

**APPLICATION FOR APPROVAL OF ABANDONMENT &
TRANSFER OF WATER OF SERVICE TO
CUSTOMERS IN WEST CORNWALL TOWNSHIP,
LEBANON COUNTY, PA**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re: Application of Quentin Water Company
for approval of the abandonment & transfer of
water services to customers in West Cornwall
Township, Lebanon County, Pennsylvania to
West Cornwall Township Authority

Docket No: A- _____

1. Public utility Code: 212440
2. Name of Company: Quentin Water Company
3. Company Address:

100 South Zinns Mill Road	PO Box 1001
Quentin, Pa. 17083	Quentin, Pa. 17083
Telephone number: 717-926-6208	
Email: <u>quentinwatercompany@gmail.com</u>	<u>qbear@comcast.net</u>

4. Point of Contact for this Application

Name: George E. Christianson, Attorney for the Quentin Water Company
Address: 411 Chestnut Street, Lebanon, Pa. 17042
Telephone number: 717-273-1651
Email: georgec@christiansonmeyer.com
Fax: 717-273-8944

William Matthews
PO Box 1001
Quentin, Pa. 17083
Telephone number: 717-926-6208
Email: qbear@comcast.net

5. Attorney:

Name: George E. Christianson is both the contact and the attorney for the Applicant
Address: 411 Chestnut Street, Lebanon, Pa. 17042
Telephone number: 717-273-1651
Email: georgec@christiansonmeyer.com
Fax: 717-273-8944

6. Provide a general description of the nature and character of the services rendered by the applicant:

The Applicant has been providing water services since the inception of community water services, to the residents of Quentin, which is a small community located within West Cornwall Township, Lebanon County, Pa.

7. Provide a statement of change in service proposed by the applicant for which Commission approval is sought.

The Applicant has entered into an Agreement with the West Cornwall Township Municipal Authority, to continue to provide services for all present customers and to provide the upgrades necessary to the water system to meet present and future needs for all customers. There are no anticipated changes in services.

8. For partial abandonments/discontinuance, provide a map as an attached exhibit that depicts the existing service area as well as the service area to be abandoned.

Attached is the service area, which will be abandoned by your Petitioner and for which services will continue to be provided by the West Cornwall Township Municipal Authority. (Exhibit A).

9. Provide a written description for the boundaries of the area to be abandoned and quantify the abandonment area in acres.

See attached map describing area service of 271 acres. (Exhibit A).

10. Provide a summary of the revenue derived from the operation of the service sought to be discontinued, together with a statement of the expenses accruing from the maintenance of that service. This information may be furnished in detail and attached to the application.

Attached are the financial statements of the Quentin Water Company prepared by the accountant for the Quentin Water Company for the years 2020 and 2021, reflecting receipts and expenses for the years stated. (Exhibit B)

11. State the reasons why approval of the application is necessary.

Quentin Water Company has served the community, to a large extent, by volunteer services from members of the community as well as shareholders. With the complexity of water delivery services and the expansion of the development and maintenance of quality and pressure, the Quentin Water Company is no longer able to provide the services required for the present needs of the community.

12. Provide a detailed explanation of why the company wishes to abandon its certificated service territory.

It is believed that services could more effectively be rendered by the West Cornwall Township Municipal Authority, who also provides sewer services to the area presently serviced by the Applicant.

13. Provide the number of customers served and date last served.

The Quentin Water Company presently has 246 customers and it is anticipated that customer demand will increase by 200 new customers.

14. What will happen to these customers? Who will serve them?

All existing customers will be serviced by the West Cornwall Township Municipal Authority, using the present wells, tanks and systems used by the Quentin Water Company and the Authority will provide the necessary equipment for securing of water and distribution of the same, to meet the present and future needs of the community.

15. Provide a copy of the agreement between the applicant and the proposed utility that will be accepting service responsibility for the applicant's customers.

The Agreement agreed upon and approved by the Shareholders at a special meeting of the Quentin Water Company on May 25, 2022. West Cornwall Township Municipal Authority will continue to provide services to all customers. (Exhibit C)

16. Provide a comparison of the utility service rates by class that a typical customer currently pays to the applicant and the rates a customer will pay the proposed utility.

