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VIA eFiling

January 30, 2023

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

Re: Pennsylvania-American Water Company
Supplement No. 44 to Tariff Wastewater PA P.U.C. No. 16
Docket No. R-2023-_____

Dear Secretary Chiavetta:

Pennsylvania-American Water Company (the "Company") is filing the enclosed Supplement No. 44 to Tariff Wastewater PA P.U.C. No. 16 ("Supplement No. 44"). Supplement No. 44 contains an issue date of January 30, 2023, and an effective date of March 31, 2023 (which is 60 days from the date of filing). In Supplement No. 44, the Company properly reflects the special metered rate for Upper Pottsgrove customers that was inadvertently omitted in the settlement tariffs filed in the Company's 2022 rate proceedings. The proposed tariff change would have no impact on the rates charged to the Company's customers.

The following materials are also enclosed to support the tariff change:

- (a) Statement of Reasons, and
- (b) Responses to 52 Pa. Code §53.52 (a) and (b)

As indicated on the enclosed Certificate of Service, copies of the foregoing materials will be served upon the Commission's Bureau of Investigation and Enforcement, the Office of Small Business Advocate, and the Office of Consumer Advocate.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari

Enclosure

cc: P. Diskin, Bureau of Technical Utility Services (*via electronic mail*)
All Parties on the Attached Certificate of Service

**PENNSYLVANIA-AMERICAN WATER COMPANYS
Wastewater Division
(hereinafter referred to as the “Company”)
D/B/A
Pennsylvania American Water**

RATES, RULES AND REGULATIONS

GOVERNING THE FURNISHINGS OF

WASTEWATER COLLECTION AND DISPOSAL SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED IN:

ADAMS COUNTY, ALLEGHENY COUNTY, BEAVER COUNTY, BERKS COUNTY,
CHESTER COUNTY, CLARION COUNTY, CUMBERLAND COUNTY, LACKAWANNA
COUNTY, LUZERNE COUNTY, MCKEAN COUNTY, MONROE COUNTY,
MONTGOMERY COUNTY, NORTHUMBERLAND COUNTY, PIKE COUNTY,
WASHINGTON COUNTY AND YORK COUNTY
ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Issued: January 30, 2023

Effective: March 31, 2023

Issued by:
Justin Ladner, President
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

<https://www.amwater.com/paaw/>

NOTICE

This tariff supplement adds a special rate for Upper Pottsgrove metered customers.

(Refer to pages 2, 4, and 11.2.)

LIST OF CHANGES

This tariff supplement adds a special rate for Upper Pottsgrove metered customers.

PENNSYLVANIA-AMERICAN WATER COMPANY

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(C) means Change and (D) means Decrease

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

METERED CHARGES (cont'd) (C)

Metered rates are available to customers in the Upper Pottsgrove Sewer service territory, served under this tariff in Rate Zone 1, that request metered rates and are 1) metered commercial, industrial, or multiple EDU in a single structure, 2) have an existing EDU allocation and 3) currently discharge to the collection system.

Special rate for customers who elect the metered option: (D)

$$\text{Plus } \begin{matrix} \text{Number of EDUs} & \times & 60\% & \times & \text{per EDU rate} \\ \text{(Gallons per day / 250)} & \times & 40\% & \times & \text{per EDU rate} \end{matrix}$$

Rate per EDU: **\$106 per month**

UNMETERED CHARGES -This charge is a flat rate fee for customers not metered for water consumption.

A. <u>Residential</u>	
Flat rate per month, per EDU:	\$106.00
B. <u>Commercial</u>	
Flat rate per month, per EDU:	\$106.00
C. <u>Special Rate Charges</u>	
Knouse Foods, flat rate per month:	\$8,340.00
Strattanville Borough, flat rate per month:	\$6,200.00
Penn State Special Metals, flat rate per month:	\$2,870.00
PSC Metals, flat rate per month:	\$1,110.00
Ipsco Koppel Tubilers, flat rate per month:	\$17,240.00

(C) means Change and (D) means Decrease

PENNSYLVANIA-AMERICAN WATER COMPANY

STATEMENT OF REASONS

Pennsylvania-American Water Company (“PAWC”) is filing herewith Supplement No. 44 to Tariff Wastewater PA P.U.C. No. 16, which bears a proposed effective date of March 31, 2023 (“Supplement No. 44”). On June 30, 2022, PAWC acquired the wastewater system assets of Upper Pottsgrove Township (“Upper Pottsgrove”) and filed Supplement No. 38 to Tariff Wastewater PA P.U.C. No. 16 (“Supplement No. 38”) to authorize a rate zone for the Upper Pottsgrove customers. Supplement No. 38 included an option for metered rates to Upper Pottsgrove customers that request metered rates and are 1) metered commercial, industrial, or multiple EDU in a single structure, 2) have an existing EDU allocation and 3) currently discharge to the collection system. Supplement No. 38 authorized a special rate for customers who elected this metered option.

