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December 22, 2022

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**RE: The Borough of Ambler Supplement No. 40 to Tariff Water – PA. P.U.C. No. 5;  
Docket No. R-2022-3031704**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") is the Borough of Ambler's ("Ambler"), Supplement No. 42 to Tariff Water – Pa. P.U.C. No. 5. This filing is a Compliance Filing to implement the Commission's Order entered on November 10, 2022, at the above-referenced docket. Specifically, the revised water tariff increases Ambler's rates for water service and carries an issued date of December 22, 2022, and an effective date of December 30, 2022.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', written over a white background.

Adeolu A. Bakare  
MCNEES WALLACE & NURICK LLC

Counsel to the Borough of Ambler

c: Steven K. Haas, Administrative Law Judge (via e-mail)  
John Coogan, Administrative Law Judge (via e-mail)  
Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

**VIA E-MAIL**

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Adeolu A. Bakare

Counsel to the Borough of Ambler

Dated this 22<sup>nd</sup> day of December, 2022, in Harrisburg, Pennsylvania.

THE BOROUGH OF AMBLER RATES AND RULES GOVERNING THE  
FURNISHING OF WATER SERVICE TO CONSUMERS LOCATED OUTSIDE  
OF THE BOROUGH OF AMBLER IN THE TOWNSHIPS OF UPPER DUBLIN,  
WHITEMARSH, WHITPAIN AND LOWER GWYNEDD, ALL IN  
MONTGOMERY COUNTY, PENNSYLVANIA

**NOTICE**

Supplement No. 42 increases rates to all water customers under Commission rules and regulations pursuant to a general rate increase application to produce an annual revenue increase of \$424,948.00.

By: Steve Smallberger  
Water Superintendent  
Borough of Ambler Water Department  
131 Rosemary Avenue  
Ambler, PA 19002

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(C)

Filed in compliance with the Commission's  
Order entered on November 10, 2022, at Docket  
No. R-2022-3031704.

(C) Indicates Change

ISSUED: December 22, 2022

EFFECTIVE: December 30, 2022

LIST OF CHANGES

Supplement No. 42 increases rates to all water customers under Commission rules and regulations pursuant to a general rate increase application to produce an annual revenue increase of \$424,948.00.

Specifically, Supplement No. 42 makes the following changes:

- Page No. 4: For Customer Charges, increased Meter Size rates per month and per quarter. For Consumption Charges, increased block rates per 1,000 gallons of water.
- Page No. 5: For Fire Protection Service, increased public and private hydrant rates per month, per quarter and per annum and increased Sprinkler System rates per month, per quarter and per year.
- Page No. 5A: For Fire Protection Service, increased Fire Hose Connection rates per month, per quarter and per year. For Domestic Multiple Meter Sets, increased rates per month and per quarter.
- Page No. 5B: For the Distribution System Improvement Charge, added language stating that a surcharge of 0.00% will apply to all bills issued, excluding public fire hydrants, on or after “the effective date shown on the bottom of this page.”
- Page No. 5B1 For the Distribution System Improvement Charge, added definitions for “Depreciation,” “Pre-Tax Return” and “DSIC Surcharge Amount.”
- Page No. 5C: For the Distribution System Improvement Charge, updated the definition of “Rate of Return on Equity.”
- Page No. 8: For the “Refund of Deposit” section, added a reference to 52 Pa. Code § 56.305.
- Page No. 9: For the “Refund of Deposit” section, added references to 52 Pa. Code § 56.283 and 52 Pa. Code § 56.305.
- Page No. 11: Increased the fee for Discontinuance of Service, increased the fee for Renewal of Service After Discontinuance and added an Emergency Shut Off Fee.
- Page Nos. 18-19: Deleted the “Water Conservation Tariff” section of the Tariff.

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(C) Indicates Change

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METER SERVICE RATE SCHEDULE

Applicable for all metered services to Domestic, Commercial, Industrial, and Public Customers.

CUSTOMER CHARGE

Each customer shall be billed the monthly or quarterly customer charge set forth below based on the size of the meter installed to serve the customer.

METER SIZE

	<u>PER MONTH</u>	<u>PER QUARTER</u>	
5/8"	\$5.24	\$15.72	(I)
3/4"	\$6.42	\$19.25	
1"	\$8.07	\$24.20	
1 1/2"	\$18.49	\$55.47	
2"	\$25.81	\$77.43	
3"	\$83.38	\$250.15	
4"	\$211.09	\$633.28	
6"	\$332.81	\$998.44	
8"	\$438.96	\$1,316.88	
10"	\$578.77	\$1,736.32	
12"	\$763.15	\$2,289.44	(I)

CONSUMPTION CHARGE

The following rates apply for all consumption.

