

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
HARRISBURG, PA 17105-3265**

Public Meeting held October 27, 2022

Commissioners Present:

Gladys Brown Dutrieuille, Chairman  
Stephen M. DeFrank, Vice Chairman  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

Application of Aqua Pennsylvania, Inc. for approval of the right to offer, render, furnish and supply water service to the public in an additional portion of Mount Joy Township, Adams County, Pennsylvania

Docket Number  
A-2022-3031498

**ORDER**

**BY THE COMMISSION:**

By the application (Application) filed on March 21, 2022, Aqua Pennsylvania, Inc. (Aqua), Utility Code 210104, 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010, seeks a certificate of public convenience pursuant to Section 1102(a)(1) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1102(a)(1), evidencing Pennsylvania Public Utility Commission (Commission) approval of Aqua's right to offer, render, furnish and supply water service to the public in an additional portion of Mount Joy Township, Adams County, Pennsylvania.

**I. AFFECTED ENTITIES AND BACKGROUND**

Aqua is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania. Aqua furnishes water service to over 443,000 customer accounts throughout various counties in Pennsylvania, including portions of Mount Joy Township, Adams County. Aqua is a subsidiary of Essential

Utilities, Inc. and an affiliate of Aqua Pennsylvania Wastewater, Inc. (APW), Utility Code 230240. APW concurrently filed an application with the Commission for approval of the right to provide wastewater service within the same requested territory.<sup>1</sup>

The Links of Gettysburg Land Company Inc. (Builder) is a Pennsylvania business corporation with a mailing address of 601 Mason Dixon Road, Gettysburg, Pennsylvania, 17325. The Builder requested that Aqua provide public water service to a planned 100-lot subdivision development, to be called the Wade Run Community (Wade Run), an extension of The Links at Gettysburg development (The Links).<sup>2</sup> The Application noted that Wade Run will include 99 residential units and a 35-room hotel with an event facility. A copy of the Builder's letter requesting water service, dated February 11, 2022, was included in the Application as Attachment C.

Aqua submitted proofs of publication and service to the appropriate entities. Notice of the Application was published in the *Pennsylvania Bulletin*, 52 Pa.B. 2089, on Saturday, April 2, 2022. The protest period ended April 18, 2022. No protests were filed, and no hearings were held.

## **II. LOCATION AND DESCRIPTION OF THE REQUESTED TERRITORY**

The requested territory is situated in the southwest portion of Mount Joy Township, Adams County, along the west side of Taneytown Road (State Route 134), about 1/4-miles north of Taneytown Road's intersection with Mason Dixon Road. The western boundary of the requested territory abuts Aqua's certificated territory encompassing The Links and includes approximately 46 acres of land. A map of the requested service territory and a written description of the requested territory's

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<sup>1</sup> See *Application of Aqua Pennsylvania Wastewater, Inc. for approval of the right to supply wastewater service to the public in an additional portion of Mount Joy Township, Adams County, Pennsylvania*, at Docket No. A-2022-3031502.

<sup>2</sup> Aqua was certificated to provide water service in the area encompassing the Links at Gettysburg development at Docket Nos. A-210104F0044 and A-210104F0072.

boundaries by metes and bounds were included in the Application as Attachments A and B, respectively.

### **III. DESCRIPTION OF FACILITIES FURNISHING SERVICE**

According to the Application, the Builder will enter into a builder's extension agreement to fund and install a water main extension from Aqua's existing water system (Links Water System) serving The Links to Wade Run. Plans depicting the proposed main extension were provided in the Application as Attachment F. A copy of Aqua's standard Builder's Extension Agreement was provided in the Application as Attachment G. The main extension will include approximately 5,186 linear feet (LF) of eight-inch diameter ductile iron pipe (DIP), 500 LF of six-inch diameter DIP, 454 LF of four-inch diameter DIP, and 1,593 LF of two-inch diameter high-density polyethylene (HDPE) pipe. In supplemental information filed with the Commission, Aqua averred that mains with diameters less than six inches will only be installed within courts or cul-de-sacs that cannot be extended, and the main extensions will be less than 250 feet in length. In addition to the water mains, the Builder will install one commercial service line, 99 domestic residential service lines, six private fire hydrants, and related valves and appurtenances. In supplemental information filed with the Commission, Aqua indicated that the domestic residential service lines will be 3/4-inch diameter K-copper pipe, the commercial line will be a two-inch diameter K-copper pipe, and that a non-testable residential check valve will be installed for each residential property and a testable backflow preventer will be installed for the commercial property. Aqua further clarified that pressure reducing valves will not be required on any service because static pressures in the requested territory will average approximately 65 pounds per square inch. Additionally, Aqua indicated it will install a 5/8-inch meter for each residential property and a two-inch meter for the commercial parcel.

