

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
HARRISBURG, PA 17120**

Public Meeting held August 25, 2022

Commissioners Present:

Gladys Brown Dutrieuille, Chairman  
John F. Coleman, Jr., Vice Chairman  
Ralph V. Yanora

Application of Pennsylvania-American  
Water Company – Wastewater Division for  
approval of the right to offer, render, furnish  
or supply wastewater service to the public in  
an additional portion of Elk Township,  
Clarion County, Pennsylvania

Docket No.  
A-2022-3030364

**ORDER**

**BY THE COMMISSION:**

By the application (Application) filed on January 6, 2022, Pennsylvania-American Water Company – Wastewater Division (PAWC-WD), Utility Code 230073, 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055, seeks a certificate of public convenience (CPC) pursuant to Section 1102(a)(1)(i) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a)(1)(i), evidencing Pennsylvania Public Utility Commission (Commission) approval of PAWC-WD’s right to offer, render, furnish or supply wastewater service to the public in an additional portion of Elk Township, Clarion County, Pennsylvania.

**I. AFFECTED ENTITIES AND BACKGROUND**

PAWC-WD is a regulated public utility company, duly organized and existing under the laws of the Commonwealth. As of November 30, 2021, PAWC-WD provides wastewater service to approximately 81,959 customers throughout Pennsylvania, including portions of Elk Township, Clarion County. Additionally, PAWC-WD is a division of Pennsylvania-American Water Company (PAWC), Utility Code 212285.

PAWC provides water service in many counties throughout Pennsylvania and is a subsidiary of American Water Works Company, Inc.

PAWC-WD contends there is a need to make reliable and safe wastewater service available to three residential structures located at 12308, 12360 and 12380 State Route 208 (SR 208), Shippenville, Pennsylvania 16254 (Residential Structures). To support its claim, the Application's Exhibit C included copies of letters from the Residential Structures' property owners expressing interest in receiving wastewater service. PAWC-WD indicated that, with the construction of a new lift station on a parcel located at the north end of the requested service territory along the eastern side of SR 208 (SR 208 North Lift Station), it is able to provide wastewater service to the Residential Structures. PAWC currently provides water service in the requested additional service territory and no change in water service is contemplated with this Application.

PAWC-WD submitted proofs of publication and service to the appropriate entities. Notice of the Application was published in the *Pennsylvania Bulletin*, 52 Pa.B. 548, on Saturday, January 22, 2022. The protest period ended February 7, 2022. No protests were filed, and no hearings were held.

## **II. LOCATION AND DESCRIPTION OF PROPOSED TERRITORY**

In supplemental information filed with the Commission, PAWC-WD provided revised Exhibits B-1 and B-2 that contained a map depicting PAWC-WD's requested wastewater service territory along with a written description of the territory's boundaries with bearing angles and distances, respectively, representing an area of approximately 11.5 acres. The requested territory encompasses Clarion County Tax Parcel Nos. 08-020-008-000-00, 08-020-007-000-00, 08-020-010-001-00, 08-020-011-000-00 and a portion of 08-020-010-000-00 and is situated along both the east and west side of SR 208, north of Motter Street and south of Allaman Road in Elk Township. The requested territory

also abuts PAWC-WD's existing certificated territory.<sup>1</sup> PAWC-WD anticipates that the customers in the requested territory will be able to connect to PAWC-WD's wastewater system upon approval of the Application.

### **III. FACILITIES FOR FURNISHING SERVICE**

PAWC-WD averred that it had completed the replacement of aging infrastructure that included the construction and installation of the SR 208 North Lift Station and two main extensions consisting of an 8-inch diameter polyvinyl chloride (PVC) gravity sewer main and a 4-inch diameter high density polyethylene (HDPE) force sewer main as depicted in a map provided in the Application's Exhibit D. PAWC-WD also included in the Application a copy of the SR 208 North Lift Station Construction Cost Estimate, labeled as Exhibit E, which detailed expenditures of approximately \$460,700 for the lift station, \$50,325 for the gravity sewer main, and \$77,070 for the force sewer main for a total of approximately \$588,095 ( $\$460,700 + \$50,325 + \$77,070 = \$588,095$ ). In supplemental information filed with the Commission, PAWC-WD indicated that the SR 208 North Lift Station was placed into service on November 30, 2020. PAWC-WD also indicated that the previous lift station (a.k.a. School Street Pump Station) has not been removed from utility plant in service due to final closeout work still being completed on the project.

