petition for Leave to Withdraw its Petition for Declaratory Order.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

Respectfully submitted,



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Erin L. Gannon, Esquire  
PA ID No. 83487  
Christy M. Appleby, Esquire  
PA ID No. 85824

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
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*Attorneys for  
PA Office of Consumer Advocate*

Dated: 2/11/2022

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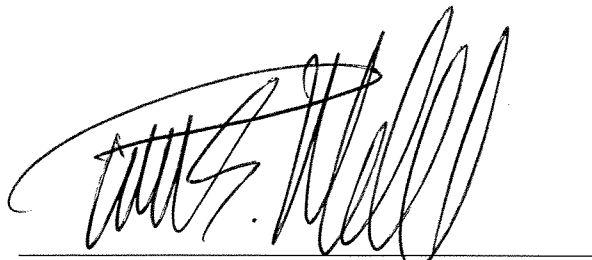
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Isaac P. Wakefield, Esquire  
Salzmann Hughes, PC  
112 Market Street  
8th Floor  
Harrisburg, PA 17101

*Attorney for  
Borough of Hanover, Hanover Municipal Water Works*

Dated: 2/11/2022

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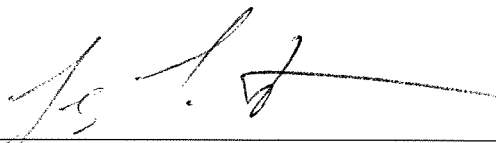
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Tim McKercher  
on behalf of Tim and Susan McKercher  
375 Park Heights Blvd  
Hanover, PA 17331  
*Formal Complainant*  
*Docket No. C-2020-3021080*




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Judy and Dwight Dubs  
415 Beck Mill Road  
Hanover, PA 17331  
*Formal Complainants*  
*Docket No. C-2020-3022725*



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Tracey Albrecht  
390 Park Heights Blvd  
Hanover, PA 17331  
*Formal Complainant*  
*Docket No. C-2020-3022354*



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Keith C. Keller and Susan A. Belt  
410 Park Heights Blvd  
Hanover, PA 17331  
*Formal Complainants*  
*Docket No. C-2020-3022804*



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Leonard and Sabrina Bosse  
421 Beck Mill Road  
Hanover, PA 17331  
*Formal Complainants*  
*Docket No. C-2020-3022724*

Dated: 2/9/2022

### **List of Appendices**

- A. Statement in Support of Borough of Hanover
- B. Statement in Support of the Office of Consumer Advocate

### **List of Attachments**

- 1. Verification Supporting Stipulation of Facts
- 2. Service line provisions from Hanover's current tariff, Supplement No. 31 to Water-PA P.U.C. No. 3
- 3. Hanover letter to Mr. McKercher (dated May 5, 2020)
- 4. Maps showing the approximate location of the existing main
- 5. Hanover letters to Formal Complainants (dated June 11, 2020)

**APPENDIX A**

**Statement in Support of Borough of Hanover**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Administrative Law Judge Mary D. Long

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Tim S. McKercher	:	Docket Nos. C-2020-3021080
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Keith C. Keller and Susan A. Belt	:	C-2020-3022804
	:	
v.	:	
	:	
Hanover Municipal Water Works	:	

**STATEMENT OF THE BOROUGH OF HANOVER, HANOVER MUNICIPAL  
WATERWORKS IN SUPPORT OF THE JOINT PETITION FOR APPROVAL  
OF SETTLEMENT OF ALL ISSUES**

Borough of Hanover, Hanover Municipal Water Works (the “Borough”) submits this Statement in Support of the Joint Petition for Approval of Settlement of All Issues in the above-captioned matters. The Borough concurs in the position of the other parties in this proceeding that the settlement will serve the public interest. The settlement avoids the time and expense involved in further litigation and eliminates the possibility of an appeal from any Commission Order.

These proceedings pertain to a dispute of whether certain affected customers of the Borough are responsible for paying the costs to relocate their customer service lines to connect to a new water main installed by the Borough. The settlement will serve the public interest by each Formal Complainant providing a contribution to the Borough toward the cost for relocating each of their customer service lines. The Borough will also offer additional affected customers who are not Formal Complainants or do not otherwise have an agreement with the Borough the same settlement

terms. The settlement will resolve all pending litigation regarding this dispute, specifically each of the Formal Complaints and the Borough's Petition for Declaratory Order. This settlement is in the public interest because it is fair, just, and reasonable.

This settlement is the product of lengthy and successful negotiations among all interested Parties, including the Office of Consumer Advocate. Furthermore, the settlement is in the best interests of the Borough and its ratepayers. The Borough has attained certainty regarding the shared cost of installing service lines through the settlement with its joint applicants. As with the balance of the parties in this case, this settlement will save the Borough time and expense than it would otherwise incur in further litigating this matter.

The Borough respectfully requests that the Pennsylvania Public Utility Commission approve and adopt the Joint Petition for Approval of Settlement of All Issues.

