

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
HARRISBURG, PA 17120**

Public Meeting held March 16, 2023

Commissioners Present:

Gladys Brown Dutrieuille, Chairman  
Stephen M. DeFrank, Vice Chairman  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

Pennsylvania-American Water  
Company – Wastewater Division  
Supplement No. 44 to Tariff Wastewater  
PA P.U.C. No. 16

Docket No.  
R-2023-3037939

**ORDER**

**BY THE COMMISSION:**

On January 30, 2023, Pennsylvania-American Water Company – Wastewater Division (PAWC-WD), Utility Code 230073, filed Supplement No. 44 to Tariff Wastewater PA P.U.C. No. 16 (Supplement No. 44) with the Pennsylvania Public Utility Commission (Commission) to become effective on March 31, 2023. Supplement No. 44 was filed to add a special metered rate option for certain customers.

**I. AFFECTED ENTITIES AND BACKGROUND**

PAWC-WD is a regulated public utility company, duly organized and existing under the laws of the Commonwealth. PAWC-WD's mailing address is 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055. PAWC-WD furnishes wastewater service to approximately 97,418 customers throughout Pennsylvania. PAWC-WD is a division of

Pennsylvania-American Water Company (PAWC), Utility Code 212285 and PAWC also provides water service throughout Pennsylvania.

By Commission Order entered September 15, 2021, at Docket No. A-2020-3021460 (2021 Order), the Commission approved PAWC-WD's Application (Application) to acquire Upper Pottsgrove Township's wastewater system assets (the Upper Pottsgrove Wastewater System) and to begin to offer, render, furnish and supply wastewater service in portions of Upper Pottsgrove Township, Montgomery County, and Douglass Township, Berks County, also known as PAWC-WD's Upper Pottsgrove District. The 2021 Order also permitted PAWC-WD to file a tariff supplement, consistent with the *pro forma* tariff supplement submitted with the Application as Appendix A-12, to become effective upon the day of closing of the transaction.<sup>1</sup>

On June 30, 2022, PAWC-WD filed Supplement No. 38 to Tariff Wastewater PA P.U.C. No. 16 (Supplement No. 38) at Docket No. A-2020-3021460, to become effective the same day. Supplement No. 38 included metered rates for Upper Pottsgrove District customers that met certain eligibility criteria. Eligibility criteria under Supplement No. 38 was the same as proposed eligibility criteria under Supplement No. 44, and is further discussed in Section II, below. By Secretarial Letter dated July 15, 2022, the Commission specified that suspension or further investigation of Supplement No. 38 did not appear warranted at that time, and Supplement No. 38 became effective by operation of law.

By Commission Order entered December 8, 2022, at Docket Nos. R-2022-3031672 and R-2022-3031673, the Commission authorized PAWC-WD to file tariffs or tariff supplements containing rates, rules and regulations, consistent with the Commission's findings and Appendices attached to the Joint Petition for Settlement of Rate Investigation (Joint Petition) filed at those dockets on October 11, 2022, to produce,

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<sup>1</sup> The Application's Appendix A-12 was amended twice before the Application's conditional acceptance. Therefore, the *pro forma* tariff supplement submitted with the Application as Appendix A-12 was Second Amended Appendix A-12.

on a total company basis, an annual increase in revenues of \$138 million for service rendered on and after January 28, 2023. PAWC-WD was permitted to file such tariffs and/or tariff supplements to become effective on at least one day's notice after entry of the Commission's Order for rates effective on and after January 28, 2023.

On January 26, 2023, PAWC-WD filed Supplement No. 43 to Tariff Wastewater PA P.U.C. No. 16 (Supplement No. 43) at Docket No. R-2022-3031673, to become effective January 28, 2023. Supplement No. 43's Thirty-fifth Revised Page 2 included a list of changes that, *inter alia*, indicated that Supplement No. 43 provided for uniform rates for Rate Zone 1 and that PAWC-WD's Upper Pottsgrove District was subject to Rate Zone 1 rates. By Secretarial Letter dated January 31, 2023, the Commission designated that suspension or further investigation of Supplement No. 43 did not appear warranted at that time, and Supplement No. 43 became effective by operation of law.

