

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

Public Meeting held October 19, 2023

Commissioners Present:

Stephen M. DeFrank, Chairman  
Kimberly Barrow, Vice Chair  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

Application of Pennsylvania-American Water Company – Wastewater Division for approval of the right to offer, render, furnish and supply wastewater service to the public in an additional portion of Franklin Township, Adams County, Pennsylvania

Docket No.  
A-2022-3037221

**ORDER**

**BY THE COMMISSION:**

By the application (Application) filed on December 12, 2022, Pennsylvania-American Water Company - Wastewater Division (PAWC-WD), Utility Code 230073, seeks a certificate of public convenience pursuant to Section 1102(a)(1)(i) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1102(a)(1)(i), evidencing Pennsylvania Public Utility Commission (Commission) approval of PAWC-WD's right to offer, render, furnish and supply wastewater service to the public in an additional portion of Franklin Township, Adams County, Pennsylvania.

**I. AFFECTED ENTITIES AND BACKGROUND**

PAWC-WD is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania (Commonwealth) with a mailing address of 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055. As of March 31, 2023, PAWC-WD provided wastewater service to approximately 97,562 customers throughout Pennsylvania, including portions of Franklin Township, Adams County.

PAWC-WD is a division of Pennsylvania-American Water Company (PAWC), Utility Code 212285. PAWC provides water service throughout the Commonwealth and is a wholly owned subsidiary of American Water Works Company, Inc.

In the Application, PAWC-WD identified Michael and Sandra Baumgardner as a developer (Developer) requesting that PAWC-WD provide wastewater service to an existing commercial property and a planned three-lot residential subdivision in Franklin Township, Adams County (Baumgardner Subdivision). A copy of the Developer's application to PAWC-WD for wastewater service was provided in the Application as Exhibit D. The Developer's existing commercial building receives water from an on-lot well. Wastewater service is provided by an on-lot septic system. A copy of the Preliminary/Final Subdivision Plan for the Baumgardner Subdivision, provided in supplemental information filed with the Commission, indicated that water service to the proposed residential subdivision will be provided through the installation of three additional on-lot wells.

PAWC-WD submitted proofs of publication and service to the appropriate entities. Notice of the Application was published in the *Pennsylvania Bulletin*, 53 Pa.B. 2551, on May 6, 2023. The protest period ended May 22, 2023. No protests were filed, and no hearings were held.

## **II. LOCATION AND DESCRIPTION OF PROPOSED TERRITORY**

The requested service territory is situated along the north side of the State Route 30 (Chambersburg Road) in the southeastern portion of Franklin Township, just west of Chambersburg Road's intersection with Hilton Road. In supplemental information filed with the Commission, PAWC-WD clarified that the requested service territory includes Adams County Parcels 12D10-037-000 and 12D10-0038A-000, encompassing 5.61 acres of land. PAWC-WD also clarified that Adams County Parcel ID 12D10-0037-000 (3175 Chambersburg Road, Biglerville, Pennsylvania), owned by a Roxey Ketterman, is included in the requested service territory only to eliminate a gap in territory and that this

parcel will not be connected to the wastewater collection system unless requested by the owner. A map of the requested service territory and a written description of the requested territory by metes and bounds were included in the Application as Exhibits B-1 and B-2, respectively. PAWC-WD's existing service territory in Franklin Township abuts the requested territory along the requested service territory's northwest and southwest boundaries.<sup>1</sup>

### **III. DESCRIPTION OF FACILITIES FOR FURNISHING SERVICE**

In the Application, PAWC-WD indicated that the facilities required to provide wastewater service to the requested service territory will include 782 linear feet (LF) of two-inch diameter low-pressure polyvinyl chloride (PVC) pipe, 400 LF of 1-1/2-inch diameter low pressure PVC pipe, and four curb stops with boxes (Extension Project). In supplemental information filed with the Commission, PAWC-WD identified an additional 20 LF of 1-1/2-inch diameter PVC pipe to be included in the Extension Project for four customer service laterals. The Extension Project will tie-into PAWC-WD's existing manhole and collection system near the boundary of its existing service territory adjacent to 3195 Chambersburg Road. In supplemental information filed with the Commission, PAWC-WD reiterated that the Developer would be responsible for the cost to install the Extension Project and all facilities from the curb to the proposed residential structures. After construction, the Extension Project facilities would be dedicated to PAWC-WD, but the Developer, and eventually the future property owner, will own and maintain the facilities from the curb to the residential structures, including the required grinder pumps.

