



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

IN REPLY PLEASE
REFER TO OUR FILE

September 8, 2023

Docket No. R-2023-3041575

Utility Code 2125112

MARK J SHAW ESQUIRE
MACDONALD ILLIG JONES & BRITTON LLP
100 STATE STREET SUITE 700
ERIE PA 16507-1459
MSHAW@MIJB.COM

RE: Conneaut Lake Park Water Corporation, Inc. Tariff Supplement No. 1 To Tariff Water –
Pa. P.U.C. No. 1 at Docket No. R-2023-3041575

Dear Attorney Shaw:

On August 31, 2023, Conneaut Lake Park Water Corporation, Inc. (Conneaut) filed the above-captioned document with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, 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. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response. The overnight address for hard-copy or confidential responses is:

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

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


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).

Signature _____
Title _____
Date _____

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 the response to Paul Zander in the Water/Wastewater Paragraph of the Bureau of Technical Utility Services via e-mail at pzander@pa.gov. Please also direct any questions to Paul Zander at telephone number (717) 783-1372. 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@paoca.org
Christine Hoover, Office of Consumer Advocate (w/enclosure), choover@paoca.org
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
Richard Kanaskie, Bureau of Investigation & Enforcement (w/enclosure), rkanaskie@pa.gov

TUS Data Request Set 1

Conneaut Lake Park Water Corporation, Inc. Tariff Supplement No. 1 To Tariff Water – Pa.
P.U.C. No. 1 at Docket No. R-2023-3041575

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.

- R-1. Please provide separate and complete responses for each requirement of 52 Pa. Code § 53.52 for the historic test year ending December 31, 2022 (the HTY). Please note that failure to provide required responses may result in rejection of Tariff Supplement No. 1 To Tariff Water – Pa. P.U.C. No. 1 (Supplement No. 1) per 52 Pa. Code § 53.51(c).
- R-2. Please provide separate and complete responses for each requirement of 52 Pa. Code §§ 53.52 and 53.56(b) for the future test year ending December 31, 2023 (the FTY), per 52 Pa. Code §§ 53.56(a)-(b). Please note that failure to provide required data may result in rejection of Supplement No. 1 per 52 Pa. Code § 53.51(c).
- R-3. Conneaut’s Short Form Schedules, Schedule C and the next page labelled “Bill Analysis” (Bill Analysis) do not appear to include HTY and FTY data for public fire protection customers (Public FPCs). However, Supplement No. 1, Page 4 identified a proposed Public FPC rate of \$100 per hydrant per year, compared to Conneaut’s existing rate of \$10 per hydrant per year. Also, Trustees of Conneaut Lake Park, Inc.’s (Trustees) annual financial report for the year ending March 8, 2021, Page 19, Row 37 identified a utility plant in service (UPIS) value of \$1,700 for hydrants. Please provide a revised Schedule C and Bill Analysis to include HTY and FTY data for Public FPCs at present, adjusted present, and proposed rates.
- R-4. Please provide evidence verifying the proposed Public FPC rate of \$100 per hydrant per year complies with Section 1328(b)(1) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1328(b)(1), which limits the rate charged to Public FPCs for public fire hydrants to 25% of the cost of service for those hydrants.
- R-5. Please quantify the number of fire hydrants served by Conneaut at the end of the HTY and the FTY, respectively, and specify where Conneaut identified the number of Public FPCs that it serves per 52 Pa. Code §§ 53.52(a)(2)-(3), (b)(3), and (b)(4).
- R-6. Conneaut’s Short Form Schedules, Schedule D identified HTY and FTY purchased power expenses of \$23,000. However, the Trustee’s annual financial report for the 2020 calendar year identified a purchased power expense of \$3,692 for 2020 and \$8,232 for 2019. Please provide copies of all of Conneaut’s electric bills for the HTY and the FTY to date.
- R-7. Please explain why Conneaut’s purchased power expense claim is reasonable.