The utility rates for customers will not be changed. Attached Exhibit shows current rates of all water services in the county, current and with adjustment. (Exhibit D)

17. As required by 52 Pa Code§ 5.14(1), provide a copy of the publication notice from a newspaper(s) of general circulation serving the geographical territory affected by the application.

Copies will be provided when received.

18. As required by 52 Pa Code§ 5.14(2), provide a copy of the notice to the customers of the Applicant's plan to abandon service.

There will be no customers of the Applicant who will be abandoned for services. All services will continue to be provided by the West Cornwall Township Municipal Authority.

Verification

I, WILLIAM R. MATTHEWS hereby state that the facts above set forth 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. CS. § 4904 (relating to unsworn falsification to authorities).

9/23/22
Date

William R Matthews
Signature

Instructions: You must serve a copy of the Application and any amendments upon the Office of Consumer Advocate, Office of Small Business Advocate, and the Bureau of Investigation and Enforcement.

Certificate of Service

I hereby certify that I have on this date, September 26, 2022, 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).

Signature  _____

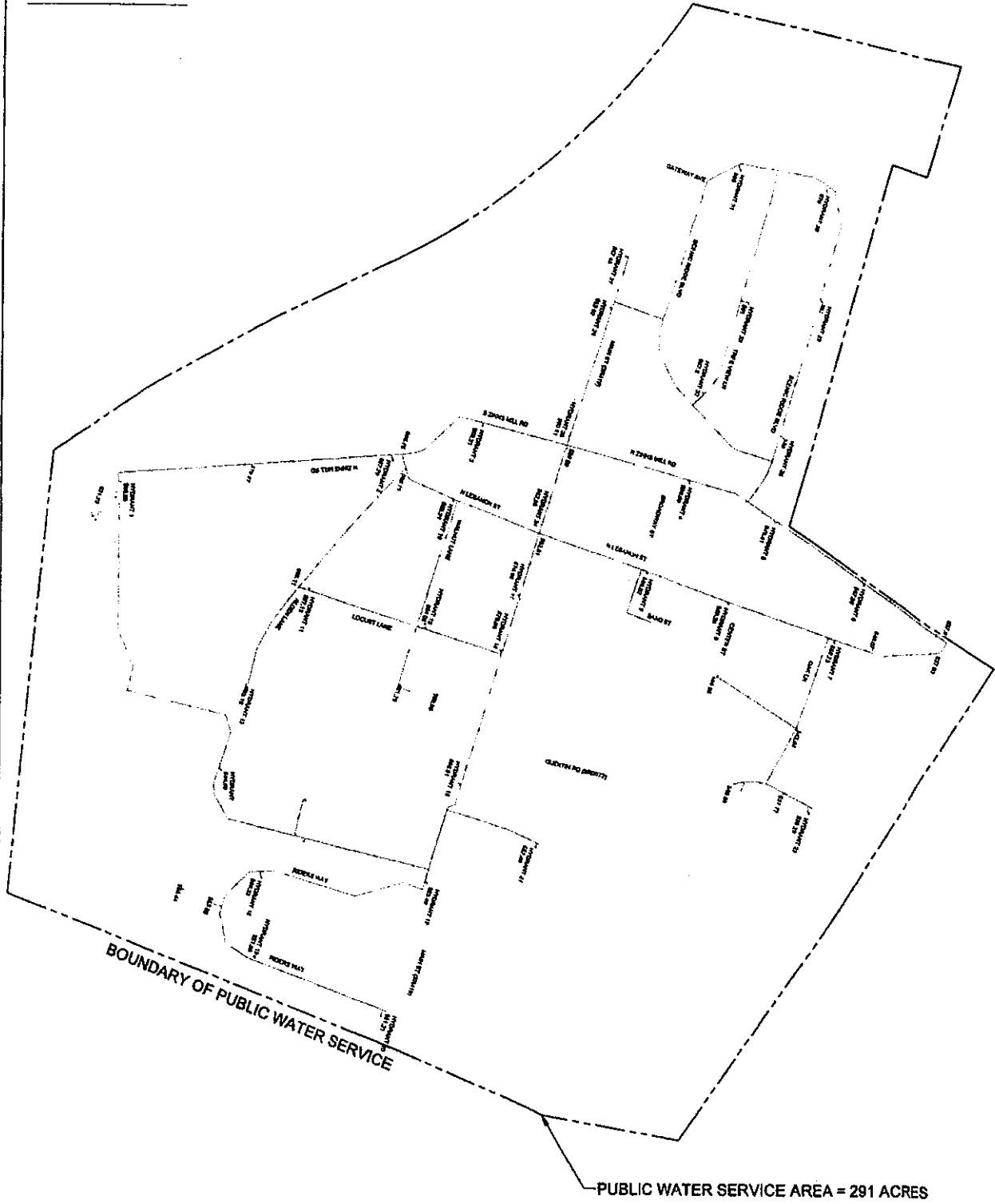
Name (printed) George E. Christianson

Office of Consumer Advocate
555 Walnut Street
5th 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

EXHIBIT A



PUBLIC WATER SERVICE AREA = 291 ACRES

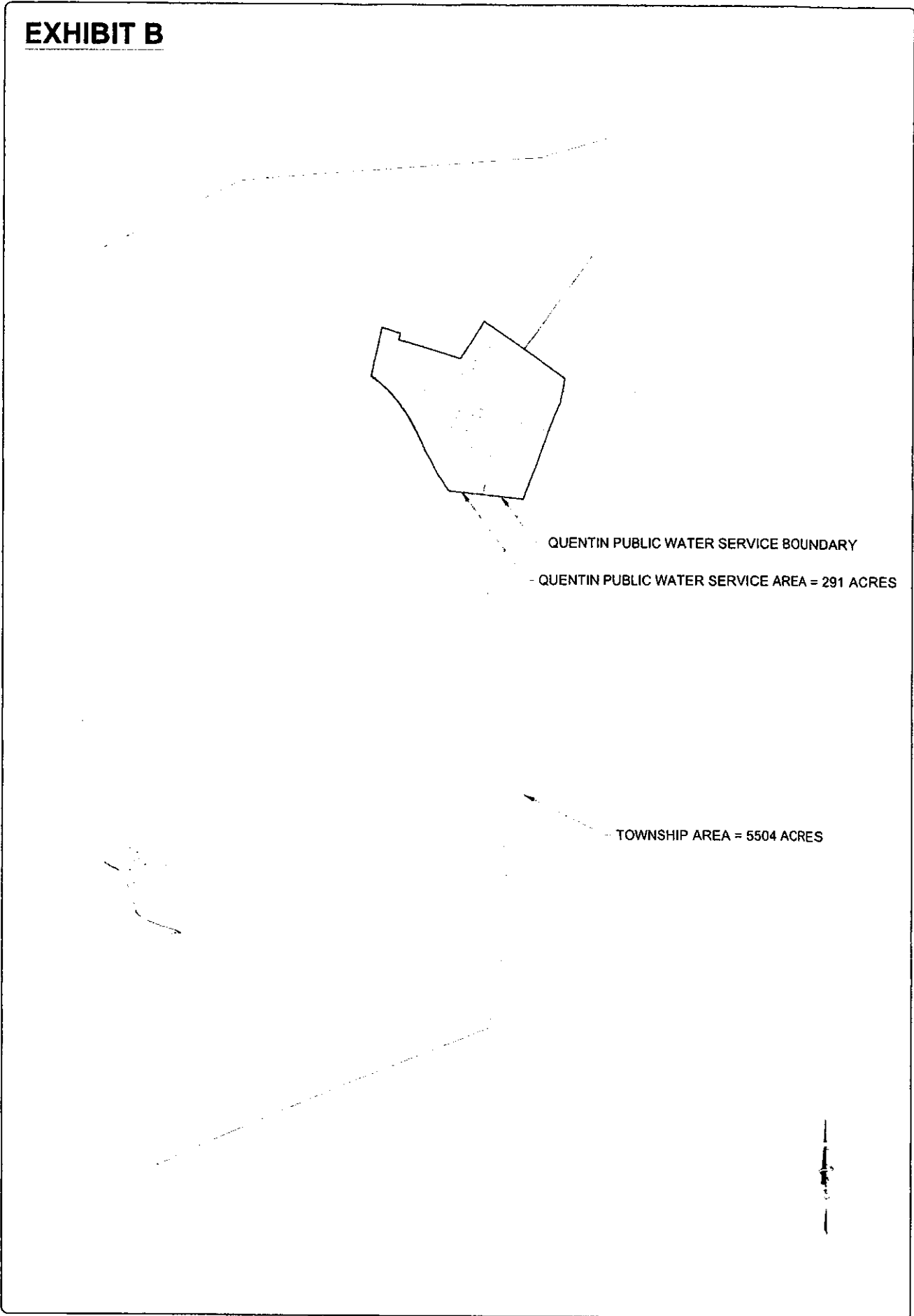
PROJECT NO.	001-291-001
DATE	6/18/92
SCALE	1"=500'
DESIGNER	OCB
CHECKED	OCB
DATE	6/18/92
PROJECT #	001-291-001

