

Exhibit B

This form is designed to assist the Water/Wastewater Utility with
Application for Certificate of Public Convenience

Providing public utility service within the Commonwealth of Pennsylvania requires you to request approval from the Commission prior to commencing business. The attached form may be used to create your application for a certificate of public convenience held for water or wastewater. Any exhibits should be placed at the end of the application. Applications are subject to a \$350 fee, payable to the "Commonwealth of Pennsylvania". If filing by hard copy, only one original of each document is required. The Commission may reject an application which fails to include the required information and documents (52 Pa. Code § 3.501.(c)).

Mail the filing and application fee to:

Secretary
Pa Public Utility Commission
P.O. Box 3265
Harrisburg PA 17105

To eFile, click on the Filing & Resources link on the Commission's website at www.puc.pa.gov for instructions.

Questions concerning the application process may be directed to the Bureau of Technical Utility Services at 717-787-5550; please ask to be directed to the Water/Wastewater unit.

Checklist:

- Application and attachments, including your cover letter.
- A check for \$350 made payable to "Commonwealth of Pennsylvania".
- Original signed and notarized Verification Statement.
- Certificate of Service evidencing Application was served upon appropriate parties.

The application will be docketed by the Secretary of the Commission and thereafter forwarded for publication in the *Pennsylvania Bulletin* with a 60-day protest period. The applicant shall also publish notice of application as supplied by the Secretary, daily for 2 consecutive weeks in one newspaper of general circulation located in the territory covered by the application and shall submit proof of publication to the Commission. In addition, the utility or applicant shall individually notify existing customers of the filing of the application.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re: Application of CLP Water Park, Inc. for approval to offer, render, furnish or supply water service to the public in the Commonwealth of Pennsylvania

Docket No: A- _____
(will be filled-in by the Commission)

1. Public utility code: _____
(will be filled-in by the Commission)

2. Name of Company: Conneaut Lake Park Water Corp., Inc. ("CLP")

3. Company Address:

Street name & number: 713 Broad Acres Road
Post office box: _____
City: Narbeth
State: Pennsylvania
Zip Code: 19072
Main Telephone Number: _____
Email Address: _____
Website Address: _____
Fax number: _____

4. Point of Contact for this Application:

Name: Mark J. Shaw, Esq. (MacDonald, Illig, Jones & Britton LLP)
Title: Attorney

Complete the following if different than above:

Street name & number: 100 State Street, Suite 700
Post office box: _____
City: Erie
State: PA
Zip code: 16507
Telephone Number.: (814) 870-7607
Email address: mshaw@MIJB.com
Fax number: (814) 454- 4647

5. Attorney (if retained):

Name: Mark J. Shaw, Esq. (MacDonald, Illig, Jones & Britton LLP)
Street name & number: 100 State Street, Suite 700
Post office box: _____
City: Erie
State: PA
Zip code: 16507
Telephone Number: (814)870-7607
Email address: mshaw@mijb.com

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6. Attach a copy of the business plan required by the Department of Environmental Protection (DEP) in 25 Pa. Code § 109.503(a)(3) (relating to public water system construction permits). Label this document as **Attachment A**. The following additional information/documents, if not included in the business plan, shall also be included and labeled as **Attachment A-1, A-2, etc.**:

The requirements of 25 Pa. Code § 109.503(a)(3) do not apply because there is no proposal to construct facilities. Instead, the applicant is taking over an existing public water system from an entity that holds a current Certificate of Public Convenience. The existing public water system is the Conneaut Lake Park Water System ("Water System"), located in Conneaut Lake, Crawford County, Pennsylvania

(1) *Plant in service.*

(i) Proposed utilities shall provide:

- (A) A full description of the proposed waterworks or wastewater collection, treatment and disposal facilities and the manner, including the timing, in which the proposed service area and utility will be constructed. **N/A**
- (B) A breakdown of the cost of construction, by major plant category, including the sources of funds used to construct the facilities. **N/A**

(ii) Utilities that have been providing service shall provide:

