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Thomas J. Walsh III & Associates, P.C.



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February 28, 2023

Via eFiling Only

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

**RE: Newtown Artesian Water Company
State Tax Adjustment Surcharge
Notice of Impact of Reduction of Pennsylvania Corporate Net Income Tax
Docket No. M-2022-3037158**

Dear Secretary Chiavetta:

Please be advised that I am general counsel to Newtown Artesian Water Company, Inc. ("NAWC") in the above-referenced matter. By electronic filing, I am submitting NAWC's required Notice pursuant to the Commission's November 9, 2022, and December 15, 2022 Secretarial Letters (collectively the "Letters").

The Letters directed all jurisdictional fixed utilities that are subject to the Pennsylvania Corporate Net Income Tax ("CNIT") to file a notice and/or tariff supplement, together with a recomputed State Tax Adjustment Surcharge ("STAS") if necessary, reflecting the reduction in the CNIT rate occasioned by Act 53 of 2022 (the "Act"). The Act lowered the CNIT rate from 9.99% to 8.99% effective January 1, 2023.

Kindly accept this Notice that the reduction in the CNIT will not affect the STAS rate currently charged by NAWC. Presently, the CNIT does not impact NAWC's STAS surcharge computation. As such, NAWC is only submitting this Notice. A separate tariff supplement and/or recomputed STAS is not enclosed.

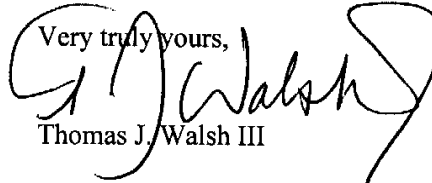
NAWC's most recent STAS filing was made with the Commission on March 22, 2022. It was approved by the Commission by letter dated March 28, 2022. A copy of NAWC's full 2022 STAS filing and Commission approval are attached to this Notice. NAWC's current STAS rate of 0.485% became effective April 1, 2022. The supporting documentation demonstrates that only the Pennsylvania Public Utility Realty Tax ("PURTA") impacts NAWC's STAS surcharge.



In addition, NAWC is currently operating at loss for CNIT purposes. As such, any reduction or other change in the CNIT rate in 2023 will not impact NAWC's STAS surcharge computation. An excerpt or other copy of NAWC's most recently filed Pennsylvania corporate net income tax report (RCT-101) for year 2021 is not included with this Notice for confidentiality reasons. However, an excerpt or copy verifying the foregoing can be provided directly to the Commission upon request.

Lastly, NAWC apologizes for the delay in returning this Notice. The Letters were directed to an old and discontinued post office box which resulted in the delay. NAWC has updated its records with the Commission to correct this error.

Thank you for your assistance in this matter. If you have any questions or require any information relating to this filing, please feel free to contact me.

Very truly yours,

Thomas J. Walsh III

TJW/

Enclosure

cc: Bureau of Technical Utility Services (via email, w/enc.)
Bureau of Investigation and Enforcement (via email, w/enc.)
Office of Consumer Advocate (via email, w/enc.)
Office of Small Business Advocate (via email, w/enc.)
Daniel Angove (via email, w/enc.)
Jennifer Leahy (via email, w/enc.)



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

IN REPLY PLEASE
REFER TO OUR FILE

March 28, 2022

R-2022-3031528
Utility Code: 212070

Thomas Niesen
The Newtown Artesian Water Company
212 Locust Street, Suite 302
Harrisburg, PA 17101

Re: State Tax Adjustment Surcharge The Newtown Artesian Water Company

Dear Mr. Niesen:

On March 22, 2022, The Newtown Artesian Water Company filed Supplement No. 145 to Tariff Water – Pa. P.U.C. No. 9 with an effective date of April 1, 2022, to adjust its State Tax Adjustment Surcharge in response to changes to Pennsylvania corporate tax rates. The Commission hereby accepts these tariff changes, and we are therefore allowing the tariff to go into effect by operation of law. However, this notification shall not preclude this Commission from investigating the financial affairs of The Newtown Artesian Water Company and, in appropriate cases, ordering refunds or other remedies, which it deems proper.