Respectfully submitted,

***SALZMANN HUGHES, P.C.***

Dated: February 2, 2022

By: 

Isaac P. Wakefield  
Attorney I.D. No. 311909  
354 Alexander Spring Road  
Carlisle, PA 17015  
(717) 234-6700  
*Attorney for Borough of Hanover,  
Hanover Municipal Water Works*

**APPENDIX B**

**Statement in Support of the Office of Consumer Advocate**

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Tim S. McKercher	:	Docket Nos. C-2020-3021080
Tracy L. Albrecht	:	C-2020-3022354
Leonard and Sabrina Bosse	:	C-2020-3022724
Dwight and Judy Dubs	:	C-2020-3022725
Keith C. Keller and Susan A. Belt	:	C-2020-3022804
	:	
v.	:	
	:	
Hanover Municipal Water Works	:	

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OFFICE OF CONSUMER ADVOCATE  
STATEMENT IN SUPPORT OF  
JOINT PETITION FOR SETTLEMENT

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The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Settlement of All Issues (Settlement) respectfully requests that the terms and conditions of the Settlement be approved by the Pennsylvania Public Utility Commission (Commission). This request is based upon the OCA’s conclusion that the proposed Settlement is in the public interest and is in the interest of the customers of the Borough of Hanover, Hanover Municipal Water Works (Hanover or Borough).

**I. BACKGROUND**

On May 5, 2020, Hanover sent a letter to ten existing customers<sup>1</sup> (Affected Property Owners) indicating it would begin water system improvements on Beck Mill Road (Project). The

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<sup>1</sup> There are 10 customers and 11 properties at issue, because one of the customers owns two properties. Settlement ¶ III.6.

Project included the abandonment of an existing 12-inch water main located on private property and required the installation of new service lines to connect the customers served by that main to a new 12-inch water main located within the Beck Mill Road public right-of-way. The letters to Affected Property Owners indicated that each customer would be responsible to pay for the portion of the new service line between their home and the curb stop (Customer Service Line). Settlement, Att. 3.

On June 11, 2020, Hanover sent letters to the Affected Property Owners providing estimates specific to each property for completion of the work necessary to install the new Customer Service Lines. The estimates ranged from approximately \$2,216.00 to \$5,175.75. Settlement ¶ III.18 and Att. 5.

Five of the Affected Property Owners filed Formal Complaints against Hanover: Tim McKercher at Docket No. C-2020-3021080, Tracy Albrecht at Docket No. C-2020-3022354, Leonard and Sabrina Bosse at Docket No. C-2020-3022724, Dwight and Judy Dubs at Docket No. C-2020-3022725, and Keith Keller and Susan Belt at Docket No. C-2020-3022804. In their Complaints, the customers asked the Commission to determine that they are not responsible for paying any cost for installing the new service lines required by Hanover's relocation of the main supplying their water.<sup>2</sup>

As discussed in the Settlement, on August 19, 2020, Hanover filed a separately docketed Petition for Declaratory Order (Petition) at Docket No. P-2020-3021398 (Petition Proceeding) seeking to have the Commission declare that, pursuant to Section 4.3 of its Commission-approved

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<sup>2</sup> A complete procedural history of the Formal Complaint dockets has been included in the Settlement at Paragraphs 1-23. The OCA will not repeat that history here.

tariff, the Respondents<sup>3</sup> are responsible for paying the costs to install new Customer Service Lines required by the Borough's Project.<sup>4</sup> The OCA filed a Notice of Intervention in the Petition Proceeding and an Answer requesting that the Commission deny the Petition for Declaratory Order.<sup>5</sup> No further action has occurred in the Petition Proceeding and the matter was not consolidated with this proceeding. The Settlement provides that once the instant Settlement is approved and the Formal Complaint dockets are closed, Hanover will file a Petition for Leave to Withdraw the Petition for Declaratory Order. Settlement ¶ 15.

## II. SETTLEMENT TERMS

### A. Extension of the Settlement Terms to Other Affected Customers (Settlement ¶ IV.1)

As explained in the proposed Settlement, of the Affected Property Owners, five are Formal Complaints and three are not Formal Complainants and have entered into separate agreements with Hanover regarding relocation of their Customer Service Lines (Settled Customers). Settlement ¶ III.21. There are two remaining customers, who are not Formal Complainants and have not entered an agreement with Hanover (Other Affected Customers). Settlement ¶ III.22.

As a term of the Settlement, Hanover agrees that it will offer the same terms identified in this Settlement to the Other Affected Customers. For the same reasons, discussed below, that the OCA considers the terms of the Settlement to be in the public interest, the OCA supports giving

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<sup>3</sup> The Respondents named in this Petition for Declaratory Order were John and Wendy McGrew, Tim and Susan McKercher, Tracey Albrecht, Gary and Patricia Waltman, Keith Keller & Susan Belt, Thornton and Mary Shriner, Dwight and Judith Dubs, Leonard and Sabrina Bosse, Bernard and Judy Spangler, and Shilo and Michelle Mitchell.

<sup>4</sup> Specifically, the Borough asserted that the Respondents, as customers, are responsible for the portion of the service line between their home and the curb stop. Petition for Declaratory Order at p. 9-10, ¶¶62-63. The costs for the portion of the service line between the curb stop and the new main are not at issue in the Petition Proceeding. *Id.* at p. 9, ¶61.

