



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

December 12, 2022

Docket No. R-2022-3036491
Utility Code 210011

MERLE W STOLTZFUS PRESIDENT
ELVERSON WATER COMPANY INC
26 EAST MAIN STREET
P O BOX 20
ELVERSON PA 19520
Inbox@elversonwater.com

RE: Elverson Water Company, Inc. Supplement No. 11 to Tariff Water – Pa. P.U.C. No. 2 at
Docket R-2022-3036491

Dear Mr. Stoltzfus:

On October 31, 2022, Elverson Water Company, Inc. (EWC) filed the above-captioned document with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, please respond with the information requested in the attached document.

Please forward the information to the Secretary of the Commission at the address listed below **within ten (10) business days** from the date of this letter. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response. The overnight address for hard-copy or confidential responses is:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Please note your answers must be verified per 52 Pa Code § 1.36. Accordingly, you must provide the following statement with your responses:

I, [print name of appropriate company representative], hereby state that the facts above set forth 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. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature _____
Title _____
Date _____

Please contact the below staff person if any problems should arise that prevent a full response within ten business days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the review, please send a copy of the response to Clint McKinley in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at cmckinley@pa.gov. Please also direct any questions to Clink McKinley at telephone number (717) 783-6161. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta
Secretary

Enclosure: TUS Data Request Set 2

cc: Christine Hoover, Office of Consumer Advocate (w/enclosure), choover@paoca.org
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), nsabree@pa.gov
Richard Kanaskie, Bureau of Investigation & Enforcement (w/enclosure), rkanaskie@pa.gov

TUS Data Request Set 2

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Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

- R-28. Elverson Water Company, Inc.'s (EWC's) response to TUS Data Request Set 1 R-14 included an electronic copy of a revised Exhibit D (Exhibit D), which indicated that an asset entitled "Supply & Pressurizing System" was placed into service on June 15, 1990, with a company designated original cost of \$53,698.65. However, this same asset was assigned an original cost of \$55,928.65 in EWC's base rate case at Docket No. R-2010-2172422. Please provide responses to the following:
- a. Clarify the discrepancy between the original cost for the Supply & Pressurizing System asset listed in the revised Exhibit D and the original cost determined for this same asset at Docket No. R-2010-2172422; and
 - b. Explain whether the 31 water meters included under the Supply & Pressurizing System asset were retired when EWC completed its meter replacement program in 2013 and 2014. If any or all of these water meters have been retired, state when those meters were removed from service and the associated original cost.
- R-29. EWC's Exhibit D does not appear to include an asset entitled "Water Meter – 60 Quantity," placed into service July 18, 2006, with a company designated original cost of \$3,944.76, which previously had been included by EWC in its Plant-In-Service at Docket No. R-2010-2172422. Please clarify whether any or all of the 60 water meters were retired by EWC. If so, state when those meters were removed from service.
- R-30. EWC's Exhibit D identified an asset entitled "Well #7 (Winn Property)" with an assigned plant-in-service date of October 18, 2021, and an original cost of \$29,923.08. However, EWC's response to TUS Data Request Set 1 R-18 indicated that Well #7 was not completed due to certain challenges and, further, that it does not plan to continue to pursue completing the well. Please explain why Well #7 was listed on Exhibit D as plant-in-service, when the asset will not be used or useful.
- R-31. In the filing's Exhibit A, provided in response to TUS Data Request Set 1 R-23, EWC provided a billing analysis which included the customer data used to calculate EWC's revenue for the year ending June 30, 2022, and its revenue increase proposed in the filing. However, the customer data only included revenue generated from residential and multi-residential customers with a 3/4" meter size. Please provide a revised Exhibit A, in a working electronic format, that includes data for all customer classes and meter sizes to calculate the revenue to be generated as a result of the proposed rate increases.

- R-32. In response to TUS Data Request Set 1 R-12.c., EWC indicated that its management company has informed it that the monthly fee will increase from \$3,800 per month to \$5,200 per month. Regarding the indicated increase please provide the following:
- a. Evidence that EWC has formally been notified of the anticipated increase;
 - b. A detailed breakdown of the increased costs for each service provided; and
 - c. Evidence that the proposed rates for services provided continue to be at or below market rates, per EWC's affiliated interest agreement with the management company, filed with the Commission at Docket No. G-2010-2211452.
- R-33. In response to TUS Data Request Set 1 R-13.c., EWC indicated that the lessor from which EWC leases its land and facilities has informed it that the monthly leases will increase from \$3,600 to \$5,100 per month. Regarding the indicated increase, please provide responses to the following:
- a. Evidence that EWC has formally been notified of the anticipated increase;
 - b. A detailed breakdown of the increased costs for each service provided; and
 - c. Evidence that the proposed rates for services provided continue to be at or below market rates per EWC's affiliated interest agreement with the lessor, on file with the Commission at Docket No. G-2011-2222431.
- R-34. The filing's Schedule B, Balance Sheets (Schedule B), listed a beginning-of-year and end-of-year balance of \$1,290,009 for Contributions-in-Aid-of-Construction (CIAC). CIAC is to be accounted for as a reduction to rate base and depreciated in the same method as similar assets included in depreciable plant-in-service. Schedule B identified \$959,157 of accumulated depreciation/amortization for the year ending June 30, 2022. However, Exhibit D did not appear to include supporting data that identified CIAC-related assets or the associated depreciation for those assets as a reduction to EWC's depreciation expense listed in the filing's Schedule D as \$40,202 for the same period. Please provide the following:
- a. A breakdown of EWC's CIAC-related assets along with its understanding of the associated original contribution amount and the date the assets were placed into service;
 - b. A breakdown of EWC's CIAC-related assets along with its understanding of the annual depreciation, accumulated depreciation, and net value for each asset.

TUS Data Request Set 2

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- R-35. As shown in both Appendix A of the Commission Order entered September 23, 2010, at Docket No. R-2010-2172422 and Appendix A of the Commission Order entered June 5, 2014, at Docket No. R-2013-2390254, the Commission adjusted EWC's Annual Depreciation Expense to be consistent with the Age-Life depreciation methodology using appropriate asset service lives for ratemaking. However, in both the depreciation report included in Section 4 of this filing and Exhibit D provided in additional information filed with the Commission, EWC continues to use service lives for certain assets that are not consistent with the Age-Life depreciation methodology for ratemaking. Please provide a revised depreciation report and Exhibit D to adjust the service lives assigned to certain EWC assets to align with the experience of comparable water works property and to be consistent with the Age-Life depreciation methodology for ratemaking.