OCB
 Stebbins Engineering & Surveying, Inc.
 278 North First St. Suite 201
 Lebanon, Pennsylvania 17042
 Phone: (717) 271-2116
 Fax: (717) 271-1348

EXHIBIT A - CUERTINI WATER SYSTEM
 WEST CORNWALL TWP MUNICIPAL AUTHORITY
 © Copyright 1992
 Leason County, Pennsylvania

REVISION	DATE	BY

EXHIBIT B



	PROJECT # 202-27-003 DATE: 1-1-2009 DRAWN: JAC CHECKED: JAC DATE: 1-1-2009	 S&B Engineering & Surveying Inc. 278 North State Street, Suite 4 Leavenworth, Pennsylvania 17033 Phone: (717) 254-1700 Fax: (717) 254-1744	EXHIBIT B - QUENTIN WATER SYSTEM VS W CORNWALL TWP FOR WEST CORNWALL TWP MUNICIPAL AUTHORITY Name: West Cornwall Township Lehigh County, Pennsylvania	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">PERSON</th> <th style="width: 10%;">DATE</th> <th style="width: 10%;">BY</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	PERSON	DATE	BY													
PERSON	DATE	BY																		

**QUENTIN WATER COMPANY
COMPILED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

ELLIS LEE HOSTETTER & CO, PC
1810 S 5TH AVENUE
LEBANON, PA 17042
(717) 273-8197



ELLIS LEE HOSTETTER & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
1810 South 5th Avenue • Lebanon, PA 17042
Phone: 717-273-8197 • Fax: 717-273-8220
website: www.elhcopc.com

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BENJAMIN LUKE HOSTETTER, EA
E-mail: ben@elhcopc.com
ZACHARY DAVID REIS, EA
E-mail: zach@elhcopc.com

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To Management
Quentin Water Company
Quentin, PA

Management is responsible for the accompanying statements of assets, liabilities, and equity - tax basis of Quentin Water Company (a PA corporation) as of December 31, 2021 and 2020, the related statements of revenues and expenditures - tax basis and the schedules of operating expenses - tax basis for the years then ended and for determining that the tax basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

ELLIS LEE HOSTETTER & CO., P.C.
Lebanon, PA

April 22, 2022

QUENTIN WATER CO
Statements of Assets, Liabilities & Equity
(Tax Basis)
December 31, 2021 & 2020

	Current Period	Prior Period
ASSETS		
CURRENT ASSETS		
Petty Cash	\$ 104.73	\$ 104.73
Cash in Bank - Checking	13,144.45	(2,491.14)
Cash in Bank - Savings	2,083.02	1,957.86
Prepaid Taxes	0.00	5,190.00
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	15,332.20	4,761.45
PROPERTY AND EQUIPMENT		
Land	7,100.00	7,100.00
Buildings	18,956.75	18,956.75
Tank	45,563.80	45,563.80
Wells	6,004.17	6,004.17
Well #4 - Drilling	24,228.00	24,228.00
Well #4 - Pump & Piping Instal	506,407.23	463,082.23
Well #4 - Engineering	87,766.90	87,766.90
Well #4 - Permits	2,290.00	2,290.00
Pump mobilization	31,840.00	31,840.00
Pumps and Equipment	57,253.00	57,253.00
Distribution Mains	35,868.60	35,868.60
Service Pipes and Stops	25,284.11	25,284.11
Meters & Installation	48,997.69	45,934.67
Fire Hydrants	21,177.28	21,177.28
Chlorinators	5,166.93	5,166.93
Rate Study, Engineer & Permits	35,617.10	35,617.10
Equipment	20,044.77	19,126.77
Office Equipment	11,729.87	11,729.87
Less Accumulated Depreciation	(628,754.20)	(566,759.18)
	<hr/>	<hr/>
TOTAL PROPERTY AND EQUIPMENT	362,542.00	377,231.00
OTHER ASSETS		
Organization Expense	732.40	732.40
	<hr/>	<hr/>
TOTAL OTHER ASSETS	732.40	732.40
	<hr/>	<hr/>
TOTAL ASSETS	\$ 378,606.60	\$ 382,724.85
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QUENTIN WATER CO
 Statements of Assets, Liabilities & Equity
 (Tax Basis)
 December 31, 2021 & 2020