<u>GALLONS IN BLOCKS</u>			<u>RATE PER 1,000 GAL</u>	
<u>BLOCK:</u>	<u>MONTH</u>	<u>QUARTER</u>		
First	36,667	110,000	\$6.0772	(I)
All over	36,667	110,000	\$5.3512	(I)

This rate will apply for all consumption including customers taking "Single Point Service" at a building housing two or more (multiple) dwelling Units.

SINGLE POINT SERVICE

The above customer charge and consumption charge is applied based upon the applicable meter size and total consumption as recorded by the single meter regardless of the number of units, with the rate as noted above applicable to the gallons of the total consumption.

(I) Indicates Increase

FLAT RATE SCHEDULE

<u>FIRE PROTECTION SERVICE Public</u> <u>- per hydrant</u>	<u>RATES PER</u>			(I)
	<u>Month</u>	<u>Quarter</u>	<u>Annum</u>	
	\$17.17	\$51.52	\$206.07	

Applicable for hydrants furnished and maintained by the Borough of Ambler Water Department within the Townships of Upper Dublin, Whitpain, Whitmarsh, and Lower Gwynedd.

<u>Private – per hydrant</u>	\$69.16	\$207.49	\$829.97	(I)
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Applicable for hydrants furnished and maintained by the Borough of Ambler Water Department to individual customers located outside the limits of the Borough of Ambler.

Meters for private fire service will be furnished and maintained by the Borough of Ambler Water Department. Meters will be set in vaults constructed from masonry materials with drainage capability on the property of the customer. The vaults are to be constructed and maintained at the expense of the customer.

Sprinkler System (I)

For each service line of the sizes stated below connected to mains of the Borough of Ambler’s Water System, the following rates apply:

<u>SIZE</u>	<u>RATES PER</u>			(I)
	<u>MTH</u>	<u>QTR</u>	<u>YEAR</u>	
1”	\$19.79	\$59.36	\$237.44	(I)
2”	\$41.53	\$124.60	\$498.40	
4”	\$52.23	\$156.69	\$626.76	
6”	\$69.16	\$207.49	\$829.97	
8”	\$112.84	\$338.51	\$1,354.04	
10”	\$149.20	\$447.61	\$1,790.43	
12”	\$190.38	\$571.14	\$2,284.56	(I)

(I) Indicates Increase

FIRE PROTECTION SERVICE, continued

Fire Hose Connections

For each non-sprinkler fire system consisting of only an exterior fire hose connection with a service line of the sizes stated below connected to mains of the Borough of Ambler’s Water System, the following rates apply:

<u>SIZE</u>	<u>MTH</u>	<u>RATES PER</u>		
		<u>QTR</u>	<u>YEAR</u>	
1”	\$19.79	\$59.36	\$237.44	(I)
2”	\$41.53	\$124.60	\$498.40	
4”	\$52.23	\$156.69	\$626.76	
6”	\$69.16	\$207.49	\$829.97	
8”	\$112.84	\$338.51	\$1,354.04	
10”	\$149.20	\$447.61	\$1,790.43	
12”	\$190.38	\$571.14	\$2,284.56	

DOMESTIC MULTIPLE METER SETS

<u>SIZE</u>	<u>MTH</u>	<u>RATES PER</u>		
		<u>QTR</u>	<u>YEAR</u>	
1”	\$19.79	\$59.36		(I)
2”	\$41.53	\$124.59		(I)

Where two meters serve a domestic premise from a single service, and one meter is for normal domestic service and the second meter is for fire protection service, billing will be based on the customer charge applicable to the smaller of the two meters plus the above applicable Fire Protection Domestic Multiple Meter Set Size Charge. The maximum size meter, in the instance of fire protection domestic multiple meter sets, shall be 2 inch. Includes 1<sup>st</sup> 10,000 gallons of usage.

(I) Indicates Increase

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (“DSIC”)

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills issued, excluding public fire hydrants, on or after the effective date shown on the bottom of this page. (C)

1. General Description

Purpose: To recover the fixed costs (depreciation and return) of certain non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in-service and to be recorded in the individual accounts, as noted below, between base rate cases and to provide the Borough with the resources to accelerate the replacement of its aging water distribution infrastructure, to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act and to develop and implement solutions to regional water supply problems. PENNVEST funded distribution projects, if any are not DSIC eligible.