<sup>5</sup> The OCA notes that Hanover also filed a Reply to the OCA's Answer.

additional, similarly-situated customers the opportunity to receive the benefits of the Settlement terms and conditions for relocation of their Customer Service Lines.

**B. Formal Complainants' Maximum Financial Responsibility (Settlement ¶¶ IV.2-3)**

As initially proposed by Hanover, the Formal Complainants would have been required to pay costs ranging from \$2,216.00 to \$5,175.75. Settlement ¶ III.18 and Att. 5. Each of the Formal Complainants objected to Hanover's proposal to require the impacted customers to pay 100% of the costs. The Settlement provides that each Formal Complainant will pay substantially less. Settlement ¶ 2. Specifically, each property owner will pay the lesser of \$750.00 or 20% of the actual cost of relocating each of their Customer Service Lines (the Work). This means that no Formal Complainant will contribute more than \$750. Based on the estimated costs, the Formal Complainants would pay the following:

	Estimated Costs	Lesser of \$750 or 20%
McKercher	\$5,171.75	\$750
Albrecht	\$5,050.00	\$750
Keller	\$2,657.23	\$531
Dubs	\$2,644.00	\$529
Bosse	\$2,216.00	\$443
Bosse	\$2,708.00	\$542
Total	\$20,446.98	\$3,545

Settlement ¶¶ III.18 and Att. 5.

The OCA submits that the proposed Settlement represents a reasonable compromise. Hanover will be able to abandon a 90-year old main and serve the Affected Property Owners from a new main in the public right-of-way, which will ultimately benefit both the property owners and all Hanover customers. The existing main is made of cast iron, with lead joints that have a history of leaks. The new 12-inch main will be made of cement-lined ductile iron. Settlement ¶¶ III.10,

11, 14. The Settlement will also resolve the OCA and the Formal Complainants' concern that the Affected Property Owners should not have to bear the full cost of relocating their service lines as a direct result of Hanover's distribution system improvement project. OCA Answer at 2-3. It also responds to the concern stated in some of the Formal Complaints that requiring customers to pay thousands of dollars that they had no knowledge of and, thus, no ability to plan for prior to 2020, would be an unreasonable financial burden, particularly at a time where some of the impacted customers are unemployed and dealing with the hardships of the Covid-19 pandemic. *See, e.g., Id.* at 3-4; Formal Complaint of Keller/Belt.

By reaching a compromise on the amount paid by the Formal Complainants, the Settlement also allows both the customers and the Company to avoid the additional time and expense that would be incurred should this matter be fully litigated. The cost agreed to reflects risks involved with litigation as well as the positions of the parties. This compromise will benefit the ratepayers of Hanover by avoiding legal fees that Hanover may seek to recover in future rates. Additionally, the sharing of costs lies within the range of possible outcomes should the case be fully litigated. The OCA submits that the Settlement should be approved as in the public interest.

C. Hanover's Responsibilities for Completion of Work (Settlement ¶¶ IV.3-4)

The Settlement describes how the work will be completed. Hanover will complete the work of installing the service line and connecting it to the new main by either using its own workforce or by retaining a contractor. Settlement ¶ IV.3. This provides a benefit because it alleviates any burden from the Formal Complainants to retain a qualified contractor to complete the work. It also helps to ensure that the project meets the design and quality standards necessary to maintain the integrity of the water system. Further, it responds to a concern raised in Mr.

McKercher's Formal Complaint that independent contractors might not want to perform this work due to liability issues relating to excavating near an active 12-inch main.

Additionally Hanover will attempt to meet with each Formal Complainant prior to installation in order to confirm the location and orientation of the service line on the property. Settlement ¶ IV.4. This is an important term of the Settlement because, even though the work will be performed by Hanover, it provides the opportunity for the Formal Complainants to work with the Borough on the exact location and orientation of their Customer Service Line. This helps to provide some certainty about how the work will impact their properties (sidewalks, driveways, landscaping). For some customers, the relocation of the service line will mean that inside plumbing must be reconfigured, so the location of the service line will also impact the interior and exterior of the Formal Complainants' homes and the additional costs they will incur, which are not included in the Settlement. Settlement ¶¶ III.19, IV.11. Thus, the customers having input into the location and orientation of the Customer Service Lines is a key condition and benefit of the proposed Settlement.

D. Warranty and Restoration (Settlement ¶¶ IV.5-7)

Settlement Paragraph IV.5 provides Hanover's commitment that it will repair or replace any defect in workmanship and materials for a period of 12 months after the Customer Service Lines are put into service. In order to install the new service lines, the Formal Complainants authorize Hanover or its contractors to enter their properties to perform the work. Settlement at ¶ 6. The Settlement also includes a provision stating that Hanover will, as nearly as practicable, restore the properties, including sidewalks, driveways, landscaping, or sod, to its former condition after the work is completed. Settlement ¶ IV.7.