On January 26, 2023, PAWC filed Supplement No. 43 to Tariff Wastewater PA P.U.C. No. 16, bearing an effective date of January 28, 2023 (“Supplement No. 43”), reflecting its updated rates approved by the Pennsylvania Public Utility Commission (“Commission”) on December 8, 2022 at Docket Nos. R-2022-3031672 and R-2022-3031673. PAWC inadvertently omitted the special metered rate option for Upper Pottsgrove customers in its proposed and settlement tariffs that were approved by the Commission and as such, it was not included as part of the rates approved by the Commission in that proceeding. In Tariff Supplement No. 44, PAWC adds the special metered rate option for Upper Pottsgrove customers.

The proposed change affects six customers in Zone 1, formerly served by Upper Pottsgrove Township, who have elected the special metered rate option that has been in effect since the Company’s acquisition of the Upper Pottsgrove wastewater system on June 30, 2022. It was PAWC’s intent at the time the Company filed its last base rate case that this special metered rate

option would continue. The purpose of Supplement No. 44 is merely to continue the intended status quo for these customers and properly reflect the special metered rate that was inadvertently omitted in the proposed and settlement tariffs filed at the above-mentioned dockets.

52 Pa. Code § 53.52(a)(1): The specific reasons for each change.

Response:

The proposed rates reflect a special metered rate for customers in the service territory formerly served by Upper Pottsgrove Township. Please refer also to the Statement of Reasons.

52 Pa. Code § 53.52(a)(2): The total number of customers served by the utility.

Response:

As of December 31, 2022, PAWC furnished wastewater service to approximately 97,418 customers.

52 Pa. Code § 53.52(a)(3): A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

Response:

The proposed change would affect six customers in Zone 1, service territory formerly served by Upper Pottsgrove Township.

52 Pa. Code § 53.52(a)(4): The effect of the change on the utility's customers.

Response:

This change has no impact on PAWC's water or wastewater customers besides the six customers referenced in 52 Pa. Code § 53.52(a)(3).

52 Pa. Code § 53.52(a)(5): The direct or indirect effect of the proposed change on the utility's revenue and expenses.

Response:

There is no impact to expenses. Under the proposed tariff, annual revenues would be approximately \$10,635 lower than if standard Zone 1 metered rates were applied.

52 Pa. Code § 53.52(a)(6): The effect of the change on the service rendered by the utility.

Response:

None.

52 Pa. Code § 53.52(a)(7): A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).

Response:

Please refer to the Statement of Reasons. The reason for the proposed change is to reflect a special metered rate for customers in Upper Pottsgrove. This special metered rate was inadvertently omitted from the Company's proposed and settlement tariffs in the base rate case filed at Docket Nos. R-2022-3031672 and R-2022-3031673.

52 Pa. Code § 53.52(a)(8): Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.

Response:

None.

52 Pa. Code § 53.52(a)(9): Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

Response:

No customer polls were taken.

52 Pa. Code § 53.52(a)(10): Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

Response:

The proposed tariff would apply the current special metered rate calculation for customers in Upper Pottsgrove Township that has been in effect since the Company's acquisition of the Upper Pottsgrove wastewater system since June 30, 2022.

52 Pa. Code § 53.52(a)(11): FCC, FERC or Commission orders or rulings applicable to the filing.

Response:

By Order entered September 15, 2021 at Docket No. A-2020-3021460, the Commission authorized PAWC's acquisition of the wastewater system assets of the Upper Pottsgrove Township wastewater system. On July 15, 2022, the Commission approved Supplement No. 38 to Tariff Wastewater PA P.U.C. No. 16, establishing the rates for the Upper Pottsgrove service territory, including the special rate for customers who elect the metered option.

By Order entered December 8, 2022 at Docket No. R-2022-3031673, the Commission approved the Joint Petition for Settlement of PAWC's 2022 base rate case. PAWC inadvertently omitted the special metered rate from the Company's proposed and settlement tariffs and as such, it was not included as part of the rates approved by the Commission in that proceeding.

52 Pa. Code § 53.52(b)(1): The specific reasons for each increase or decrease.

Response:

Please refer to the Company's response to 52 Pa. Code § 53.52(a)(7) as well as the Statement of Reasons.

52 Pa. Code § 53.52(b)(2): The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

Response:

Please see below for PAWC’s income statement for the 12 months ended December 31, 2022. This is the per-books income statement for water and wastewater operations and does not reflect any additional adjustments or allocations between water and wastewater operations.