Aqua's Roaring Creek Division operates the existing Links Water System, Public Water Supply Identification Number 7010057, and will also operate the water main

extension and distribution system in the requested territory. Aqua's Links Water System is supplied by two well facilities that run on alternating days, each with a permitted productive capacity of 113,760 gallons per day (gpd). Additionally, a 300,000-gallon elevated water tank provides water storage to meet peak demand. In the Application, Aqua indicated the 2020 average day water demand for the Links Water System was 25,010 gpd and the average daily water demand of Wade Run is estimated to be 17,875 gpd.

Aqua also identified an additional 73 lots to be developed within The Links that will require an estimated 9,125 gpd, and two developable areas within Aqua's existing service territory identified as Calvary Chase, with 26 proposed residential units, and Powder Creek, with 53 proposed residential units, requiring a combined average total of 9,875 gpd. After full build out of Wade Run is completed, the 73 remaining connections within The Links and the two developable areas are built out, the total average daily demand on the Links Water System is estimated to be 61,885 gpd, which is less than Aqua's Links Water System permitted productive capacity of 113,760 gpd.

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

In supplemental information filed with the Commission, Aqua indicated that it will incur a cost of \$17,188 to install the commercial and residential meters mentioned above. Aqua indicated that under the terms of the Builder's Extension Agreement, the maximum total refund it could be required to provide the Builder is \$200,000 over the five years following the contract date, if 100 total metered customers are connected within that time.

The Application indicated that all other costs to install the facilities necessary to provide water service to Wade Run will be borne by the Builder with the estimated cost of the extension project to be \$1,130,000. In supplemental information filed with the Commission, Aqua indicated that the estimated construction cost of the main extension includes allocations of \$876,000 for water mains, \$36,000 for the private fire hydrants,

and \$218,000 for water services. The Builder will also be required to pay Aqua an estimated administration fee of approximately \$35,661 and an estimated value-added fee of approximately \$25,865 for a total project cost to the Builder of approximately \$1,191,526.

## **V. PROPOSED RATES**

Aqua will charge its existing Main Division rates for water service within the requested territory as set forth in its effective water tariff. In supplemental information filed with the Commission, Aqua updated the estimated annual revenue for providing service to 99 residential units with a 5/8-inch meter and an estimated average use of 3,750 gallons per month per connection to be \$87,495. Aqua also updated the estimated annual revenue for providing service to the commercial lot using a 2-inch meter and an estimated use of 165,000 gallons per month to be approximately \$23,240 per year. In supplemental information filed with the Commission, Aqua indicated that the six proposed private fire hydrants will be billed \$613 each per year, for an estimated annual revenue of approximately \$3,679. Based on effective rates and estimated consumption, the total estimated annual revenue for providing water service in the requested service territory would be approximately \$114,414 per year. Aqua estimated annual operations and maintenance expenses to be \$56,158, based on Aqua's 2021 income statement and customer count, for an annual operating net income of approximately \$58,256.

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

Aqua averred that no permits are required to complete the extension project. Per the Builder's Extension Agreement, the Builder will be required to provide Aqua all easements required for Aqua to own and operate the main extension and distribution system serving outside of the public rights-of-way established within Wade Run. *A pro forma* copy of Aqua's standard Grant of Easement agreement was included as Attachment F in the Application's Builder's Extension Agreement. The utility easements

to be conveyed to Aqua are depicted on the plans provided as the Application's Attachment F.

## **VII. LAND-USE PLANNING COMPLIANCE**

Aqua provided a copy of a letter from Mount Joy Township (MJT), dated February 18, 2022, as the Application's Attachment D. In the letter, MJT indicated that it has no objection to the water and sewer main extensions. However, the letter also noted that approval of the subdivision plan for Wade Run is pending before the MJT Board of Supervisors.