The Extension Project will convey wastewater to PAWC-WD's Franklin Wastewater System, which PAWC-WD averred has sufficient collection, conveyance,

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<sup>1</sup> See, *Application of Pennsylvania-American Water Company (PAWC) for approval of: 1) the transfer, by sale, of substantially all of Franklin Township Municipal Sewer Authority properties and rights related to its wastewater system to PAWC, and 2) the rights of PAWC to begin to offer or furnish wastewater service to the public in portions of Franklin Township, Adams County, Pennsylvania.* Order entered August 29, 2013, at Docket No. A-2013-2344624.

and treatment capacity to serve the four proposed equivalent dwelling units (EDUs) with estimated total wastewater flows of 30,000 gallons per month (or 1,000 gallons per day). In supplemental information filed with the Commission, PAWC-WD identified the permitted effluent discharge rate of the Franklin Wastewater Treatment Plant (Franklin WWTP) to be 0.200 million gallons per day (MGD) and its hydraulic design capacity to be 0.500 MGD under National Pollutant Discharge Elimination System Permit No. 0248088. A copy of PAWC-WD's 2022 Chapter 94 Municipal Wasteload Management Report (2022 Chapter 94 Report) was also provided in supplemental information filed with the Commission. The 2022 Chapter 94 Report identified the Extension Project and indicated that the Franklin WWTP's 2022 average flow was 79,400 gallons per day and its 2022 average organic loading was 171 pounds per day of its design capacity of 459 pounds per day.

#### **IV. ADDITIONAL CAPITAL REQUIREMENTS**

In the Application's Exhibit J, PAWC-WD provided a cost breakdown of the Extension Project that quantified an estimated total project cost of \$43,760. However, in supplemental information filed with the Commission, PAWC-WD provided an updated cost estimate that revised the estimated project cost to be \$45,360 and included estimated costs for overhead, engineering and inspection, and allowance for funds used during construction totaling \$24,948 for a total projected cost of \$70,308. PAWC-WD also clarified that the Developer would be responsible for the cost of the entire Extension Project through an agreement with the Developer and PAWC-WD provided a copy of its standard Sewer Main Extension Agreement. In accordance with PAWC-WD's effective tariff, the Developer will also be charged \$16,000 (4 EDUs at \$4,000 per EDU) in capacity reservation fees and a connection fee of \$200. PAWC-WD indicated that it will book these fees as contributions in-aid-of construction and that no refunds will be provided to the Developer, consistent with the Sewer Main Extension Agreement.

#### **V. PROPOSED RATES**

In supplemental information filed with the Commission, PAWC-WD clarified that it will charge its existing Rate Zone 1 flat rates for wastewater service as set forth in its effective wastewater tariff. In Exhibit N of the Application, PAWC-WD indicated its estimated annual revenue to be \$5,088 and its estimated annual expenses to be \$1,077, resulting in an estimated annual net income of approximately \$4,011 for providing wastewater service within the requested service territory.

## **VI. PERMITS, EASEMENTS, AND RIGHTS-OF-WAY REQUIRED**

PAWC-WD indicated that it will work with the Developer to obtain the PennDOT Highway Occupancy Permit (HOP) needed to complete the Extension Project and that no easements will be required as this work will be completed in the current PennDOT rights-of-way within Chambersburg Road. In supplemental information filed with the Commission, PAWC-WD clarified that the cost of the HOP would be \$100 and reiterated that this cost will be borne by the Developer.