LINE NO.	DESCRIPTION	Water Operations PER BOOKS	Wastewater Operations PER BOOKS	Total Company PER BOOKS
1	Operating Revenue	\$711,777,954	\$106,618,033	\$818,395,987
2	Operating Revenue Deductions:			
3	Operating Expenses	218,013,154	31,331,316	249,344,470
4	Depreciation	142,049,228	33,797,340	175,846,568
5	Amortizations	782,824	163,182	946,006
6	Taxes, Other Than Income:			0
7	Local Property And Miscellaneous	4,421,890	0	4,421,890
8	Federal Environmental Tax	0	0	0
9	Public Utility Realty Taxes	1,687,805	0	1,687,805
10	Payroll Taxes	4,428,810	782,540	5,211,350
11	General Assessment	5,033,847	0	5,033,847
12	State Capital Stock Tax	0	0	0
13	Total Taxes Other Than Income	15,572,352	782,540	16,354,892
14	Utility Operating Income Before Income Taxes	335,360,396	40,543,655	375,904,051
15	Income Taxes:			
16	State Income Tax	12,275,348	0	12,275,348
17	Federal Income Tax	42,217,825	0	42,217,825
18	Amortization Of ITC & Excess Deferred Taxes	(233,592)	0	(233,592)
19	Total Income Taxes	54,259,581	0	54,259,581
20	Total Operating Revenue Deductions	430,677,139	66,074,378	496,751,517
21	Utility Operating Income	281,100,815	40,543,655	321,644,470
22	Income Deductions:			
23	Interest On Long Term Debt	82,653,645	0	82,653,645
24	Amortization Of Debt Discount Expense	1,950,218	0	1,950,218
25	Interest On Notes Payable To Others	3,744,908	0	3,744,908
26	Total Income Deductions	88,348,771	0	88,348,771
27	Net Income	\$192,752,044	\$40,543,655	\$233,295,699
28	Preferred Dividends	0	0	0
29	Net Income To Common	\$192,752,044	\$40,543,655	\$233,295,699

52 Pa. Code § 53.52(b)(3): A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

Response:

In this filing, the Company proposes to continue the special metered rate calculation for customers in Upper Pottsgrove Township. This special metered rate calculation, which has been in effect since the Company's acquisition of the Upper Pottsgrove Township wastewater system on June 30, 2022, was inadvertently omitted from the proposed and settlement tariffs in the Company's base rate case at Docket No. R-2022-3031673. There are six customers in Upper Pottsgrove Township who have elected the metered rate option. Depending on their water usage each month, these six customers may see increases or decreases on their bill if they were moved to Zone 1 standard metered rates rather than remaining on the special metered rate calculation. In total, the Company estimates that its annual revenues will be \$10,635 less under the proposed metered rate calculation as compared to standard Zone 1 metered rates.

52 Pa. Code § 53.52(b)(4): A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

Response:

None.

52 Pa. Code § 53.52(b)(5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

Response:

In this filing, the Company proposes to continue the special metered rate calculation for customers in Upper Pottsgrove Township. This special metered rate calculation, which has been in effect since the Company's acquisition of the Upper Pottsgrove Township wastewater system on June 30, 2022, was inadvertently omitted from the proposed and settlement tariffs in the Company's base rate case at Docket No. R-2022-3031673. There are six customers in Upper Pottsgrove Township who have elected the metered rate option. Depending on their water usage each month, these six customers may see increases or decreases on their bill if they were moved to Zone 1 standard metered rates rather than remaining on the special metered rate calculation. In total, the Company estimates that its annual revenues will be \$10,635 less under the proposed metered rate calculation as compared to standard Zone 1 metered rates.

52 Pa. Code § 53.52(b)(6) A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

Response:

Under the proposed tariff, annual revenues are approximately \$10,635 less per year as compared to the current tariff for Upper Pottsgrove customers in Zone 1. Please refer to 52 Pa. Code § 53.52(b)(3).

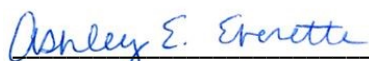
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Pennsylvania American Water Company :
Supplement No. 44 to Tariff Wastewater : Docket No R-2023-_____
PA P.U.C. No. 16 :

VERIFICATION

I, Ashley E. Everette, hereby state that the facts set forth in the **Statement of Reasons and Responses to 52 Pa. Code § 53.52 (a) and (b) accompanying Pennsylvania-American Water Company's Supplement No 44 to Tariff Wastewater PA P.U.C. No. 16** are true and correct to the best of my knowledge, information and belief. I understand that this Verification is made subject to the provisions and penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsifications to authorities).

Dated: January 30, 2023



Ashley E. Everette
Sr. Director, Rates & Regulatory
Pennsylvania-American Water Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Pennsylvania American Water Company :
Supplement No. 44 to Tariff Wastewater : Docket No R-2023-_____
PA P.U.C. No. 16 :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing tariff supplement, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

VIA ELECTRONIC DELIVERY

Richard Kanaskie
Director and Chief Prosecutor
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Dated: January 30, 2023



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