If you have any questions in this matter, please contact Joel Greene, Bureau of Technical Utility Services, at joelgreene@pa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rosemary Chiavetta', written in a cursive style.

Rosemary Chiavetta
Secretary

cc: Marissa Boyle, TUS



THOMAS, NIESEN & THOMAS, LLC

Attorneys and Counsellors at Law

THOMAS T. Niesen
Direct Dial: 717.255.7641
tniesen@tntlawfirm.com

March 22, 2022

Via Electronic Filing

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

Re: The Newtown Artesian Water Company - State Tax Adjustment Surcharge

Dear Secretary Chiavetta:

We are counsel to The Newtown Artesian Water Company and are submitting, via electronic filing with this letter, the Company's Supplement No. 145 to its Tariff Water - Pa. P.U.C. No. 9. Supplement No. 145 recomputes the State Tax Adjustment Surcharge in accordance with the Pennsylvania Public Utility Commission's Order of March 10, 1970.

Please contact me with any questions about this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By 

Thomas T. Niesen

Encl.

cc: Certificate of Service (w/encl.)
Thomas J. Walsh, Esq. (via email, w/encl.)
Jennifer Leahy (via email, w/encl.)

CERTIFICATE OF SERVICE

I hereby certify that I have this 22nd day of March 2022 served a true and correct copy of Newtown Artesian Water Company's Supplement No. 145 to Tariff Water - Pa. P.U.C. No. 9 and accompanying information, upon the persons and in the manner indicated below:

VIA ELECTRONIC MAIL

Richard A. Kanaski, Director
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
rkanaskie@pa.gov

Christine Maloni Hoover
Senior Asst. Consumer Advocate
Office of Consumer Advocate
choover@paoca.org

Teresa Reed Wagner
Executive Director
Office of Small Business Advocate
tereswagne@pa.gov

Paul Diskin, Director
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
pdiskin@pa.gov



Thomas T. Niesen
PA Attorney ID No. 31379

NEWTOWN ARTESIAN WATER COMPANY
Newtown, Pennsylvania 18940

Supplement No. 145
To
Water-Pa. P.U.C. No. 9

THE NEWTOWN ARTESIAN WATER COMPANY

Rates and Rules
Governing the Supply
of Water Service
in
Newtown Borough,
the Township of Newtown and
the Township of Middletown,
Bucks County, Pennsylvania

ISSUED: March 22, 2022

EFFECTIVE: April 1, 2022

Don Smith, Secretary
The Newtown Artesian Water Company
Newtown, Pennsylvania 18940

NOTICE

This Tariff Makes Increases and Changes in Existing Rates, Rules, and Regulations.

NEWTOWN ARTESIAN WATER COMPANY Supplement No. 145
Newtown, Pennsylvania 18940 To
WATER-PA. P.U.C. No. 9
One Hundred Twenty Eighth Revised Page No. 2
Canceling
One Hundred Twenty Seventh Revised Page No. 2

LIST OF CHANGES MADE BY THIS SUPPLEMENT

This tariff supplement increases the State Tax Adjustment Surcharge based upon a recomputation in accordance with the Pennsylvania Public Utility Commission's Order of March 10, 1970, and as amended.

NEWTOWN ARTESIAN WATER COMPANY
Newtown, Pennsylvania 18940

Supplement No. 145
To
WATER-PA. P.U.C. No. 9
One Hundred Twenty Eighth Revised Page No. 3
Canceling
One Hundred Twenty Seventh Revised Page No. 3