PAWC-WD indicated that the wastewater generated within the requested territory will be conveyed to the Paint-Elk Wastewater Treatment Plant (Paint-Elk WWTP). In supplemental material filed with Commission, PAWC-WD averred that the permitted design hydraulic capacity of the Paint-Elk WWTP is 0.600 million gallons per day (MGD) and that as of May 2021, the maximum monthly flow was 0.306 MGD. In supplemental information filed with the Commission, PAWC-WD provided a copy of its

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<sup>1</sup> See Application of PAWC-WD for approval of the transfer, by sale, of substantially all of Shippenville Borough's wastewater system to PAWC-WD and the rights of PAWC-WD to begin to offer or furnish wastewater service to the public in Shippenville Borough and an additional portion of Elk Township, Clarion County, Pennsylvania, Order entered March 11, 2015, at Docket No. A-2014-2441953.

Chapter 94 Municipal Wasteload Management Report submitted to the Pennsylvania Department of Environmental Protection (DEP) for the 2021 calendar year (2021 Chapter 94 Report). In the 2021 Chapter 94 Report, PAWC-WD indicated that the SR 208 North Lift Station has the capacity for a maximum daily flow rate of 0.144 MGD and, in 2021, experienced a maximum day flow rate of 0.0021 MGD. Additionally, PAWC-WD projected a 2-year maximum day flow of 0.0017 MGD.

In supplemental information filed with the Commission, PAWC-WD provided a copy of its DEP-approved Water Quality Management (WQM) Permit No. 1619403 (WQM Permit) that authorized the replacement of 4 lift stations, including the SR 208 North Lift Station, and the installation of new force and gravity sewer mains to facilitate connecting the new lift stations into the existing lines of the conveyance system. The WQM Permit indicated a design capacity of 100 gallons per minute (GPM) for the SR 208 North Lift Station. PAWC-WD indicated that it has adequate wastewater collection, conveyance, treatment, and disposal capacities to meet present and future customer demands in the requested service territory.

#### **IV. ADDITIONAL CAPITAL REQUIREMENTS**

PAWC-WD averred that the three residential customers requesting service will require two gravity sewer laterals and one force main sewer lateral. In the Application's Exhibit E, PAWC-WD provided a construction cost estimate indicating the cost for the installation of the laterals will be approximately \$10,000 for each gravity sewer lateral and approximately \$5,000 for the pressure sewer lateral for a total estimated customer connection cost of approximately \$25,000 ( $\$20,000 + \$5,000 = \$25,000$ ). In supplemental information filed with the Commission, PAWC-WD averred it will fund the costs with short-term debt and internally generated funds that will be replaced by a combination of long-term debt and equity in the future. PAWC-WD also indicated that the property owners of the Residential Structures will be financially responsible for the installation of the customer-owned portion of the sewer lateral from the residential

structure to the point of connection at the edge of the right-of-way or easement, as applicable.

## **V. PROPOSED RATES**

PAWC-WD will charge its existing Rate Zone 1 metered residential rates for wastewater service within the requested territory as set forth in its current effective wastewater tariff with the estimated usage for a residential customer of 3,458 gallons per month. The Application's Exhibit J provided an estimate of anticipated annual revenues and expenses for providing service in the requested territory. PAWC-WD estimated its projected additional revenues to be approximately \$2,823 and additional expenses to be approximately \$548. The estimated revenues and expenses would result in a net annual operating income of approximately \$2,275.