Eligible DSIC Property: Distribution System Facilities Defined as Follow:

Distribution Main Extensions installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern for customers currently receiving service from the Borough.

Distribution Main and Valve Replacement for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52:

Services, Meters, and Hydrants installed as in-kind replacements for customers to improve safe, reliable and adequate service.

Formula: Calculation of DSIC surcharge is as follows:

$$DSIC = \frac{(DSI \times PTRR) + Dep + e}{PQR}$$

Where:

DSI = Original cost of eligible project(s), net of accumulated depreciation.

PTRR = Pre-tax return rate applicable to eligible project(s).

Dep = Depreciation expense related to project(s).

e = Calculated annual reconciliation feature described more fully below.

PQR = Non-DSIC Projected quarterly revenue from customer subject to DSIC.

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(C) Indicates Change

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (“DSIC”) (continued)

Depreciation:

The depreciation expense will be calculated by applying to the original cost of DSIC eligible property to the annual accrual rates employed in the Company’s last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-Tax Return:

The pre-tax return will be calculated using the state and federal income tax rates, the hypothetical capital structure approved as part of the Borough’s most recent base rate case and actual cost rates for long-term debt as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Borough’s last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission Staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DSIC Surcharge Amount:

The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Borough’s otherwise applicable rates and charges, excluding amounts billed for public fire protection service. To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Borough’s projected revenue for sales of water (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of revenues from public fire protection service.

Quarterly Filings: Data to be submitted to appropriate offices before DSIC effect dates.

Sufficient data setting forth the underlying values in the above formula will be filed for each quarterly update with the Commission and served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (“DSIC”) (continued)

2. Commission Rules and Regulatory Oversight

Cap: Under Commission rules and regulation, the DSIC surcharge will not exceed 5% of the amount billed to customers under otherwise applicable approved rates and charges.

DSIC Subject to Audit: The DSIC will be subject to audit at intervals determined by the Commission.

DSIC Subject to Reconciliation: The DSIC revenues billed/collected will be subject to an annual reconciliation based on a reconciliation period consisting of the twelve month period ending December 31, of each year. The revenue received under the DSIC will be compared to the eligible costs for that period. Differences between revenue and costs, i.e., over/under collections will be recouped or refunded, as appropriate, as a reconciliation factor “e” to be included in the above referenced formula. In addition, if DSIC revenues exceed DSIC-eligible costs, such overcollections will be refunded with interest at the Borough applicable PLIGIT interest rates. The DSIC and its related over/under collections shall be handled in accordance with Section 1307(e).

Resetting DSIC: The DSIC charge, if any, will be rest at zero as of the effective date of new Commission approved base rates, in that such base rates will provide for the prospective recovery of the annual costs that had until such time been included under the DSIC. Thereafter, only those eligible costs, that have not previously been reflected in the Borough’s rate base would be reflected in the quarterly updates of the DSIC.

Rate of Return on Equity: The DSIC charge will also be rest at zero, if, in any quarter, data filed with the Commission in the Borough’s then most recent Annual or Quarterly Earnings reports show that the Borough will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-Tax Return section. The Borough shall file a tariff supplement implementing the reset to zero due to overearnings on one-days’ notice, and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Borough has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed cost.

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Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanation insert shall also be included with the first billing.

(C) Indicates Change

DEPOSITS

Deposits may be required from ratepayer taking service for less than 30 days, in an amount equal to the estimated use for such temporary period. Deposits may be secured from all other rate-payers provided that, in no instance shall deposits be required in excess of the estimated gross billing for a single billing period plus one month (the maximum not to exceed four months) with a minimum deposit of \$5.00.

The amount of any cash deposit may be adjusted at the request of the ratepayer or Water Department whenever the character or degree of the ratepayer's usage has materially changed, or when it is clearly established that the character or degree of service will materially change in the immediate future.

If a ratepayer has failed to pay an undisputed bill, or portion of an undisputed bill, immediately prior to the termination of service to that ratepayer, the Water Department shall apply that ratepayer's deposit insofar as it is necessary to satisfy such bill and to avoid termination, and may require that the deposit be restored to its original amount. When a deposit is applied to satisfy unpaid bills, the Water Department shall mail or deliver a statement showing the amount of the original cash deposit, accrued interest, the amount of any unpaid bills satisfied, and balance remaining.