	Current Period	Prior Period
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Note Payable - Bank	\$ 22,572.11	\$ 7,748.63
Social Security Tax Withheld	401.63	394.03
Medicare Tax Withheld	94.28	92.14
Federal Income Tax Withheld	754.48	670.00
State Income Tax Withheld	199.54	195.10
Local Income Tax Withheld	64.81	63.55
PUC Tax	4.90	7.32
Accrued Taxes Payable	697.97	672.83
PA Corporate Taxes Payable	779.00	0.00
Federal Corporate Taxes Payabl	1,536.00	0.00
Deferred Income	0.00	48,550.00
	27,104.72	58,393.60
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES		
	0.00	0.00
TOTAL LONG-TERM LIABILITIES		
	27,104.72	58,393.60
TOTAL LIABILITIES		
EQUITY		
Capital Stock	40,000.00	40,000.00
Paid in Surplus	1,283.30	1,283.30
Retained Earnings	283,047.95	253,192.22
Less Dividends Paid	(4,000.00)	(4,000.00)
Net Income	31,170.63	33,855.73
	351,501.88	324,331.25
TOTAL EQUITY		
TOTAL LIABILITIES & EQUITY	\$ 378,606.60	\$ 382,724.85

QUENTIN WATER CO
Statements of Revenues & Expenditures
(Tax Basis)
For the Periods Ended December 31, 2021 & 2020

	Year to Date	Prior Year to Date
REVENUES		
Revenues Collected	104,908.38	97,702.72
Fire Hydrant Revenue	3,616.85	3,597.75
Connection Revenue	74,670.50	134,000.00
Grant Income	0.00	166,200.00
	<u>183,195.73</u>	<u>401,500.47</u>
TOTAL REVENUES		
 COST OF SALES		
	<u>0.00</u>	<u>0.00</u>
TOTAL COST OF SALES		
GROSS PROFIT	183,195.73	401,500.47
OPERATING EXPENSES	<u>153,515.45</u>	<u>370,328.38</u>
OPERATING INCOME	29,680.28	31,172.09
 OTHER INCOME		
Land Rent	700.00	700.00
Interest Income	7.85	325.35
Miscellaneous Income	230.50	1,150.69
Sewer Authority	552.00	507.60
	<u>1,490.35</u>	<u>2,683.64</u>
TOTAL OTHER INCOME		
 OTHER EXPENSES		
TOTAL OTHER EXPENSES	<u>0.00</u>	<u>0.00</u>
NET INCOME	<u>\$ 31,170.63</u>	<u>\$ 33,855.73</u>

QUENTIN WATER CO
Schedules of Operating Expenses
(Tax Basis)
For the Periods Ended December 31, 2021 & 2020