TUS Data Request Set 1

Conneaut Lake Park Water Corporation, Inc. Tariff Supplement No. 1 To Tariff Water – Pa.
P.U.C. No. 1 at Docket No. R-2023-3041575

- R-8. Conneaut’s Short Form Schedules, Schedule D identified depreciation expenses for 2021 and the HTY to be \$39,422 and \$41,834, respectively. Also, Conneaut’s Statement of Reasons for Proposed Rate Increase (Statement of Reasons), Page 4 indicated that for the FTY, annual depreciation is based on applying an annual accrual rate of 2.5%. Considering the claimed depreciation expense and annual accrual rate, please provide responses for each of the following:
- a. Provide a detailed breakdown, by major plant account as defined by the National Association of Regulatory Utility Commissioners Uniform System of Accounts (NARUC System of Accounts), of Conneaut’s UPIS that identifies the original cost of plant in service and date the assets were placed into service.
 - b. Explain how the 2.5% annual depreciation accrual rate was determined, including a description of the trending methodology used and an identification of all indexes used.
 - c. Explain how applying a single annual depreciation accrual rate to all UPIS accurately reflects the value of each plant account and is compliant to Section 1703 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1703.
- R-9. Conneaut’s Short Form Schedules, Schedule E contained a line item for plant additions installed 12-2014 in the amount of \$1,491,123 described only as “Various”. Please provide a detailed breakdown, by major plant account as defined by the NARUC System of Accounts, for the assets included in this line item that describes the sizes, types, materials, and quantities of the assets placed in service.
- R-10. Conneaut’s Short Form Schedules, Schedule E included line items for mains installed 12-2021 and 12-2022 in the amounts of \$104,000 and \$89,000, respectively. However, Short Form Schedule B identified the amount of UPIS at year ending March 8, 2021, to be \$1,482,109 and at the end of the HTY to be \$1,717,873; or an increase in UPIS of \$235,764. Please explain this discrepancy and provide revised Short Form Schedules as necessary.
- R-11. Conneaut’s Short Form Schedules, Schedule E included line items for mains installed 12-2021 and 12-2022 in the amounts of \$104,000 and \$89,000, respectively. However, no corresponding retirements were reported. Please clarify if these line items represent additional main placed in service or main replacement projects. Also, if these line items represent main replacement projects, provide a revised Schedule E identifying any UPIS retirements due to main replacements.

TUS Data Request Set 1

Conneaut Lake Park Water Corporation, Inc. Tariff Supplement No. 1 To Tariff Water – Pa.
P.U.C. No. 1 at Docket No. R-2023-3041575