## **VII. ACT 537 OFFICIAL SEWAGE FACILITIES PLAN AND LAND USE PLANNING COMPLIANCE**

In supplemental information filed with the Commission, PAWC-WD provided a copy of a letter from the Pennsylvania Department of Environmental Protection (DEP) dated July 11, 2023, that indicated the project is exempt from the requirement to revise Franklin Township's DEP-approved Act 537 Official Sewage Facilities Plan and provided a copy of the sewage facilities planning module filed with DEP.

Exhibit O of the Application consisted of a copy of a PAWC-WD-drafted land use compliance verification form letter that was completed by the Franklin Township Planning Commission. The completed form letter, dated May 18, 2022, indicated that the Application is consistent with Franklin Township's comprehensive plan and zoning ordinances. In further evidence of compliance with municipal regulations, in supplemental information filed with the Commission, PAWC-WD provided a copy of the

minutes from the December 1, 2022, meeting of the Franklin Township Board of Supervisors (Franklin Supervisors). The meeting minutes indicated that the Franklin Supervisors conditionally approved the Baumgardner Subdivision based on comments from KPI Technology, Civil & Environmental Engineering Consultants (KPI). A copy of the comments, in the form of a memorandum from KPI to the Franklin Supervisors dated November 14, 2022, was also provided. Further, a copy of a land use compliance verification form letter, completed by the Adams County Planning Commission and dated May 3, 2022, was provided as the Application's Exhibit P, which also indicated that the Application is consistent with the Adams County Comprehensive Plan.

### **VIII. OTHER CONSIDERATIONS**

In the Application PAWC-WD averred that providing wastewater service to the requested territory will have no adverse effect on existing customers. PAWC-WD further averred, in supplemental information filed with the Commission, that approval of this Application will result in more customers being connected to PAWC-WD's wastewater system without significant upfront capital costs required by the company and that an increase in customers within this system will allow PAWC-WD to divide the operating costs among more customers and keep rates lower for all PAWC-WD customers.

PAWC-WD also asserted that, to the best of its knowledge, no corporation or entity is currently furnishing wastewater service in the requested territory and no competitive condition will be created. PAWC-WD is current with Commission reporting requirements, and through Commission correspondence with DEP's Southcentral Regional Office, it was determined that DEP does not have any pending actions or outstanding complaints against PAWC-WD's wastewater system.

### **IX. CONCLUSION**

Based upon the facts that there is a need to make public wastewater service available within the requested territory; that PAWC-WD will expand its service territory

to new customers in compliance with Commission regulations; that PAWC-WD will be meeting the needs of new customers without any detriment to its existing customers; and that PAWC-WD is fit to provide service; the Commission finds that granting approval of PAWC-WD's Application for an extension of service territory is necessary or proper for the service, accommodation, convenience or safety of the public and is in the public interest; **THEREFORE,**


**IT IS ORDERED:**

1. That the Application of Pennsylvania-American Water Company – Wastewater Division at Docket No. A-2022-3037221, is hereby approved.
2. That a Certificate of Public Convenience shall be issued pursuant to Section 1102(a)(1)(i) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1102(a)(1)(i), authorizing Pennsylvania-American Water Company – Wastewater Division to begin to offer, render, furnish, and supply wastewater service to the public in an additional portion of Franklin Township, Adams County, consistent with Exhibits B-1 and B-2 of the Application.
3. That nothing herein shall be construed as an approval or determination of costs or expenses for the purposes of just or reasonable rates or to exempt Pennsylvania-American Water Company – Wastewater Division from obtaining all necessary permits, licenses, and approvals from other federal, state, and local government agencies having jurisdiction.
4. That a copy of this Order be served upon Pennsylvania-American Water Company – Wastewater Division, the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Franklin Township Board of Supervisors, the Franklin Township Planning Commission, the Adams County Commissioners, the Adams County Planning

Commission, and the Department of Environmental Protection – Southcentral Regional Office and its Bureau of Regulatory Counsel.

5. That the proceeding at Docket No. A-2022-3037221 be closed upon the Commission’s issuance of a Certificate of Public Convenience in accordance with Ordering Paragraph 2.

**BY THE COMMISSION,**

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: October 19, 2023

ORDER ENTERED: October 19, 2023