

**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-2022-3035731

RESPONSE TO PROTEST OF THE OFFICE
OF CONSUMER ADVOCATES

AND NOW comes Quentin Water Company, as Applicant for the Approval of Abandonment and Transfer of Water Services in West Cornwall Township to the West Cornwall Township Authority and, in response, states as follows:

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Denied. This is a statement of law to which no response is required.

6. Denied. This is a statement of law to which no response is required.
7. Denied. This is a statement of law to which no response is required.

AVAILABILITY AND ADEQUACY OF ALTERNATIVE SERVICE

8. The Quentin Water Company, (QWC), within the last two years, has successfully drilled an additional well to provide for adequate water service to existing customers and their anticipated customers for the next ten years. It is not believed that there will be any necessary improvements or investments needed by West Cornwall Township Municipal Authority, (WCTMA) for a substantial period of time in order to provide the same services which QWC has provided.

The QWC is operated by two part-time operators, David Bradley and William White. They will continue to serve in the same capacity, upon the transfer to the water service to West Cornwall Township Municipal Authority, (WCTMA). The other operating employee of QWC is the bookkeeper and the services that she provided will be taken over by her husband, David Bradley, upon the transfer of the ownership to WCTMA and part-time meter reader, who will continue to do the same job.

Both operators are certified and will continue to be certified. WCTMA has obtained financing to ensure future financial fitness to operate the water company. They continue to operate the sewage system, which covers the same geographical area as the water service.

9. The QWC has reviewed its records and the customers served for previous years are as follows:

- a. For the year 2017 283 customers;
- b. For the year 2018 287 customers;
- c. For the year 2019 307 customers;
- d. For the year 2020 338 customers;
- e. For the year 2021 338 customers;
- f. For the year 2022 346 customers.

The QWC has reviewed plans which have been submitted for future developments. The pace of those future developments is dependent upon many circumstances but it is anticipated that the growth rate will accelerate for the next five years, with approximately 12 units per year and will continue thereafter at about the same rate of growth. It is believed that the present water supply will provide the services.

In regard to sustainability, in the event of some tragedy occurring, QWC has investigated and would be able to connect to an alternative source of water, being that of the City of Lebanon Authority, which lines run to the adjoining Township. It is believed that the existing water supply will continue to be adequate on its own for a minimum of 20 years, without further capital investments.

10. The QWC have been vigilant in regard to its percentage of unaccounted-for water. According to its records, the percentage for unaccounted-for water in 2017 was 16.2%; in 2018 was 13.1%; in 2019 was 34%; in 2020 was 28%; in

2021 was 25.9%; and has continued to go down. The reason for the rise in unaccounted-for water was a leak attributable to the Quentin Riding Club, which had terminated its operation and, upon discovery of the reason for the loss, action was taken to reduce any water. It is anticipated that the calculation for water usage in 2022 will be approximately 17%.

11. If the Commission desires some additional information, it will be provided by the QWC. It is submitted that the services will continue, that all of the assets of the QWC, including the five buildings and the calculated acreage of 10.1 acres, zoned residential, adjoining the QWC facility will be transferred to WCTMA.

PURCHASE PRICE & ASSET PURCHASE AGREEMENT

12. The assets to be transferred are specifically laid out on the Agreement of Sale, a copy of which is attached hereto, and will contain approximately 10.1 acres, together with five buildings constructed on that land, together with all of the equipment of the QWC, to continue to operate, with the same operators and the same equipment.
13. Attached is a copy of the executed Asset Purchase Agreement, outlining all the terms and conditions.

RATE IMPACT & CUSTOMER NOTICE

14. The existing customers will not be charged any tap-in fees. The charge of the Authority will create an increase in the water expenses of the customers,

however, the water expenses for the customers is shown on Exhibit D. With that expense, it will still be at the lower end of the spectrum for water charges in Lebanon County.

15. No written notice has been given to existing customers. The QWC has 47 Shareholders, more than half of whom reside within the area being serviced. With the number of members of the Board of the QWC and those associated with the employees, it is believed that all customers are aware of the transfer of ownership from QWC to WCTMA. The existing customers will not face any tap-in fees.
16. This is a statement of law to which no response is required.
17. Admitted.



George E. Christianson, ID# 06310

Christianson Meyer
411 Chestnut Street
Lebanon, Pa. 17042
(717) 273-1651

Attorney for Quentin Water Company

CERTIFICATE OF SERVICE

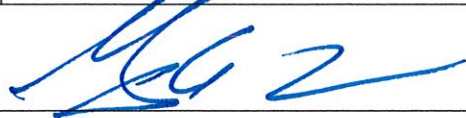
In Re: Application of Quentin Water :
Company for approval of the abandonment : Docket No. A-2022-3035731
& transfer of water services to customers in :
West Cornwall Township, Lebanon County, :
Pennsylvania to West Cornwall Township :
Authority :

I hereby certify that I have this day served a true copy of the following document, the Response of the Quentin Water Company to the Protest of the Office of Consumer Advocates, 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 7th day of November, 2022.

SERVICE BY E-MAIL ONLY

Richard A. Kanaskie, Esquire Bureau of Investigation & Enforcement Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd floor Harrisburg, PA 17120 rkanaskie@pa.gov Counsel for I&E	NazAarah I. Sabree, Small Business Advocate Office of Small Business Advocate 555 Walnut Street 1st Floor, Forum Place Harrisburg, PA 17101-1923 ra-sba@pa.gov tereswagne@pa.gov Counsel for OSBA
Erin L. Gannon Senior Assistant Consumer Advocate 555 Walnut Street 5 th Floor, Forum Place Harrisburg, Pa. 17101-1923 EGannon@paoca.org Counsel for Office of Consumer Advocate	William Matthews P.O. Box 1001 Quentin, PA 17083 gbear@comcast.net Quentin Water Company
	Amy B. Leonard, Esquire Henry & Beaver, LLP PO Box 1140 Lebanon, Pa. 17042 leonard@henrybeaver.com Counsel for WCTMA


George E. Christianson, ID# 06310
Christianson Meyer
411 Chestnut Street
Lebanon, Pa. 17042
(717) 273-1651
Attorney for Quentin Water Company