- (A) The original cost, by year and major plant category, of used and useful plant in service and related accrued depreciation calculations. **Most of the original records of the Water System were destroyed in a fire many years ago; as a result there is no record of the original cost. We do have a water system asset valuation from the 2018/1019 time frame that we have attached as Exhibit 1.**
- (B) A breakdown of the sources of funds used to finance the construction of the facilities. **Most of the original records of the Water System were destroyed in a fire many years ago; as a result there is no breakdown of the sources of funds used to finance the construction of the facilities.**

(2) *Map of service area.* A map or plan of suitable scale highlighting the boundaries of the proposed service area, including:

(i) A courses and distances or metes and bounds description. **Most of the original records of the Water System were destroyed in a fire many years ago; as a result we have not located a formal metes and bounds description. Based on a drawing of the Water System by Porter Engineering attached hereto as Exhibit 2, and comparing it to the location of customer water service, we have identified the service area of the system as shown in Exhibit 3. The drawing shows course and approximate distances of the service area.**

(ii) The location or route of the proposed waterworks or wastewater collection, treatment or disposal facilities. **See a drawing of the Water System by Porter Engineering attached hereto as Exhibit 2. Please note that we do not believe this is a complete representation of**

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the water lines of the system as indicated on the drawing, but this is all that was provided to CLP.

- (iii) The approximate time schedule for installation of the various component facilities. N/A
- (iv) The elevations of major facilities and service areas. **See a drawing of the Water System by Porter Engineering attached hereto as Exhibit 2 for the location of the various component facilities. See also 1959 USGS topographic map of Harmonsburg, PA and a close up of the Water System area attached hereto as Exhibits 4 and 4a for the elevations of the various facilities. See also 2019 USGS topographic map of Harmonsburg, PA and a close up of the Water System area attached hereto as Exhibit 5 and 5a for the approximate elevations of the various facilities.**
- (v) The DEP permitted productive or treatment capacity of sources or treatment facility and the pipe sizes and material used for construction for all transmission and distribution or collection facilities. **See Pennsylvania Department of Environmental Protection (PaDEP") Public Water Supply Permit No. 2009505-T-1 attached hereto as Exhibit 6.**
- (vi) A copy of the county comprehensive plan, municipal comprehensive plan and applicable zoning designations, if requested. N/A

(3) *Customers.*

- (i) Proposed utilities shall provide an estimate of the number of customer connections by class in the first, fifth and tenth years, and completed development anticipated, as well as estimated water usage or gallons of wastewater treated in each of those years. N/A
- (ii) Utilities that have been providing service shall submit the actual number of customers by class and related consumption or gallons treated in the current calendar year and future number of connections anticipated for the next 10 years. **See attached current list of properties that CLP believes are legally connected to the Water System, attached hereto as Exhibit 7.**
- (iii) Each utility shall demonstrate its ability to provide adequate water supply, treatment, storage and distribution or adequate wastewater collection, treatment or disposal capacity to meet present and future customer demands. **The average day and peak day usage of water was 31,315 gallons per day and 156,081 gallons per day in 2020, and 47,335 gallons per day and 186,181 gallons per day in 2020. See attached Exhibits 8 and 9. The Water System is permitted through PaDEP water supply permit at a well supply rate of 300 gallons a minute, which equates to 721,440 gallons a day; a treatment system flow rate of 200 gallons a minute, which is 288,000 gallons a day; well above the average and peak flow demands of the system. See attached PaDEP Water Supply Permit No. 2009505 T-1 at Exhibit 6.**

(4) *Rates.*

- (i) Proposed utilities shall provide a proposed initial tariff which includes rates, proposed rules, and conditions of service in the format specified by the Commission (classified rate

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schedule). NOTE: sample tariffs are located on the Commission's website at http://www.puc.pa.gov/filing_resources/water_online_forms.aspx

(ii) Utilities which have been providing service shall provide a proposed initial tariff which includes rates, proposed rules, and conditions of service. The utility shall notify the customers of the utility of the filing of the application and the rates filed.