The warranty provides certainty to the Formal Complainants that any issues with the installation or materials during the warranty period will be resolved by Hanover. The warranty provision also helps to assure the Formal Complainants that the work will be performed using quality materials and industry standard practices.<sup>6</sup>

The restoration provision is important because it provides Hanover's commitment to restore the properties to their former condition. This is in the public interest because it protects the customers from incurring expenses for property restoration and helps to put them in the same position they would be in if the Borough had not required the service lines to be relocated.

E. Terms of Payment (Settlement ¶¶ 8-10)

The proposed Settlement specifies the terms and conditions on which the Formal Complainants will pay for their portion of the costs of the new Customer Service Lines. Settlement ¶¶ 8-10. These provisions recognize Hanover's already-existing means for pursuing collections in the event of non-payment. The Settlement provides only 30 days for payment after the work is completed. Settlement ¶ 9. This period is reasonable because (1) the Formal Complainants have known since spring of 2020 that they might have to pay some amount towards the cost for installation of the Customer Service Lines, (2) the Formal Complainants will have additional time to prepare to make the payment while the Settlement is under review by the Commission, and (3) the amount that they will pay is substantially reduced from the original estimate. Settlement ¶¶ III.5, 18 and IV.2.

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<sup>6</sup> The Settlement clarifies that, notwithstanding the 12-month period, the Formal Complainants – and not Hanover – will own the new service lines from the time they are installed. Settlement ¶ IV.13.

F. Cost Recovery (Settlement ¶¶ IV.11-12)

With regard to amounts that Hanover has agreed to pay for the Customer-Owned Service Lines, the Settlement provides that Hanover can record the costs as a regulatory asset and amortize them in the first base rate proceeding filed after approval of the Settlement.<sup>7</sup> Settlement ¶ IV.11. The OCA submits that the cost recovery provisions are reasonable for several reasons.

First, it is reasonable for Hanover to have an opportunity to recover its expenses because, as discussed above, the abandonment of the 90-year old main serving the Affected Property Owners will benefit all customers. At this time it is not known with certainty when the new Customer Service Lines will be installed because there is no statutory deadline for Commission action in this proceeding. Also, Hanover has a base rate case pending and its last rate case was filed seven years ago.<sup>8</sup> Given all of this, the expense associated with installing the Customer Service Lines might not be incurred within the historic test year for purposes of Hanover's next base rate case such that the expense could not be recovered in rates. Creating a regulatory asset for the expense provides an opportunity for recovery outside of the applicable test years.

Second, the Settlement provides appropriate limitations on recovery through the regulatory asset. Recovery is limited to the costs for the Formal Complainants. It is not known what are the terms of Hanover's separate agreements with the Settled Customers and those will not be included in the regulatory asset. Recovery is also limited to the costs incurred by Hanover for the Customer Owned Service Lines and excludes the costs of the Borough-owned portion of the service lines or the other costs of abandoning the existing main and installing and connecting customers to the new

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<sup>7</sup> The Settlement recognizes that this provision does not bind other parties to the base rate proceeding. Settlement ¶ IV.11.

<sup>8</sup> *Pa. P.U.C. v. The Borough of Hanover, Hanover Municipal Waterworks*, Docket No. R-2021-3026116; *Pa. P.U.C. v. The Borough of Hanover, Hanover Municipal Waterworks*, Docket No. R-2014-2428304.

one. As a result, the costs at issue that would be booked to the regulatory asset are relatively small, estimated to be \$16,922.<sup>9</sup> To put this in perspective, the total projected cost of Hanover's 2020 Water System Improvements Project was \$1.25 million.<sup>10</sup> Settlement ¶ III.16. In addition, recovery through the regulatory asset is limited Hanover's actual costs, with no interest or return. In this way, Hanover will recover its expenses but not more.<sup>11</sup> Finally, this Settlement provision requires Hanover to support the claimed operating expenses with invoices or records of payment in its next rate case, which the OCA reserves the right to review. This is another means by which recovery will be limited so that Hanover recovers only its actual expenses.

Paragraph IV.12 of the Settlement addresses the costs that Hanover incurs to install the Borough-owned portion of the service lines, between Hanover's main and the curb box. This provision clarifies that these costs will not be recorded in the regulatory asset like the costs for installing the portion of the service lines that will be customer-owned. Rather the costs related to installation of Borough-owned plant will be booked to rate base and begin depreciating when the line is placed into service. Hanover will thus have the same opportunity for recovery that it has for any other Borough-owned plant investment.

G. Waiver of Tariff (Settlement ¶ IV.13)

Another benefit of the Settlement is that, as the parties have agreed on how the costs of the new Customer Service Line will be shared, the issue of whether Hanover's tariff applies to the relocation of customer service lines does not need to be resolved by this proceeding. The

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<sup>9</sup> The total estimated cost for the Customer Service Lines is \$20,447, of which the Formal Complainants would pay \$3,545, such that Hanover would pay \$16,922.

<sup>10</sup> \$16,922 is 1.35% of the Borough's 2020 Water System Improvements Project.