Pursuant to 52 Pa. Code §§ 53.45(g)-(h) (relating to notice of new tariffs and tariff changes), PAWC-WD must provide notice as directed by the Commission and file an affidavit with the Commission confirming that notice requirements have been met. By Secretarial Letter dated February 1, 2023, the Commission directed PAWC-WD to provide customers whose bills may be increased by Supplement No. 44 with a customer notice indicating the impact of Supplement No. 44 on a typical bill for each affected customer. PAWC-WD provided a verification of customer notice for Supplement No. 44 in supplemental information filed with the Commission at this docket on February 15, 2023.

PAWC-WD submitted proof of service of Supplement No. 44 on the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission's Bureau of Investigation and Enforcement. No complaints were filed, and no hearings were held.

## II. SUPPLEMENT NO. 44

PAWC stated that it inadvertently omitted a special metered rate for certain Upper Pottsgrove District customers from Supplement No. 43. As such, Supplement No. 44 proposes a special metered rate option for Upper Pottsgrove District customers that: (1) request metered rates; (2) are commercial or industrial customers or have multiple equivalent dwelling units (EDUs) in a single structure; (3) have an existing EDU allocation; and (4) discharge to Upper Pottsgrove Wastewater System collection facilities. This proposed rate is calculated as the number of EDUs assigned to the customer times 60% times \$106, plus the gallons of metered usage per day divided by 250 times 40% times \$106.<sup>2</sup> PAWC-WD averred that Supplement No. 44 will affect bills for approximately six customers and will decrease PAWC-WD's revenues by approximately \$10,635 as compared to Supplement No. 43's standard metered rates.

In supplemental information filed with the Commission, PAWC-WD explained that proposed rates are consistent with the Joint Petition's Upper Pottsgrove District proof of revenues, and that if PAWC-WD applied Supplement No. 43 standard metered rates to affected customers, annual revenues would be approximately \$10,635 greater than contemplated in the Upper Pottsgrove District proof of revenues. To support this claim, PAWC-WD provided an updated proof of revenue and related calculations that identified billing determinants (i.e., EDU and usage volume values), rates, and revenues for affected Upper Pottsgrove customers at rates under Supplement Nos. 38, 43 (standard metered rates), and 44 (special metered rate). Finally, PAWC-WD clarified that under Supplement No. 43, PAWC-WD will apply the special metered rate under Supplement No. 44 to determine applicable charges, consistent with the Joint Petition's Upper Pottsgrove District proof of revenues.

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<sup>2</sup> Proposed rates approximately equate to \$63.60 per EDU plus \$0.5653 per 100 gallons per month (100 gallons per month / 30 days per month / 250 x 40% x \$106 = approximately \$0.5653).

### III. CONCLUSION

Investigation and analysis of this proposed tariff supplement and the supporting data indicates that the proposed tariff supplement does not appear to be unlawful, unjust, unreasonable, or contrary to the public interest. As such, the proposed tariff supplement, should be permitted to become effective on the proposed March 31, 2023, effective date. However, this does not constitute a determination that this tariff supplement is lawful, just, and reasonable; rather, this is a determination that suspension or further investigation does not appear to be warranted at this time; **THEREFORE,**

#### **IT IS ORDERED:**

1. That Pennsylvania-American Water Company – Wastewater Division’s Supplement No. 44 to Tariff Wastewater PA P.U.C. No. 16 is hereby permitted to become effective March 31, 2023.
2. That this Order is without prejudice to any formal complaints timely filed against the proposed tariff supplement.
3. That a copy of this Order shall be served upon Pennsylvania-American Water Company – Wastewater Division, the Office of Consumer Advocate, the Office of Small Business Advocate, the Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement and any persons who have filed formal complaints against the proposed tariff supplement of Pennsylvania-American Water Company – Wastewater Division.

4. That the proceeding at Docket No. R-2023-3037939 be closed.

**BY THE COMMISSION,**



Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: March 16, 2023

ORDER ENTERED: March 16, 2023