



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

IN REPLY PLEASE
REFER TO OUR FILE

June 20, 2023

Docket Nos. A-2023-3038862 & A-2023-3038864
Utility Codes 230087 & 230057

MICHAEL W HASSELL ESQUIRE
DEVIN T RYAN ESQUIRE
POST & SHELL PC
17 NORTH SECOND STREET 12TH FLOOR
HARRISBURG PA 17101-1601
MHASSELL@POSTSCHELL.COM
DRYAN@POSTSCHELL.COM

CHARIS MINCAVAGE ESQUIRE
MEAGAN TRUONG ESQUIRE
MCNEES WALLACE & NURICK LLC
100 PINE STREET
HARRISBURG PA 17101
CMINCAVAGE@MCNEESLAW.COM
MTRUONG@MCNEESLAW.COM

RE: Joint Application of The York Water Company - Wastewater and Conewago Industrial Park Water & Sewer Company - Wastewater, for approval of the rights of: (1) Conewago Industrial Park Water & Sewer Company - Wastewater to transfer certain public wastewater facilities and rights to The York Water Company - Wastewater; (2) Conewago Industrial Park Water & Sewer Company – Wastewater to abandon wastewater service to the public in West Donegal Township, Lancaster County; and (3) The York Water Company - Wastewater to begin to offer, render, furnish and supply wastewater service to the public in a portion of West Donegal Township, Lancaster County, Pennsylvania at Docket Nos. A-2023-3038862 & A-2023-3038864

Dear Attorneys Hassell, Ryan, Mincavage, and Truong:

On March 8, 2023, The York Water Company – Wastewater (York Water-WW) and Conewago Industrial Park Water & Sewer Company – Wastewater (CIP-WW) filed the above-referenced document (Joint Application) with the Pennsylvania Public Utility Commission (Commission). To assist the Commission in conducting the review of the Joint Application, 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. Make sure to reference the docket number listed above when filing your response. Please note that some responses may be e-filed to your case, <http://www.puc.pa.gov/efiling/default.aspx>. A list of document types allowed to be e-filed can be found at <http://www.puc.pa.gov/efiling/DocTypes.aspx>. All documents requiring notary stamps must have original signatures.

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


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

<p><i>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).</i></p>
<p>Signature _____ Title _____ Date _____</p>

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 your response to Clinton McKinley in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at cmckinley@pa.gov. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta
Secretary

Enclosure: TUS Data Request Set 1

cc: Patrick Cicero, Office of Consumer Advocate (w/enclosure), ra-oca@pa.gov
Christine Hoover, Office of Consumer Advocate (w/enclosure) choover@paoca.org
Sharon E. Webb, Office of Small Business Advocate (w/enclosure) swebb@pa.gov
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
Richard Kanaskie, PUC Bureau of Investigation and Enforcement (w/enclosure)
rkanaskie@pa.gov

TUS Data Request Set 1

Joint Application of The York Water Company - Wastewater (York Water-WW) and Conewago Industrial Park Water & Sewer Company – Wastewater (CIP-WW), for approval of the rights of:

- (1) CIP-WW to transfer certain public wastewater facilities and rights to York Water-WW;
- (2) CIP-WW to abandon wastewater service to the public in West Donegal Township, Lancaster County; and
- (3) York Water-WW to begin to offer, render, furnish and supply wastewater service to the public in a portion of West Donegal Township, Lancaster County, Pennsylvania at Docket Nos. A-2023-3038862 & A-2023-3038864

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.

- A-1 The Joint Application at Page 11 indicated York Water-WW intends to incorporate Part III, Sections A, B, C, D, E, and L from its Shrewsbury and Springfield Township Division's wastewater tariff provisions. However, the wastewater tariff provisions specific to Shrewsbury and Springfield Townships are included in Part I of York Water-WW's effective tariff and do not include a Section L, and Part III: Rules and Regulations of York Water-WW's effective tariff do not appear to be specific to York Water-WW's Shrewsbury and Springfield Township Division. Please clarify this discrepancy and provide the following information:
- a. Confirm the specific pages and sections of York Water-WW's effective tariff that contain the provisions York Water-WW is proposing to apply to the customers within the requested service territory;
 - b. If York Water-WW was referring to Part III of its effective tariff which does not exclusively pertain to its Shrewsbury and Springfield Township Division, please identify the specific pages and sections York Water-WW does not intend to apply to the customers within the requested service territory and explain why York Water-WW does not intend to apply these pages and sections of its existing effective tariff to the customers in the requested service territory; and
 - c. Revise the *pro forma* tariff supplement provided in the Joint Application as Exhibit I, as necessary to align with York Water-WW's explanations to the above.

TUS Data Request Set 1

Joint Application of The York Water Company - Wastewater (York Water-WW) and Conewago Industrial Park Water & Sewer Company – Wastewater (CIP-WW), for approval of the rights of:

- (1) CIP-WW to transfer certain public wastewater facilities and rights to York Water-WW;
- (2) CIP-WW to abandon wastewater service to the public in West Donegal Township, Lancaster County; and
- (3) York Water-WW to begin to offer, render, furnish and supply wastewater service to the public in a portion of West Donegal Township, Lancaster County, Pennsylvania at Docket Nos. A-2023-3038862 & A-2023-3038864