<sup>11</sup> Paragraph IV.11 provides that Hanover's costs related to the Customer Service Lines will not be included in rate base. This is appropriate because Hanover will not own the lines. Settlement ¶ IV.13; see footnote 6 above.

Settlement preserves all parties' rights to make or challenge such a determination in a future proceeding.

The OCA and Formal Complainants' position is that Hanover's Tariff rules do not require existing customers to pay any costs for installing new Customer Service Lines where necessitated by Hanover's relocation of the main supplying their water. *See* OCA Answer at 2; *see, e.g.*, Formal Complaint of Dubs. To the extent necessary to effect the terms of the Settlement, however, the parties have agreed to request that the Commission approve a limited waiver of Hanover's Tariff rules providing that customers are responsible for the installation and replacement of their Customer Service Lines. Settlement ¶ IV.13. The OCA submits that, if a limited waiver is deemed necessary to effect the proposed Settlement, that it should be granted for the following reasons.

The Formal Complainants have been existing customers for decades. As shown in Paragraph III.9, Hanover estimates that it has been providing water service to the Formal Complainants, or former owners of their properties, through service lines connected to the existing 12-inch main for more than 33 years:

375 Park Heights Blvd.	1966
390 Park Heights Blvd.	1988
410 Park Heights Blvd.	1971
415 Beck Mill Rd.	1982
419 and 421 Beck Mill Rd.	1962

Settlement ¶ III.7. As a matter of fairness, existing customers who have paid to install and/or maintain service lines for decades should not bear the full cost for installing a new service line because of a project that the Borough has determined to undertake for the benefit of all customers. Settlement ¶ III.10-14 and Att. 4 (“The Borough determined that replacing and relocating the pipe to the street right of way is necessary and proper for the accommodation, convenience and safety of the customers, the Borough water system and the public at large”).

As discussed in the prior section, limited waiver is appropriate because the amounts at issue are relatively small, 1.35% of the estimated cost for Hanover's 2020 Water System Improvements Project.

The proposal is also consistent with the Commission's ruling in a 2008 case involving a gas utility. There, the PUC agreed with the utility that it should pay the costs for replacing customer-owned service lines even if that was not consistent with its tariff:

We also find that it is in the public interest for Columbia to replace at its expense certain customer-owned service lines when the lines must be replaced as a result of Columbia's main replacement and upgrade program.

*Petition of Columbia Gas of Pennsylvania, Inc. for Limited Waivers of Certain Tariff Rules Related to Customer Service Line Replacement, Docket No. P-00072337, Order (May 19, 2008) (2008 Order).* As such, the Commission approved the utility's request for limited waiver of its tariff rules. *2008 Order* at 5-6.

For these reasons, only to the extent necessary to effect the terms of this Settlement, the OCA requests that the Commission approve a limited waiver of Hanover's Tariff rules. Supplement No. 31 to Water-Pa. P.U.C. No. 3, § 4.3. This waiver shall be limited to Hanover's relocation of Customer Service Lines for the Formal Complainants and Other Affected Customers as part of the Project. Settlement ¶ IV.13.

### III. CONCLUSION

The OCA submits that the proposed Settlement is in the public interest. The Settlement is the result of extensive negotiations between parties with different interests to achieve a reasonable result that ensures that the Formal Complainants do not bear the full cost for installing new service lines due to Hanover's relocation of their water main. Approval of this Settlement also serves the public interest by avoiding the delay, uncertainties and cost of further litigation. For all of the foregoing reasons, the OCA submits that the terms and conditions of the Settlement are in the public interest and should be approved by the Commission without modification.

Respectfully Submitted,



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Erin L. Gannon  
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Christy M. Appleby  
Assistant Consumer Advocate  
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Counsel for:  
Patrick M. Cicero  
Acting Consumer Advocate

Office of Consumer Advocate  
555 Walnut Street 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152

DATE: February 3, 2022

**ATTACHMENT 1**

**Verification Supporting Stipulated Facts**

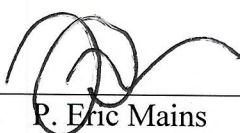
BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Tim S. McKercher	:	Docket Nos. C-2020-3021080
Tracy L. Albrecht	:	C-2020-3022354
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Dwight and Judy Dubs	:	C-2020-3022725
Keith C. Keller and Susan A. Belt	:	C-2020-3022804
	:	
v.	:	
	:	
Hanover Municipal Water Works	:	

VERIFICATION

I, P. Eric Mains, hereby state that the facts set forth in the Stipulation of Facts in the Joint Petition for Approval of Settlement of All Issues are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: FEBRUARY 2, 2022

Signature:   
P. Eric Mains

Business Address: Borough of Hanover  
Department of Planning and  
Engineering  
44 Frederick Street  
Hanover, PA 17311

**ATTACHMENT 2**

**Service line provisions from Hanover's current tariff  
Supplement No. 31 to Water-PA P.U.C. No. 3**

**RULES AND REGULATIONS**

(Continued)

**3. APPLICATION FOR SERVICE**

(Continued)

**3.2** A new application for service shall be executed in connection with a change in the contracting parties, customer location, class or scope of service, or upon any other change from any service contract.