## **VI. PERMITS, EASEMENTS AND RIGHTS-OF-WAY REQUIRED**

In supplemental information filed with the Commission, PAWC-WD averred that no additional easements or permits are required to provide service to the customers connecting to the gravity main. Additionally, PAWC-WD indicated that it will require a Pennsylvania Department of Transportation (PennDOT) Highway Occupancy Permit to provide service to the customer connecting to the force main located in SR 208, which will not be applied for until service is requested.

## **VII. ACT 537 OFFICIAL SEWAGE FACILITIES PLAN AND LAND-USE PLANNING COMPLIANCE**

The Application's Exhibit F consisted of a copy of a letter from DEP, dated July 25, 2019, indicating its approval of Elk Township's Planning Module Component 3 – Sewage Collection and Treatment Facilities (DEP Planning Module Approval). The DEP Planning Module Approval stated that DEP reviewed Elk Township's Official Plan Revision consisting of the construction of two new lift stations, Maple Drive and SR 208

North, to replace the existing lift stations owned by PAWC-WD, which are both at the end of their useful service lives. Specifically, the DEP Planning Module Approval stated that the SR 208 North Lift Station will be capable of conveying a peak daily flow of 144,000 gallons per day (GPD) to be treated at the PAWC-WD Paint-Elk WWTP. The SR 208 North Lift Station will also provide additional capacity for 42 Equivalent Dwelling Units (EDUs) at 250 gallons per EDU in order to enable future expansion of the service area to include customers in the Evergreen Drive and SR 208 North vicinity for a total number of 48 EDUs.

The Application's Exhibit F also included a copy of the DEP-approved Component 3 Sewage Facilities Planning Module, revised April 2019, completed by Gwin, Dobson & Foreman, Inc. (DEP Planning Module). The DEP Planning Module's Section C included a copy of a Resolution for Plan Revision for New Land Development, Township Resolution #3-16-19, which was adopted on March 11, 2019, by Elk Township and approved the DEP Planning Module and, correspondingly, submitted it to DEP for approval. Further, the DEP Planning Module's Section D provided copies of the Municipal Planning Agency Review for Elk Township, dated March 11, 2019, and the County Planning Agency Review for Clarion County, dated February 4, 2019, both indicating that the proposal to expand the service area for the SR 208 North Lift Station is consistent with and meets the goals and objectives of each entity's respective comprehensive plan for land use.

Finally, the DEP Planning Module referenced a preliminary engineering report prepared by Koppel Engineers (*sic*) for Elk Township that defined the expanded service area for the planned sewerage of 42 additional EDUs to be conveyed by the SR 208 North Lift Station. In supplemental information filed with the Commission, PAWC-WD provided a copy of a Preliminary Engineering Report – Sanitary Sewer System Extension, prepared by Kopko Engineering, dated September 2016, for Elk Township that defined the SR 208 North Lift Station study area to include approximately 42 homes and businesses commencing at the intersection of Motter Street and SR 208 in

Shippenville Borough extending north along SR 208 to the end of Hemlock Drive in Elk Township. PAWC-WD also provided a copy of a map entitled “Proposed Sewer Line: Evergreen Drive – Route 208 Area,” prepared by Kopko Engineering, dated September 29, 2016, that depicted the route of proposed force main through the SR 208 North Lift Station study area. Consequently, PAWC-WD averred that the parcels of the Residential Structures were included in the maps of the study area provided in the approved DEP Planning Module.

### **VIII. OTHER CONSIDERATIONS**

PAWC-WD averred that to the best of its knowledge, no corporation, partnership or individual is currently furnishing or has corporate or franchise rights to furnish service like that to be rendered by PAWC-WD within the requested territory and, therefore, no competitive condition will be created. PAWC-WD also indicated that it is in the public interest for PAWC-WD to provide wastewater service in the requested territory because PAWC-WD is financially and technically capable of providing wastewater service. Finally, PAWC-WD stated that there is a need to make reliable and safe wastewater service available to the Residential Structures due to the questionable quality of the existing on-lot wastewater treatment.