REFUND OF DEPOSIT

A cash deposit will be refunded under the following conditions:

- Upon termination or discontinuance of service, the Water Department will apply the ratepayer's deposit, including accrued interest, to any outstanding balance for water service and refund the remainder to the ratepayer. A transfer of service from one location to another within a service area shall not be deemed discontinuance.
- When a ratepayer establishes his credit pursuant to 52 Pa. Code § 56.305 or its successor (relating to credit standards) the Water Department shall refund any cash deposit plus accrued interest. (C)

(C) Indicates Change

- When a customer becomes a bona fide member of a composite credit group, the Water Department shall refund any cash deposit plus accrued interest unless the customer requests that it be transferred to the credit group.
- When a customer substitutes a third-party guarantor in accordance with the provisions of 52 Pa. Code § 56.283 or its successor (relating to composite group; cash deposits; third party guarantor), the Water Department shall refund any cash deposit, plus accrued interest, up to the limits of the guarantee. (C)
- After a customer has paid bills for service for 12 consecutive months without having service terminated and without having paid his bill subsequent to the due date or other permissible period as stated in this Chapter on more than two occasions, the Water Department shall refund any cash deposit, plus accrued interest, so long as the customer is not delinquent. (C)
- At the option of the Water Department, a cash deposit, including accrued interest, may be refunded in whole or in part at any time earlier than the time stated in this section.
- The customer may elect to have a deposit applied to reduce bills for utility service in lieu of a cash refund.

If a customer is not entitled to refund as outlined above and pursuant to 52 Pa. Code § 56.305 or its successor, the Water Department will review the customer's account each succeeding month and shall make appropriate disposition of the deposit. (C)

#### REFUND STATEMENT

When a cash deposit is refunded, the Water Department will mail or deliver to the customer a written statement showing the amount of the original deposit plus all accrued interest, the application of the deposit to any bill which had previously accrued, the amount of unpaid bills liquidated by the deposit and the remaining balance. (C)

(C) Indicates Change

- a. For refusal to have water pipes properly arranged for meter installation.
- b. If water bills have not been paid within thirty (30) days following presentation, water service may be discontinued by the Borough in compliance with such regulations as the Pennsylvania Public Utility Commission shall from time to time adopt.
- c. For violation of any rules of the Borough as filed with the Public Utility Commission.

Service termination will be performed in the manner prescribed by the Commission’s regulations. In addition, service may be terminated for nonpayment of a sewer bill upon proper request of the Sewer System and receipt of a \$50.00 fee per account. (I)

TURN OFF WATER WITHOUT AUTHORITY:

The customer shall not turn the water off or on at any corporation stop or curb stop or disconnect or remove the meter or permit its disconnection or remove without the consent of the Borough in writing. As necessity may cause, the Borough shall have the right to cut-off the water supply temporarily in order to make the necessary repairs, connections, etc.; but, the Borough will use all reasonable and practical measures to notify the customer of such discontinuance of service. IN such case, the Borough shall not in any way possible be found liable for any damage or any inconvenience suffered by the customer or any claim against it at any time for interruption in service, lessening of the supply, in adequate pressure, poor quality for water, or for any other cause beyond its control. When a supply of water is to be temporarily cut-off, notice will be given when practicable, to all customers affected by the shutting off, stating the probable duration of the interruption of service, and also the purpose for which the shut-off is made.

RESERVE SUPPLY:

The Borough shall have the right to reserve a sufficient supply of water at all times in its reservoirs to provide for fire and other emergencies or restrict or regulate the quantity of water used by a customer in case of scarcity or whenever the public welfare may require it.

RENEWAL OF SERVICE AFTER DISCONTINUANCE:

Service will be renewed under a proper application when the conditions under which such service was discontinued are corrected and upon the payment of all proper charges or amounts provided in the schedule of rates or rules of the Borough due from the applicant. When water has been turned off from any premises because of violation of the Borough’s Rules and Regulations, including non-payment of a bill, a charge of \$50.00 payable in advance will be made for again turning on the water. Water service will be restored only during regular business hours. (I)

EMERGENCY SHUT OFF FEE

A \$75.00 fee will be applied for any shut offs requested by customer after hours or on weekends. (C)

(I) Indicates Increase (C) Indicates Change

[RESERVED FOR FUTURE USE]

(C)

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(C)

(C) Indicates Change

ISSUED: December 22, 2022

EFFECTIVE: December 30, 2022

[RESERVED FOR FUTURE USE]

(C)

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(C) Indicates Change

ISSUED: December 22, 2022

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