INDEX

Title Page	1	
List of Changes Made by This Tariff	2	- One Hundred Twenty Eighth Revised (C)
Index	3	- One Hundred Twenty Eighth Revised (C)
State Tax Adjustment Surcharge	4	- Forty Fourth Revised (C)
Schedule of Meter Rates	5	- Twenty-Eighth Revised
Schedule of Flat Rates		
Public and Private Fire Protection Service	6	- Tenth Revised
Wholesale Water Service	6	- Tenth Revised
Rules and Regulations		
Application of Service	7	- Second Revised
Service Connection	7	- Second Revised
Use of Service Must be in Accordance with Application and Contract	9	- First Revised
Availability of the Different Classes of Service and Rates	9	- First Revised
Metered Customers	9	- First Revised
Charges for Reinstalling Meters	11	- Third Revised
Bills	11	- Third Revised
Customers' Deposits	12	- Fourth Revised
Private Fire Service	13	- Second Revised
General	13	- Second Revised
Definitions	15	- Original
Non-Penalty Period for Commonwealth of Pennsylvania	16	- Original
Main Extensions	17	- First Revised
Water Conservation	24	- First Revised
Contributions in Aid of Construction	25	- Third Revised
Distribution System Improvement Charge	26	- Second Revised
Purchased Water Adjustment Charge	31	- Fifth Revised

(C) Indicates change.

NEWTOWN ARTESIAN WATER COMPANY
Newtown, Pennsylvania 18940

Supplement No. 145
To
WATER-PA. P.U.C. No. 9
Forty Fourth Revised Page No. 4
Canceling
Forty Third Revised Page No. 4

STATE TAX ADJUSTMENT SURCHARGE

In addition to the changes in this tariff, a surcharge of 0.485% will (I)
apply to all bills for services rendered on or after April 1, 2022.

The above surcharge will be recomputed, using the elements prescribed by
the Commission:

- (a) Whenever any of the tax rates used in calculation of the surcharge
are changed;
- (b) Whenever the utility makes effective increased or decreased rates;
- (c) And on March 31, 1975, and year thereafter.

The above recalculation will be submitted to the Commission within ten
(10) days after the occurrences of the event or date which occasions such
recomputation. If the recomputed surcharge is less than the one in effect the
utility will, and if the recomputed surcharge is more than the one then in
effect, the utility may submit with such recomputation a tariff or supplement
to reflect such recomputed surcharge, the effective date of which shall be ten
(10) days after filing.

(I) Indicates Increase

Computation of surcharge to be applied to Water Company's services
for services rendered on or after the effective date of this Supplement.

Adjustment to PURTA Liability

Assessment dated August 1, 2022 (see Exhibit A)

Net increase 12/98-12/19	\$	126	
Amount due based on 27.9975 mills		383,244	
Amount of Purta tax included in rate base		356,952	
		<u>26,292</u>	26,418

Reconciliation

Total amount to be collected/ (refunded)			<u>3,359</u>
			<u>\$29,777</u>

Intrastate Operating Revenue

Intrastate Revenue Base		\$	<u>6,145,039</u>	
Total Intrastate Revenue Base			6,145,039	
Effective time period (4/1/2021 - 3/31/2022)	365 / 365		<u>1.0000</u>	
Total Adjusted Intrastate Operating Revenues				<u>6,145,039</u>
Calculation of State Tax Adjustment Surcharge	29,777 /		6,145,039	
Surcharge Rate				<u>0.485%</u>

NEWTOWN ARTESIAN WATER COMPANY
 STAS RECONCILIATION ANALYSIS
 PERIOD - 5/1/21 THROUGH 4/30/22

I. Intrastate Operating / STAS Revenues
 Collected - 5/1/20 through 4/30/21

User Category	Intrastate Operating Revenue				STAS Revenue Collected
	Gross		Net		
	Amount	% of Total	Amount	% of Total	
Water	\$6,135,188	100.00%	\$6,145,039	100.00%	\$9,851

II. Allocation of STAS Revenue Collected
 - 5/1/21 through 4/30/22 by STAS Category

STAS Tax Category	Estimated Tax Liability from Original Filing		Allocation of STAS Revenue Collected
	Amount	% of Total	Water
PURTA	13,451	101.82%	10,030
RECONCILIATION	(241)	-1.82%	(180)
Total	\$13,210	100.00%	\$9,851