A-2 Original Page No. 4(q) of the *pro forma* tariff supplement included in the Joint Application as Exhibit I, included the following proposed language, “Service Outside the West Donegal Township Area. The Company will entertain requests for service from Customers located outside of the West Donegal Township certificated area located in West Donegal Township. However, those Customers, in addition to the standard reservation and operating fees, will be subject to conditions enumerated under Section B, (Construction and Maintenance of Facilities), in this tariff and will receive service only if those Customers build and install main and connector lines to the Company’s facilities at their own expense.” Considering this proposed language, please provide responses to the following:

- a. Identify the section(s) of York Water-WW’s effective tariff or proposed tariff supplement which quantify the “standard reservation and operating fees” referenced and that specify the applicability of such charges to West Donegal Township Division customers;
- b. Identify the amounts of the reservation and operating fees referenced and provide a detailed explanation as to how these amounts were determined or calculated; and
- c. Identify the legal authority under which York Water-WW believes it would be permitted to charge a capacity reservation fee within West Donegal Township considering this language appears to apply to individuals or entities outside of the area of which York Water – WW has requested a certificate of public convenience and CIP-WW does not have a capacity reservation fee in its effective tariff.

A-3 Please provide evidence the Joint Application is consistent with West Donegal Township’s Department of Environmental Protection (DEP) approved Act 537 Official Sewage Facilities Plan (Act 537 Plan) and related revisions (i.e., special studies, planning modules, etc.) and exemptions.

A-4 Please provide copies of West Donegal Township’s Act 537 Plan, Act 537 Plan revisions, and related letters providing Act 537 Plan approvals or exemptions that involve CIP-WW’s wastewater system.

TUS Data Request Set 1

Joint Application of The York Water Company - Wastewater (York Water-WW) and Conewago Industrial Park Water & Sewer Company – Wastewater (CIP-WW), for approval of the rights of:

(1) CIP-WW to transfer certain public wastewater facilities and rights to York Water-WW; (2)

CIP-WW to abandon wastewater service to the public in West Donegal Township, Lancaster

County; and (3) York Water-WW to begin to offer, render, furnish and supply wastewater service to the public in a portion of West Donegal Township, Lancaster County, Pennsylvania at

Docket Nos. A-2023-3038862 & A-2023-3038864

- A-5 On Page 7 of the Joint Application, York Water-WW indicated it is acquiring all the permits associated with the wastewater system. Please provide a copy of CIP-WW's current National Pollutant Discharge Elimination System permit and any water quality management permits issued by DEP for the construction and operation of the wastewater system.
- A-6 Please provide a complete list, by major plant category, of wastewater system assets to be acquired. The list should fully describe the asset and identify the asset's size, quantity, material, and year of installation.
- A-7 The map provided as the Joint Application's Exhibit B-1, depicted 14 manholes located outside of the alignment of the gravity main depicted. Please clarify if CIP-WW owns these manholes or if these manholes are privately owned.
- A-8 On Page 11 of the Joint Application, York Water-WW indicated it expects to be able to meet projected capacity requirements through the year 2036. Please provide a detailed breakdown by year and projected capacity required from the present year to 2036.
- A-9 Please provide copies of CIP-WW's two most recent Federal Income Tax Returns. If the tax returns reflect an operating loss, describe in detail how the operating losses are subsidized, supported by an analysis of the future viability of the utility under York Water-WW ownership.
- A-10 On Page 8 of the Joint Application, York Water-WW indicated that there have been no contributions toward the construction of CIP-WW's wastewater system. However, CIP-WW's 2020, 2021, and 2022 annual financial reports filed with the Commission identified net contributions in-aid-of construction of \$2,985,095, \$2,902,651, and \$2,820,207, respectively. Please clarify this discrepancy and provide a revised description of York Water-WW's tentative journal entries for booking the acquisition as necessary.
- A-11 On Page 9 of the Joint Application, York Water-WW indicated that the tentative journal entries provided were obtained from CIP-WW's 2020 audited financial statements and projected to current date. Please provide a copy of the audited financial statement referenced and a copy of CIP-WW's most recent audited financial statement.
- A-12 In the tentative journal entries provided in Section 8 of the Joint Application, York Water-WW indicated it would credit Account No. 105 - Construction Work in Progress, \$432,000 and indicated that this amount represents the purchase price plus other acquisition costs. However, in Section 7 of the Joint Application, York Water-WW

TUS Data Request Set 1

Joint Application of The York Water Company - Wastewater (York Water-WW) and Conewago Industrial Park Water & Sewer Company – Wastewater (CIP-WW), for approval of the rights of:

- (1) CIP-WW to transfer certain public wastewater facilities and rights to York Water-WW;
- (2) CIP-WW to abandon wastewater service to the public in West Donegal Township, Lancaster County; and
- (3) York Water-WW to begin to offer, render, furnish and supply wastewater service to the public in a portion of West Donegal Township, Lancaster County, Pennsylvania at Docket Nos. A-2023-3038862 & A-2023-3038864

indicated that \$100,000 of the \$487,000 purchase price would be allocated to wastewater system assets plus \$37,500 for land, \$12,500 for additional payments to CIP-WW upon the execution of the agreement and at closing, and \$12,000 for a new valve installed by CIP-WW. Please explain why York Water-WW intends to book the acquired wastewater system assets at \$432,000 in lieu of the \$162,000 identified in the Joint Application, provide a breakdown of the anticipated credit to Account No. 105 to record the purchase of CIP's wastewater system, and provide a revised description of York Water-WW's tentative journal entries for booking the acquisition as necessary.

- A-13 Please state if York Water-WW and CIP-WW are affiliated with one another.
- A-14 Please explain how Application approval would benefit York Water-WW's existing customers.