	Year to Date	Prior Year to Date
OPERATING EXPENSES		
Accounting and Tax Preparation	3,581.98	5,397.50
Bad Debts	0.00	54.56
Bank Fee	185.00	190.50
Chlorine and Vinegar Expense	9,337.54	5,261.84
Collection Wages Expense	5,400.00	5,000.00
Contribution Expense	0.00	200.00
Depreciation Expense	61,995.02	276,695.77
Directors Fees Expense	805.00	700.00
Dues Expense	480.00	1,160.00
Electric Expense	6,589.14	9,077.83
Engineering Fees Expense	874.00	665.00
Engineers Wages Expense	7,000.00	6,600.00
Equipment Rent Expense	768.19	0.00
General Expenses	0.00	293.18
Insurance Expense	12,555.00	6,497.00
Interest Expense	520.14	0.00
Maintenance Labor Expense	4,912.00	3,676.00
Meter Reading Expense	2,412.25	2,336.25
Mileage Expense	392.72	266.73
Office Supplies Expense	1,529.37	2,538.53
Office Wages Expense	6,600.00	6,600.00
PA Code Information	116.60	116.60
PA Public Utility Comm Asses	680.00	723.00
PA Public Utility Realty	0.00	7,060.00
Payroll Taxes Expense	2,594.66	2,423.16
UNITED STATE TREAS	0.00	133.68
Permit, Certificate, and Fee	1,000.00	0.00
Postage Expense	1,180.00	1,053.35
President Salary Expense	1,300.00	1,300.00
Real Estate Taxes	97.05	94.92
Rent Expense	477.00	477.00
Repairs and Maintenance Exp	4,277.02	3,914.41
Seminar Expense	482.92	1,990.55
Supplies and Small Equipment	346.62	177.28
Telephone Expense	1,463.23	1,123.74
Tellers Expense	70.00	70.00
Water Tests Expense	828.00	2,650.00
PA Corporate Net Income Tax	4,379.00	4,775.00
Federal Corporate Income Tax	8,286.00	9,035.00
	<u>153,515.45</u>	<u>370,328.38</u>
TOTAL OPERATING EXPENSE	\$ 153,515.45	\$ 370,328.38

MINUTES OF THE SHAREHOLDERS MEETING
OF THE
QUENTIN WATER COMPANY

The special meeting of the Shareholders of the Quentin Water Company was called to order at the office of the Corporation, being the home of the President, at 22 North Lebanon Street, Quentin, Pa., on May 25, 2022 at 7:00 p.m. by the President, William Matthews.

The special Shareholders meeting was called pursuant to a notice mailed to all Shareholders on the 23rd of April, 2022, for the purpose of discussion and voting on the sale of the assets of the Quentin Water Company to the West Cornwall Township Municipal Authority.

In attendance, in addition to the President, William Matthews, were Vice President, Rodney Heisey and the Secretary. Also present were Shareholders:

George E. Christianson	Harold Dundore, Jr. for Fianna Dundore
Dale R. Rotunda	John Witman
Terry R. Dundore	Ronald E. Hartlieb
William M. White	

The President opened the meeting for questions in regard to the sale of the Quentin Water Company.

The Solicitor and the President explained that the sale was to the West Cornwall Township Municipal Authority and they would no longer be under the PUC regulations. The Authority would have to continue to provide water to the existing customers and comply with all necessary requirements for the safety of the water.

There were further questions as to what would happen when the transaction was completed. The Solicitor advised that, since all of the assets of the corporation were being sold, the corporation would be liquidated and all net proceeds would be distributed to the Shareholders.

It was explained that a substantial period of time, exceeding six months, would probably be necessary for the completion of the transfer.

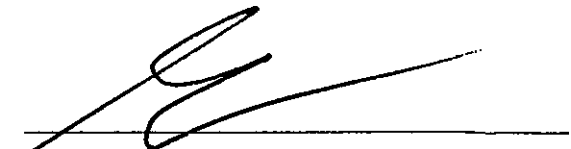
EX C

There being no further discussion, the President requested the tabulation of the votes that were not already received and the tabulation of all votes.

After those additional votes were received, the total votes were tallied. The Secretary reported that votes had been received from 30 of the 47 Shareholders. The Secretary reported that there were 3,093 approving the sale of the assets of the company to West Cornwall Township Authority. 29 voted negative.

The President indicated, based upon that vote, that the Board would proceed with the completion of the Agreement and the completion of the sale of the Quentin Water Company.

There being no further business, the meeting adjourned at 7:35 p.m.