**3.3** Upon acceptance of the application by the Water Works, the application, together with these Rules, Regulations and Rate Schedules of the Water Works, as altered or amended from time to time, shall constitute the entire contract between the customer and the Water Works. (C)  
(C)  
(C)  
(C)

**4. CONNECTIONS TO WATER SUPPLY SYSTEM**

**4.1** The Water Works will make all connections to its mains, furnish, install and maintain all service lines from the main to the curb, including the service pipe, corporation stop, curb stop, curb box, or other appurtenances, all of which will be the property of the Water Works and shall be accessible to and under the exclusive control of the Water Works. (C)  
(C)  
(C)  
(C)

**4.2** The Water Works reserves the exclusive right to determine the size, kind, and location of the Water Works service line, required to render adequate service. (C)  
(C)

**4.3** The service line from the main to the curb line shall be installed and maintained at the expense of the Water Works as an integral part of its distribution system. The service line and all appurtenances installed from the curb line to the customer's premises shall be installed and maintained at the expense of the customer.

**4.4** The minimum size of a service line from the main to the curb line as well as from the curb line to the customer's premises shall be ¾". (C)  
(C)

**4.5** No person shall do any work upon or in connection with any service lines, pipes or appurtenances, except validly licensed plumbers.

**4.6** No service line will be installed in, over or through premises not owned by the customer unless and until the customer shall procure an easement therefore in a form satisfactory to the Water Works.

(C) Indicates Change

**ATTACHMENT 3**

**Hanover letter to Mr. McKercher (dated May 5, 2020)**

**THE BOROUGH OF HANOVER  
44 FREDERICK STREET  
HANOVER, PA 17331  
(717) 637-3877 FAX (717) 637-2805  
AN EQUAL OPPORTUNITY EMPLOYER**

May 5, 2020

Mr. Tim McKercher  
375 Park Heights Blvd  
Hanover, Pa, 17331

Dear Mr. McKercher,

In June 2020, the Borough of Hanover will begin to construct water system improvements on Beck Mill Rd in order to improve the quality and reliability of the water distribution system. The project includes the replacement of an existing 12" cast iron water main that is currently located within private property. The new water main will be ductile iron and located within the Beck Mill Rd. right of way. Without this project, the existing pipe will eventually fail and impose a risk of significant damage to nearby homes and property. Proactively replacing this piping will address this risk associated with your property. The Borough determined that replacing and relocating the pipe to the street right of way is necessary and proper for the accommodation, convenience, and safety of the customers, the Borough water system, and the public at large.

Currently, your customer water service line connects to the existing water main on private property, and that water main will be abandoned as part of this project. Therefore, it will be necessary for you to install a new customer water service line from the exterior of your house to connect with the new water main.

As provided for in the Rates, Rules and Regulations Governing the Distribution of Water (Supplement No. 31 to Water-PA P.U.C. No. 3), approved by the Pennsylvania Public Utility Commission (PA PUC), the Borough installs/maintains the water service line from the water main line to the curb line and the customer installs/maintains the water service line from the curb line to the customer's premises. The Borough will be utilizing a private contractor to install the new water main in the road and to make the physical connection to the customer's service line. It will be your responsibility to install a new water service line on your property from the curb line to the connection point outside of your home.

The Borough's consulting engineer has evaluated the best route and connection point for the water service line to your home. Although we believe the average cost for the customer's water service line will be less than \$5,000, your costs could be greater depending on the length of the service line from the curb line to your home.

In order to install your new service line and related appurtenances, you may use the services of the Borough Water Department or you may use your own private contractor. The customer water service line will need to be completed for connection to the new water main by September 1, 2020.

If you would like to request the Borough to install your customer water service line, the Borough will provide you with a written agreement, setting forth the agreed-to terms. The Borough will accept payment for this work via monthly installments, up to 18 months.

You may also proceed with the installation of the new service line using a private contractor of your choice at your own cost. Prior to the start of installation, your private contractor must meet with the Borough's consulting engineer to coordinate the applicable design standards, the alignment of the route and the associated connection point. Borough staff will need to be on-site for transfer of your current connection point to the new connection point.

Please contact Nan Dunford, Borough Manager at 717 637-3877 by May 22, 2020 to discuss your options.

Sincerely,  
For the Borough of Hanover

Nan Dunford  
Borough Manager

**ATTACHMENT 4**

**Maps showing the approximate location of the existing main**





WATER MAIN DECOMMISSIONING PLAN  
BECK MILL ROAD / PARK HEIGHTS BLVD. VICINITY

**ATTACHMENT 5**

**Hanover letters to Formal Complainants (dated June 11, 2020)**



**Department of Planning & Engineering (DP&E)**  
**Hanover Borough, York County, PA**  
*An Equal Opportunity Borough*

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June 11, 2020

Tim S. & Susan L. McKerchner  
 375 Park Heights Blvd.  
 Hanover, PA 17331

**RE: Water Service Connection**

Dear Mr. & Mrs. McKerchner:

As per previous discussions and field meetings, the Hanover Borough Water Department provided notice regarding a major water main rehabilitation project (i.e., the replacement of an aging main that has since exceeded its design life). This letter is to inform you that we have engaged a contractor and work will be starting soon.