PAWC-WD has no outstanding fines or assessments due to the Commission. Also, PAWC-WD is current with its annual and quarterly earnings reports and the Commission’s security planning and readiness report filing requirements. In an email correspondence from DEP’s Northwest Regional Office, dated January 26, 2022, DEP advised Commission staff that it does not have any pending actions or outstanding complaints against the PAWC-WD Elk-Paint WWTP. However, DEP indicated in the email that PAWC-WD is in violation of NPDES Permit No. PA0060640 (Saw Creeks WWTP), NPDES Permit No. PA0061646 (Lake Scranton Water Filter Plant) and Permit No. PA0244775 (Norrstown WTP). The Commission has previously directed PAWC-WD to provide a report to the Commission addressing the DEP violations and the current

status of completing DEP approved corrective actions for its Saw Creeks Wastewater Treatment and Lake Scranton Water Filter Plants.<sup>2</sup> Pursuant to the Public Utility Code at Section 1103(a), the Commission shall grant a CPC, “only if the commission shall find or determine that the granting of [the CPC] is necessary or proper for the service, accommodation, convenience or safety of the public” and the Commission in granting a CPC, “may impose such conditions as it may deem to be just and reasonable.”<sup>3</sup> Therefore, through this Order, the Commission will direct PAWC-WD to provide a report to the Commission addressing the DEP violations and the current status of completing DEP approved corrective actions for its Norristown WTP.<sup>4</sup>

## IX. CONCLUSION

Based upon the facts that there is a need to make public wastewater service available within the requested territory; that PAWC-WD will expand its service territory to new customers in compliance with Commission regulations; that the economies of scale of an expanded customer base have a beneficial effect on existing customers; and that PAWC-WD is fit to provide service, the Commission finds that granting PAWC-WD’s Application for an extension of its service territory is necessary or proper for the service, accommodation, convenience, or safety of the public and in the public interest; **THEREFORE,**

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<sup>2</sup> See the Application of PAWC-WD for approval of the right to: (1) acquire certain wastewater system assets from Foster Township, and (2) begin to offer, render, furnish or supply wastewater service to the public in portions of Foster Township, Luzerne County, Pennsylvania, Order entered July 14, 2022, at Docket No. A-2021-3028676.

<sup>3</sup> See 66 Pa.C.S. §1103(a). See also 66 Pa.C.S. §501 (relating to general powers), §504 (relating to reports by public utilities).

<sup>4</sup> See Ordering Paragraph No. 3.

**IT IS ORDERED:**

1. That the Application of Pennsylvania-American Water Company – Wastewater Division at Docket No. A-2020-3030364, is hereby approved, consistent with this Order.

2. That a Certificate of Public Convenience shall be issued pursuant to Section 1102(a)(1)(i) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a)(1)(i), authorizing Pennsylvania-American Water Company – Wastewater Division to begin to offer, render, furnish, and supply wastewater service to the public in an additional portion of Elk Township, Clarion County, consistent with the revised Exhibits B-1 and B-2 provided in the Application’s supplemental information, filed May 13, 2022.

3. That within sixty (60) days following the entry of this Order, Pennsylvania-American Water Company – Wastewater Division shall file a report with the Secretary’s Bureau, with a copy served upon the Bureau of Technical Utility Services, addressing the violations indicated by Pennsylvania Department of Environmental Protection at its Norristown Water Treatment Plant and the current status of completing any approved corrective actions.

4. That nothing herein shall be construed as an approval or determination of costs or expenses for the purposes of just or reasonable rates or to exempt Pennsylvania-American Water Company – Wastewater Division from obtaining all necessary permits, licenses, and approvals from other federal, state, and local government agencies having jurisdiction.

5. That a copy of this Order be served upon Pennsylvania-American Water Company – Wastewater Division, the Commission’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Elk Township Board of Supervisors, the Elk Township Planning Commission, the

Clarion County Commissioners, the Clarion County Planning Commission, the Department of Environmental Protection – Northwest Regional Office and its Bureau of Regulatory Counsel.

6. That the proceeding at Docket No. A-2022-3030364 be closed after a Certificate of Public Convenience is issued in accordance with Ordering Paragraph 2.

**BY THE COMMISSION,**

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: August 25, 2022

ORDER ENTERED: August 25, 2022