III. Reconciliation - STAS Revenues Collected versus
 Tax Liability 5/1/21 through 4/30/22

STAS Reconciliation			
STAS Tax Category	Revenue Collected	Tax Liability	Over/(Under) Collection
PURTA	10,030	13,451	(3,421)
RECONCILIATION	(180)	(241)	61
Total	\$9,851	\$13,210	(\$3,359)

NEWTOWN ARTESIAN WATER COMPANY
 CASH RECEIPTS FOR STAS RECONCILIATION
 2021-2022

<u>MONTH</u>	<u>GROSS RECEIPTS</u>	<u>STAS COLLECTED</u>	<u>NET RECEIPTS</u>
5/21	375,934	(489)	375,445
6/21	507,082	(72)	507,010
7/21	622,992	765	623,757
8/21	539,920	1,034	540,954
9/21	483,788	968	484,756
10/21	582,752	1,219	583,971
11/21	554,289	1,162	555,451
12/21	478,534	1,013	479,547
1/22	573,174	1,219	574,393
2/22	467,885	1,001	468,886
3/22 est	414,286	887	415,173
4/22 est	<u>534,552</u>	<u>1,144</u>	<u>535,696</u>
Grand Total	<u>6,135,188</u>	<u>9,851</u>	<u>6,145,039</u>

Exhibit A

August 1, 2021

**NEWTOWN ARTESIAN WATER CO
 P.O. BOX 217
 NEWTOWN, PA 18940**

**Re: 2020 Pennsylvania Public Utility Realty Tax
 Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act (PURTA), the Department of Revenue (department) herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2020. This notice is based on information provided by County Tax Assessor offices. Any discrepancies must be resolved with that county's agency. The county must then provide the department with corrected information, when appropriate.

Payment of tax is required within 45 days of the mailing date of this notice. Previous payments, adjustments and credits should be taken into consideration. Please note, any net liabilities resulting from prior years' adjustments are due and payable along with the current year liability.

All payments of \$1,000 or more must be made electronically or by certified or cashier's check remitted in person or by express mail courier. For information on electronic filing options, visit www.etides.state.pa.us. If you have questions or correspondence relevant to the PURTA tax on this notice, email the department at ra-purta@pa.gov.

**PLEASE SEE PAGE 2
 FOR YEARS 1998 - 2015**

Tax Year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1) Total Realty Tax Equivalent (RTE):	\$30,280,850	\$29,191,963	\$28,870,339	\$28,068,122	\$28,440,337
2) Total State Taxable Value (STV) for all utilities:	\$1,484,534,031	\$1,388,979,929	\$1,278,441,186	\$1,234,804,585	\$1,241,283,094
3) PURTA Millage Rate, including PTA (7.6 mills)	27.9975 mills	28.6168 mills	30.1825 mills	30.3308 mills	30.5120 mills
4) Utility STV:	\$13,688,522	\$12,957,818	\$11,715,621	\$11,167,593	\$10,972,738
5) Liability (Line 3 x Line 4):	\$383,244	\$370,811	\$353,607	\$338,722	\$334,800
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	N/A	\$100	\$103	(\$3)	\$7
8) Utility Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A