Specific to your property, we need to coordinate reconnection of your water line to the main which will require work beyond a simple replacement of the existing connection. The work related to the new service main from the relocated meter box, to your property is a responsibility that you must undertake.

Understanding that the current times are financially difficult for some, and that this project is beginning in your area in late August to September, the Borough is offering two options to complete the necessary work.

**Option A** – The Borough can perform the work necessary to do the service line replacement from the meter box to your existing point of connection. This would be done using Hanover Borough workforce, equipment, and materials at zero profit. The estimated cost for this “time and materials” based effort is expected to not exceed \$ 5,171.75 and would be payable over a span of 18 months at zero interest. If the amount of time involved with the effort can be shortened during the course of construction, actual costs could be less and the repayment plan would be adjusted accordingly.

If you desire to utilize this option, you must sign the attached agreement (which also would allow property access to perform the work) and return it as soon as possible so that the work can be put on the Borough’s schedule. If you would like to discuss other repayment terms, you may contact the Borough’s Finance Director directly to discuss alternative options.

**Option B** – You are free to solicit competitive proposals from private contractors to perform the necessary work. This would be done with oversight by the Borough to ensure that correct practices and materials are utilized. The Borough would not be involved in the negotiations or payment for services so no agreement would be required. However, the work would need to be completed in early September.

The Borough asks for your cooperation while this project is in progress to rehabilitate / replace the water main to reestablish water flow, eliminate dirty water, bringing cleaner, fresher water to your home. Any questions or concerns please contact either me at 717-797-4208 or the Project Engineer, Mike Mehaffey 717-886-5392 to discuss the project and/or related water service connections.

Respectfully Submitted,

P. Eric Mains, P.E.\*

Director of Planning & Engineering  
 The Borough of Hanover

*\*Registered in PA and MD*

Cc: Nan Dunford – Hanover Borough Manager (*transmitted via email*)



**Department of Planning & Engineering (DP&E)**  
**Hanover Borough, York County, PA**  
*An Equal Opportunity Borough*

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June 11, 2020

Tracy L. Albrecht  
 390 Park Heights Blvd.  
 Hanover, PA 17331

**RE: Water Service Connection**

Dear Ms. Albrecht:

As per previous discussions and field meetings, the Hanover Borough Water Department provided notice regarding a major water main rehabilitation project (i.e., the replacement of an aging main that has since exceeded its design life). This letter is to inform you that we have engaged a contractor and work will be starting soon.

Specific to your property, we need to coordinate reconnection of your water line to the main which will require work beyond a simple replacement of the existing connection. The work related to the new service main from the relocated meter box, to your property is a responsibility that you must undertake.

Understanding that the current times are financially difficult for some, and that this project is beginning in your area in late August to September, the Borough is offering two options to complete the necessary work.

**Option A** – The Borough can perform the work necessary to do the service line replacement from the meter box to your existing point of connection. This would be done using Hanover Borough workforce, equipment, and materials at zero profit. The estimated cost for this “time and materials” based effort is expected to not exceed \$ 5,050.00 and would be payable over a span of 18 months at zero interest. If the amount of time involved with the effort can be shortened during the course of construction, actual costs could be less and the repayment plan would be adjusted accordingly.

If you desire to utilize this option, you must sign the attached agreement (which also would allow property access to perform the work) and return it as soon as possible so that the work can be put on the Borough’s schedule. If you would like to discuss other repayment terms, you may contact the Borough’s Finance Director directly to discuss alternative options.

**Option B** – You are free to solicit competitive proposals from private contractors to perform the necessary work. This would be done with oversight by the Borough to ensure that correct practices and materials are utilized. The Borough would not be involved in the negotiations or payment for services so no agreement would be required. However, the work would need to be completed in early September.

The Borough asks for your cooperation while this project is in progress to rehabilitate / replace the water main to reestablish water flow, eliminate dirty water, bringing cleaner, fresher water to your home. Any questions or concerns please contact either me at 717-797-4208 or the Project Engineer, Mike Mehaffey 717-886-5392 to discuss the project and/or related water service connections.

Respectfully Submitted,

P. Eric Mains, P.E.\*

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June 11, 2020

Keith & Susan Keller  
 410 Park Heights Blvd.  
 Hanover, PA 17331

**RE: Water Service Connection**

Dear Mr. & Mrs. Keller:

As per previous discussions and field meetings, the Hanover Borough Water Department provided notice regarding a major water main rehabilitation project (i.e., the replacement of an aging main that has since exceeded its design life). This letter is to inform you that we have engaged a contractor and work will be starting soon.

Specific to your property, we need to coordinate reconnection of your water line to the main which will require work beyond a simple replacement of the existing connection. The work related to the new service main from the relocated meter box, to your property is a responsibility that you must undertake.

Understanding that the current times are financially difficult for some, and that this project is beginning in your area in late August to September, the Borough is offering two options to complete the necessary work.