Exhibit 10 hereto is the existing tariff for the facilities/system. Also included as Exhibit 11 is an initial tariff identifying the change in ownership.

(5) *Cost of service.*

(i) Proposed utilities shall provide a 1, 5 and 10-year estimate of operating revenues, operation and maintenance expenses, annual depreciation and taxes. If operating income reflects a loss, proposed utilities shall provide a detailed explanation of the source of funds to be used to subsidize the estimated losses in support of future viability. **2021 financials for the Water System are attached as Exhibit 12. In the short term, CLP will rely on its parent company to assist with funding any shortfalls. The shortfall is to be covered in the future by rate increases. The current rate structure has been in place since 2003 and has not been changed. As a result, rates are well below market rates and well below the rates needed to continue to operate the system. It is the intent of CLP to initiate a rate increase proceeding as soon as it obtains a Certificate of Public Convenience. Depending on the revenues needed, CLP intends to seek a rate increase as allowed under 52 Pa Code §53.54 or if that does not generate sufficient revenue under the regular rate making process.**

(ii) Utilities that have been providing service shall file the two most recent Federal Income Tax Returns (corporation) or related Schedule C forms (partnership or individual). If tax returns reflect an operating loss, utilities shall describe in detail how the operating losses are subsidized, supported by an analysis of the future viability of the utility. **N/A**

(6) *Proof of compliance.* Proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:

(i) Copies of public water supply/water quality management or National Pollution Discharge Elimination System (NPDES) permits if applicable. **See attached PaDEP Water Supply Permit No. 2009505 T-1 at Exhibit 6 (last page, Recommendations), indicating the Water System is in compliance. See also Exhibits 8 and 9.**

(ii) Valid certified operators' certificates appropriate to the facilities being operated. **See certified operators' certificates appropriate to the facilities being operated attached as Exhibit 13.**

(iii) A 5-year compliance history with DEP with an explanation of each violation for utilities that have been providing service. **N/A**

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(iv) A DEP 5-year compliance history of other utilities owned or operated, or both, by the applicant, including affiliates, and their officers and parent corporations with regard to the provision of utility service. **N/A**

7. *Additional documentation.* In addition to a copy of the documents submitted under paragraph 6, subsections (1)—(6) above, the applicant shall submit a letter (labeled as **Attachment B**) addressing all the applicable requirements or mandates of the following governmental entities. The letter must also append copies of certification issued by the following governmental entities confirming that the applicant does or does not meet all the applicable requirements or mandates of the following:

(i) DEP. **See attached PaDEP Water Supply Permit No. 2009505 T-1 at Exhibit 6. See also Exhibits 8 and 9.**

(ii) The Delaware River Basin Commission, the Susquehanna River Basin Commission, the Ohio River Basin Commission and the Great Lakes Commission. **The Water System is not located in any of these basins nor does it drain into any of these basins.**

(iii) The requirements of any Statewide water plan, including any local watershed areas. **N/A**

(iv) The requirements of any officially adopted county comprehensive plans, municipal comprehensive plans, and applicable zoning designations, including any necessary amendments. **N/A**

8. *Affected persons.* List below the identity of public utilities, municipalities, municipal authorities, cooperatives and associations which provide public water supply service or wastewater collection, treatment or disposal service within each municipality, or a municipality directly adjacent to the municipalities, in which the applicant seeks to provide service that abuts or is situated within 1 mile of the applicant's proposed facilities: **Based on a review of PaDEP's website identifying public water supply systems in Crawford County, there are no public water supply services provided adjacent to the Water System or within a 1 mile of the Water System (nearest is about 1.83 miles following Public rights-of-way, which is a mobile home park water system). There is a water system within one mile, but that is measured by how the crow flies and any connection would have to be buried a 1/2 mile under Conneaut Lake, which would not be practicable or possibly even permitted. Attached as Exhibit 14 are printouts from DEP's website showing the various distances between the Water System and the nearby public water systems.**

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9. *Other requirements.* Demonstrate compliance with DEP regulations in 25 Pa. Code § 109.503(a)(3) or section 5 of the Pennsylvania Sewage Facilities Act requirements (35 P. S. § 750.5), whichever is applicable; or whether the applicant has contacted each public water supplier or wastewater collection, treatment or disposal supplier in paragraph (8), and one of the following applies:

(i) Whether a supplier is willing and able to serve the area which the applicant seeks to serve either directly or through the bulk sale of water to the applicant, or treatment of wastewater to the applicant.