Account ID: 3504492

Details

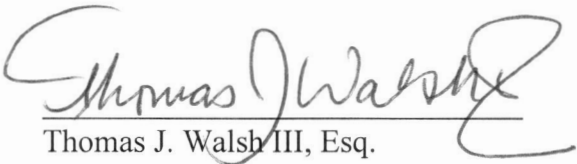
Tax Year	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Adjusted Totals</u>									
1) Total RTE:	\$29,053,564	\$28,895,767	\$31,028,417	\$30,789,140	\$30,747,875	\$30,135,893	\$31,008,084	\$30,366,870	\$28,661,349
2) Total STV for all utilities	\$1,246,509,356	\$1,236,835,062	\$1,251,372,685	\$1,263,839,764	\$1,343,044,219	\$1,405,138,405	\$1,524,907,264	\$1,612,587,899	\$1,637,505,069
3) PURTA Millage Rate:	30.9079 mills	30.9627 mills	32.3955 mills	31.9616 mills	30.4942 mills	29.0469 mills	27.9344 mills	26.4311 mills	25.1031 mills
<u>Utility Adjustment</u>									
4) Utility STV:	\$10,777,884	\$11,277,198	\$11,070,166	\$11,277,198	\$10,777,884	\$11,167,593	\$12,555,930	\$12,957,818	\$13,384,062
5) Liability (Line 3 x Line 4)	\$333,122	\$349,173	\$358,624	\$360,437	\$328,663	\$324,384	\$350,742	\$342,489	\$335,981
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	(\$8)	(\$7)	(\$7)	(\$8)	(\$6)	(\$6)	(\$8)	(\$7)	(\$6)
8) Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<hr/>									
Tax Year	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<u>Adjusted Totals</u>									
1) Total RTE:	\$30,278,830	\$30,433,821	\$29,116,731	\$29,061,994	\$28,717,537	\$28,811,658	\$27,797,107	\$38,318,173	\$40,526,494
2) Total STV for all utilities:	\$1,607,425,879	\$1,511,485,065	\$1,413,004,877	\$1,347,806,947	\$1,340,999,392	\$1,314,519,423	\$1,337,194,635	\$2,025,052,715	\$2,061,720,364
3) PURTA Millage Rate:	26.4368 mills	27.7350 mills	28.2062 mills	29.1624 mills	29.0150 mills	29.5180 mills	28.3876 mills	26.5221 mills	72.2062 mills
<u>Utility Adjustment</u>									
4) Utility STV:	\$12,300,184	\$10,875,311	\$9,821,880	\$8,698,422	\$7,904,949	\$7,325,293	\$6,826,728	\$6,529,392	\$6,256,082
5) Liability (Line 3 x Line 4):	\$325,178	\$301,627	\$277,038	\$253,667	\$229,362	\$216,228	\$193,794	\$173,173	\$451,728
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$0
7) Utility Liability Adjustment:	(\$4)	(\$5)	(\$5)	(\$4)	\$0	\$0	\$0	\$0	\$0
8) Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$0

If you do not agree with this Notice of Determination for 2020 PURTA, you may file a Petition for Recalculation with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice. To request and receive a detailed electronic Statement of Account, log onto www.etides.state.pa.us. Please review it to confirm the status of payments made, transition credits and adjustments to previous tax liabilities or balances still due.

VERIFICATION

I, **Thomas J. Walsh III, Esq.**, Counsel for and officer of Newtown Artesian Water Company, 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).

Date: 2/20/2023


Thomas J. Walsh III, Esq.

Thomas J. Walsh III, Esquire
Attorney I.D. #73528
3655 Route 202, Suite 105
Doylestown, PA 18902
Email: twalsh@twalshlaw.com

Attorney and Officer for
Newtown Artesian
Water Company

CERTIFICATE OF SERVICE

I, Thomas J. Walsh III, Esq., attorney for and officer of Newtown Artesian Water Company, hereby certify that I am this 28th day of February, 2023, serving copies of the foregoing **Notice of Newtown Artesian Water of Impact of Reduction of Pennsylvania Corporate Net Income Tax** and this proof of service on the following persons in the manner indicated:

By Electronic Mail:

Richard A. Kanaski, Director
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Email: rkanaskie@pa.gov

By Electronic Mail:

Christine Maloni Hoover
Senior Asst. Consumer Advocate
Officer of Consumer Advocate
Email: choover@pa.gov

By Electronic Mail:

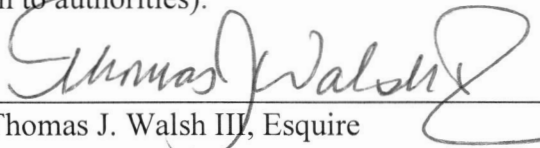
Teresa Reed Wagner
Executive Director
Office of Small Business Advocate
Email: tereswagne@pa.gov

By Electronic Mail:

Paul Diskin, Director
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
Email: pdiskin@pa.gov

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S.A. §4904 (relating to unsworn falsification to authorities).

By: _____


Thomas J. Walsh III, Esquire
Newtown Artesian Water Company
Email: twalsh@twalshlaw.com