**Option A** – The Borough can perform the work necessary to do the service line replacement from the meter box to your existing point of connection. This would be done using Hanover Borough workforce, equipment, and materials at zero profit. The estimated cost for this “time and materials” based effort is expected to not exceed \$ 2,657.23 and would be payable over a span of 18 months at zero interest. If the amount of time involved with the effort can be shortened during the course of construction, actual costs could be less and the repayment plan would be adjusted accordingly.

If you desire to utilize this option, you must sign the attached agreement (which also would allow property access to perform the work) and return it as soon as possible so that the work can be put on the Borough’s schedule. If you would like to discuss other repayment terms, you may contact the Borough’s Finance Director directly to discuss alternative options.

**Option B** – You are free to solicit competitive proposals from private contractors to perform the necessary work. This would be done with oversight by the Borough to ensure that correct practices and materials are utilized. The Borough would not be involved in the negotiations or payment for services so no agreement would be required. However, the work would need to be completed in early September.

The Borough asks for your cooperation while this project is in progress to rehabilitate / replace the water main to reestablish water flow, eliminate dirty water, bringing cleaner, fresher water to your home. Any questions or concerns please contact either me at 717-797-4208 or the Project Engineer, Mike Mehaffey 717-886-5392 to discuss the project and/or related water service connections.

Respectfully Submitted,

P. Eric Mains, P.E.\*

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 The Borough of Hanover

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**Hanover Borough, York County, PA**  
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June 11, 2020

Dwight & Judith Dubs  
 415 Beck Mill Road  
 Hanover, PA 17331

**RE: Water Service Connection**

Dear Mr. & Mrs. Dubs:

As per previous discussions and field meetings, the Hanover Borough Water Department provided notice regarding a major water main rehabilitation project (i.e., the replacement of an aging main that has since exceeded its design life). This letter is to inform you that we have engaged a contractor and work will be starting soon.

Specific to your property, we need to coordinate reconnection of your water line to the main which will require work beyond a simple replacement of the existing connection. The work related to the new service main from the relocated meter box, to your property is a responsibility that you must undertake.

Understanding that the current times are financially difficult for some, and that this project is beginning in your area in late August to September, the Borough is offering two options to complete the necessary work.

**Option A** – The Borough can perform the work necessary to do the service line replacement from the meter box to your existing point of connection. This would be done using Hanover Borough workforce, equipment, and materials at zero profit. The estimated cost for this “time and materials” based effort is expected to not exceed \$ 2,644.00 and would be payable over a span of 18 months at zero interest. If the amount of time involved with the effort can be shortened during the course of construction, actual costs could be less and the repayment plan would be adjusted accordingly.

If you desire to utilize this option, you must sign the attached agreement (which also would allow property access to perform the work) and return it as soon as possible so that the work can be put on the Borough’s schedule. If you would like to discuss other repayment terms, you may contact the Borough’s Finance Director directly to discuss alternative options.

**Option B** – You are free to solicit competitive proposals from private contractors to perform the necessary work. This would be done with oversight by the Borough to ensure that correct practices and materials are utilized. The Borough would not be involved in the negotiations or payment for services so no agreement would be required. However, the work would need to be completed in early September.

The Borough asks for your cooperation while this project is in progress to rehabilitate / replace the water main to reestablish water flow, eliminate dirty water, bringing cleaner, fresher water to your home. Any questions or concerns please contact either me at 717-797-4208 or the Project Engineer, Mike Mehaffey 717-886-5392 to discuss the project and/or related water service connections.

Respectfully Submitted,

P. Eric Mains, P.E.\*

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**Hanover Borough, York County, PA**  
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June 11, 2020

Leonard E. & Sabrina E. Bosse  
 419 Beck Mill Road  
 Hanover, PA 17331

**RE: Water Service Connection**

Dear Mr. & Mrs. Bosse:

As per previous discussions and field meetings, the Hanover Borough Water Department provided notice regarding a major water main rehabilitation project (i.e., the replacement of an aging main that has since exceeded its design life). This letter is to inform you that we have engaged a contractor and work will be starting soon.

Specific to your property, we need to coordinate reconnection of your water line to the main which will require work beyond a simple replacement of the existing connection. The work related to the new service main from the relocated meter box, to your property is a responsibility that you must undertake.

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**Option A** – The Borough can perform the work necessary to do the service line replacement from the meter box to your existing point of connection. This would be done using Hanover Borough workforce, equipment, and materials at zero profit. The estimated cost for this “time and materials” based effort is expected to not exceed \$ 2,216.00 and would be payable over a span of 18 months at zero interest. If the amount of time involved with the effort can be shortened during the course of construction, actual costs could be less and the repayment plan would be adjusted accordingly.

If you desire to utilize this option, you must sign the attached agreement (which also would allow property access to perform the work) and return it as soon as possible so that the work can be put on the Borough’s schedule. If you would like to discuss other repayment terms, you may contact the Borough’s Finance Director directly to discuss alternative options.

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June 11, 2020

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 421 Beck Mill Road  
 Hanover, PA 17331

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