(ii) If one or more supplier is willing to serve the area (either directly or through the bulk sale of water to applicant), the applicant should demonstrate that, when considering both the cost of service and the quality of service, the ultimate consumer would be better served by the applicant than by the other water suppliers.

The requirements of 25 Pa. Code § 109.503(a)(3) do not apply because there is no proposal to construct facilities. Instead, the applicant is taking over a public water supply system that was operated by the entity that has a PUC Certificate of Public Convenience. Applicant is willing and able to provide public water service in the area directly through the provision of water via the existing public water facilities transferred from the Trustees of Conneaut Lake Park, Inc. via order of the Bankruptcy Court of the Western District of Pennsylvania, and for which it has been issued a PaDEP permit. Efforts to sell the system to Aqua Water have been rejected. In addition, efforts to sell the system to the Conneaut Lake Joint Municipal Authority, which operates the public sewer system in the Water System service area, also have been unsuccessful.

10. *Verification.* A verification that the water sources and customers are metered in accordance with 52 Pa. Code § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission. **Water delivered by the Water System is generally not metered. Given that the water rates have not been changed in nearly 20 years, there is not sufficient current revenue to support the installation of meters. In addition, many of the structures receiving water service are very old with old piping that will present significant costs to the customer to accommodate the installation of a meter since under Section D(3) of the Tariff such work is the responsibility of the customer. CLP proposes that once it obtains its Certificate, obtains a rate increase and the water system stabilizes financially, it will formulate a plan to install meters.**

11. *Additional considerations.* Provide evidence demonstrating the utility's compliance with municipal and county comprehensive plans, multi-municipal plans, zoning ordinances and joint municipal zoning ordinances, consistent with the authority in sections 619.2 and 1105 of the Municipalities Planning Code (53 P. S. §§ 10619.2 and 11105), when reviewing applications for a certificate of public convenience as a public water supplier or wastewater collection, treatment or disposal provider.

N/A as there is no change to the service area.

Certificate of Service

Instructions: At the time of filing, the applicant must file a complete copy of the application with exhibits to be served by registered or certified mail, return receipt requested, upon:

- (1) Each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service area.
- (2) A water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment or disposal service to the public and whose service area abuts or is within 1 mile of the service area proposed in the application.
- (3) The statutory advocates and DEP's central and regional offices.

I hereby certify that I have on this date March 31, 2022 (month/day/year), served a true copy of the foregoing document(s) upon the participants, listed below, in accordance with the requirements of §1.54 (relating to service by a participant).

Office of Consumer Advocate 555 Walnut Street 5 th Floor Forum Place Harrisburg, PA 17101-1923	Office of Small Business Advocate Commerce Building, Suite 1102 300 North Second Street Harrisburg, PA 17101
Bureau of Investigation and Enforcement Pa PUC PO Box 3265 Harrisburg, PA 17105	Dept of Environmental Protection NW Regional Office 230 Chestnut Street Meadville, PA 16335
Dept of Environmental Protection Rachel Carson State Office Building 400 Market Street Harrisburg, PA 17101	Sadsbury Township 9888 State Highway 285 Conneaut Lake, PA 16316
Summit Township Office P.O. Box 231 19056 Plum Street Harmonsborg, PA 16422	Aqua PA 665 S. Dock Street Sharon, PA 16146

Signature: _____



Name (printed): Mark J. Shaw

Title (printed): Attorney