Secretary

CONSUMPTION CHARGES	LEBANON		QUENTIN		FREDERICKSBURG		RICHLAND		CORNWALL		HEIDELBERG		PA AMERICAN	
	USAGE	PER 1000	USAGE	PER 1000	USAGE	PER 1000	USAGE	PER 1000	USAGE	PER 1000	USAGE	PER 1000	USAGE	PER 1000
Level 1	First 30,000	\$4.58	Any Level	\$5.44	0-5000	\$5.00	Any Level	\$5.00	Any Level	\$7.85	0-5,000	\$0.00	0-16,000	\$13.10
Level 2	Next 120,000	\$4.02	Any Level	\$5.44	5,001 - 25,000	\$5.00	Any Level	\$5.00	Any Level	\$7.85	5,000 -	\$4.00	16000 -	\$9.64
Level 3	Over 150,000	\$3.23	Any Level	\$5.44	25,001 - 90,000	\$5.00	Any Level	\$5.00	Any Level	\$7.85			per month	
Level 4			Any Level	\$5.44	90,001 - 200,000	\$5.00	Any Level	\$5.00	Any Level	\$7.85				
Level 5					200,001 -	\$5.00								
Level 6														

BASE CHARGES	LEBANON CITY	QUENTIN WATER CO.	FSWA	RICHLAND BORO	CORNWALL BORO	HEIDELBERG TWP	PA AMERICAN
METER SIZE					per EDU		per month
5/8"	\$37.24	\$11.58	\$30.00	\$60.00	\$26.00	\$100.00	\$17.50
3/4"	\$37.24	\$11.58	\$30.00	\$60.00	\$26.00	\$100.00	\$17.50
1"	\$58.62	\$17.74	\$30.00	\$60.00	\$26.00	\$145.00	\$17.50
1-1/2"	\$212.79	\$27.53	\$78.75	\$105.00	\$26.00	\$218.00	\$17.50
2"	\$265.99	\$47.20	\$125.00	\$150.00	\$26.00	\$308.00	\$115.20
3"	\$531.99		\$369.00	\$395.00	\$26.00	\$494.00	\$214.90
4"	\$1,063.97		\$800.00	\$825.00	\$26.00		\$289.70
6"	\$2,127.95		\$1,500.00	\$1,525.00	\$26.00		\$403.70
8"	\$2,872.73		\$1,500.00	\$1,525.00			\$781.60
10"	\$1,418.63		\$1,500.00	\$1,525.00			\$1,131.90
12" +			\$1,500.00	\$1,525.00			\$1,621.10

QUARTER / ANNUAL COST COMPARISON	LEBANON CITY		QUENTIN WATER CO.		FSWA		RICHLAND BORO		CORNWALL BORO		HEIDELBERG TWP		PA AMERICAN	
	USAGE	COST	USAGE	COST	USAGE	COST	USAGE	COST	USAGE	COST	USAGE	COST	USAGE	COST
Consumption (12,000 gals / qtr - 5/8" Pipe)														
Base Charge		\$37.24		\$11.58		\$30.00		\$60.00		\$26.00		\$100.00	3 months @	\$17.50
Consumption Charge	12000	\$44.76	12000	\$65.28	12000	\$60.00	12000	\$60.00	12000	\$94.20	12000	\$28.00	12000	\$167.50
QUARTERLY CONSUMPTION / COST	12000	\$82.00	12000	\$76.86	12000	\$90.00	12000	\$120.00	12000	\$120.20	12000	\$128.00	12000	\$210.00
ANNUAL CONSUMPTION / COST	48000	\$328.00	48000	\$307.44	48000	\$360.00	48000	\$480.00	48000	\$480.80	48000	\$512.00	48000	\$840.00
	Updated 6/28/22		7/5/2022		Updated 6/30/22		6/30/2022		6/28/22		6/28/2022		Updated 6/29/2022	

Tapping Fee as of 07-05-22	\$3,280.00	NONE	\$2,500.00	\$8,200.00	\$3,500.00	\$4,275.00	NONE
		P.U.C. restricted					P.U.C. restricted
		W.C.T. Municipal Auth.					
ADD DEBT SERVICE		USAGE COST					
			\$40.00	<<<<New cost			
			\$11.58				
		12000	\$65.28				
		12000	\$116.86				
TAPPING FEE		48000	\$467.44	<<<<New total			
		projected:	\$3,500.00				

EX. D