Copies of letters, dated August 13, 2021, and May 22, 2017, from the Adams County Office of Planning and Development (ACOPD) to the Builder and MJT, were provided as the Application's Attachment E. The ACOPD letters indicated that ACOPD reviewed the Wade Run subdivision plan against applicable requirements of the MJT subdivision and land development ordinance and included comments regarding Wade Run's compliance.

Although the letters from MJT and ACOPD do not indicate that there is an objection to the Wade Run subdivision plan, the letters do not substantiate official approval of the plan nor verify compliance with applicable comprehensive plans and zoning ordinances. In supplemental information filed with the Commission, Aqua indicated that MJT's zoning and planning offices continue to review the development and the project has not been granted preliminary or final plan approval. Until Wade Run is granted preliminary or final plan approval from MJT's Supervisors, the need for public water service is speculative. As such, the issuance of a certificate of public convenience for Aqua to provide water service to the public in the requested service territory will be conditioned upon Aqua providing documentation that evidences that the Wade Run subdivision plan has received preliminary or final approval from MJT Board of

Supervisors.<sup>3</sup> An example of such documentation would be a copy of a signed letter from the MJT Board of Supervisors to the Builder that indicates preliminary or final approval.

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<sup>3</sup> See Ordering Paragraph No. 1.

## VIII. OTHER CONSIDERATIONS

In the Application, Aqua 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 Aqua in the requested territory, and no competitive condition will be created. Additionally, in supplemental information filed with the Commission, Aqua averred that the request for service is for an additional area of an existing residential community to which Aqua already provides water service and that no other water utility or authority exists to provide alternative service to this new area of the development. Further, in supplemental information filed with the Commission, Aqua averred that approval of the Application would benefit existing Aqua customers by allowing operating costs to be shared among more customers. Aqua also indicated that the Application is in the public interest because there is a need for public water service, as evidenced by a request for service, and Aqua is fit to provide service.

Finally, Aqua has no outstanding fines or assessments due to the Commission and is current with its annual and quarterly earnings reports and the Commission's security planning and readiness report filing requirements. Through Commission correspondence with the Pennsylvania Department of Environmental Protection's (DEP) Southcentral Regional Office, it was determined that DEP does not have any pending actions or outstanding complaints against Aqua within DEP's Southcentral Region.

## IX. CONCLUSION

Based upon the facts that if Wade Run receives municipal subdivision approval, there is a need to make public water service available; Aqua will expand its service territory to new customers in compliance with Commission regulations; and that Aqua is fit to provide service; the Commission finds that granting Aqua's Application for an extension of service territory is in the public interest; **THEREFORE,**

**IT IS ORDERED:**

1. That the Application of Aqua Pennsylvania Water, Inc. at Docket No. A-2022-3031498, is hereby approved conditioned upon Aqua Pennsylvania, Inc. filing documentation with the Secretary's Bureau at Docket No. A-2022-3031498, with a copy provided to the Bureau of Technical Utility Services, that evidences that The Links of Gettysburg Planned Golf Community-Preliminary Subdivision Plan for Wade Run Community has received preliminary or final approval from the Mount Joy Township Board of Supervisors.

2. That upon receipt of the verification required by Ordering Paragraph 1, a Certificate of Public Convenience shall be issued pursuant to 66 Pa.C.S. § 1102(a)(1) of the Public Utility Code, authorizing Aqua Pennsylvania, Inc. to begin to offer, render, furnish, or supply water service to an additional portion of Mount Joy Township, Adams County, consistent with this Order.

3. 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 Aqua Pennsylvania, Inc. from obtaining all necessary permits, licenses, and approvals from other federal, state, and local government agencies having jurisdiction.

4. That a copy of this Order be served upon Aqua Pennsylvania, Inc., the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Mount Joy Township Board of Supervisors, the Mount Joy Township Planning Commission, the Adams County Commissioners, the Adams County Planning Commission and the Department of Environmental Protection – Southcentral Regional Office and its Bureau of Regulatory Counsel.

5. That the proceeding at Docket No. A-2022-3031498 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: October 27, 2022

ORDER ENTERED: October 27, 2022