- R-12. Conneaut’s Statement of Reasons, Page 4 indicated that provisions for materials and supplies and cash working capital were included in HTY and FTY original cost measures of value. Please separately quantify the amounts Conneaut added to the original cost for materials and supplies and cash working capital and provide supporting calculations or explanations indicating how amounts were determined (e.g., one-eighth method, lead/lag study, etc).
- R-13. The 2022 federal and state income tax returns for an entity named CLP Water Park LLC included in Conneaut’s filing specified a 2022 depreciation expense of \$10,333, and the state tax return identified a cost or other basis of \$403,000 for “water” property acquired July 1, 2021. Please provide evidence supporting the difference between the depreciation and property costs identified in these 2022 tax returns and Conneaut’s depreciation and UPIS claims.
- R-14. The Trustees annual financial report for the 2009 calendar year included a letter that specified that in 2009, the water system was accepted for a federal grant and that Conneaut’s costs to construct a new facility and add a backwash system totaled \$85,430.50. Also, this annual report, Page 15 identified UPIS of \$86,080. However, Conneaut’s subsequent annual reports starting in the 2014 calendar year identified \$1,200,000 in UPIS for water treatment equipment. Please quantify any contributions-in-aid of construction that may have been used to fund UPIS construction.
- R-15. The Trustees annual financial report for the 2014 calendar year, Page 15 included a footnote indicating, “Utility Plant Benchmark Asset Valuation completed for 12-31-2014 Continuing Property Records”. Please provide a copy of this document and any other original cost studies completed to determine UPIS original cost.
- R-16. Supplement No. 1, Page 4 identified several commercial monthly rates, including a commercial flat rate of \$850, a “Small Commercial” minimum charge rate of \$850 plus \$10 per 100 gallons over “Minimum”, and a “Large Commercial” minimum charge rate of \$2,183.40 plus \$10 per 100 gallons over “Minimum” (together, the Commercial Minimum Charges). Also, 52 Pa. Code § 53.25 requires public utilities to provide definitions of technical terms used in tariffs, and 52 Pa. Code § 53.26(a) requires each rate schedule to set forth explicitly the conditions under which a service covered by rates is available. Finally, it appears that the Bill Analysis specified that there will be no commercial flat rate customers and appears to identify volumes of water included in Commercial Minimum Charges that are not identified in Supplement No. 1. Please provide a copy of a revised Supplement No. 1 that includes the following information:
- a. Provide definitions for the terms “Small Commercial” and “Large Commercial” setting forth explicitly the conditions under which a Customer would be considered a “Small Commercial” or “Large Commercial” Customer (e.g., meter size, etc.).
 - b. Specify the volume of water that is included in each Commercial Minimum Charge and for each billing period option (i.e., monthly and quarterly volumes).

TUS Data Request Set 1

Conneaut Lake Park Water Corporation, Inc. Tariff Supplement No. 1 To Tariff Water – Pa.
P.U.C. No. 1 at Docket No. R-2023-3041575

- c. Either specify the conditions under which nonresidential service may be billed at flat rates rather than Commercial Minimum Charges or eliminate commercial flat rates from Supplement No. 1.
- R-17. Please explain how Conneaut determined Commercial Minimum Charges and provide copies of any supporting documentation.
- R-18. Please explain why Conneaut’s Commercial Minimum Charges are just, reasonable, and not unreasonably discriminatory.
- R-19. Please provide water meter readings and meter reading dates for each commercial customer served by Conneaut for the last two years.
- R-20. The 2022 federal and state income tax returns for an entity named CLP Water Park LLC included in Conneaut’s filing appear to be tax returns for an entity named CLP Water Park LLC. Also, Conneaut’s Short Form Schedules, Schedule A, Section II.A. identified an ownership type of “LLC”. However, it does not appear that Conneaut is organized as a LLC. Please reconfirm that Conneaut is the water system’s owner and operator and provide copies of Conneaut’s two most recent federal and state tax returns.
- R-21. Please provide evidence that Conneaut filed its Security Planning and Readiness Self-Certification Form with the Commission for the 2021 and 2022 calendar years pursuant to 52 Pa. Code § 101.4(a).
- R-22. Please provide evidence that Conneaut filed its annual financial report with the Commission for the 2021 and 2022 calendar years pursuant to 52 Pa. Code § 65.19(1).
- R-23. Please quantify the number of disputes initiated by Conneaut customers since Conneaut’s inception that required compliance with dispute procedures under 52 Pa. Code § 56.151.
- R-24. Please provide a copy of every Conneaut written public utility company report per 52 Pa. Code §§ 56.151(5)(i) and (ii).
- R-25. The Commission’s Order entered September 18, 2003, at Docket A-210096, Appendix A identified several commercial customers served by the Trustees, including businesses known as Camperland, Hotel Conneaut, the Beach Club, the Convention Hall, and the Water Park. Also, the Trustees annual financial report for the 2020 calendar year included a copy of a Primary Facility Report that identified 185 domestic connections and 15 commercial connections. However, Conneaut’s Bill Analysis only identified three commercial customers. For each Conneaut nonresidential customer, please specify the customer’s name, provide an estimate of their monthly water usage and identify their applicable flat or minimum rate.