



**VIA E-FILING**

January 9, 2024

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

**Re: Venango Water Company – Ex Parte Emergency Order Naming Aqua  
Pennsylvania, Inc. as Receiver  
Docket No. M-2023-3042180**

**Section 529 Investigation of Venango Water Company  
Docket No. I-2023-3042312**

Dear Secretary Chiavetta:

Enclosed please find Aqua Pennsylvania, Inc.'s ("Aqua") Second Status Report to the Pennsylvania Public Utility Commission ("PUC" or the "Commission") in accordance with Aqua's Receivership duties for the Venango Water Company established via the Commission's Ex Parte Emergency Order Entered August 11, 2023, Ordering Paragraph 4, Appendix A Paragraph 1.o., in Docket No. M-2023-3042180, and ratified by the Commission's Ratification Order Entered August 24, 2023. This status report is being filed in both the M-Docket and I-Docket referenced above.

If you have any questions regarding this filing, please contact me at 610-645-1130.

Sincerely,

  
Alexander R. Stahl  
Regulatory Counsel

cc: Certificate of Service  
Daniel Searfoorce, Bureau of Technical Utility Services (via email)  
John Van Zant, Bureau of Technical Utility Services (via email)  
Sean Donnelly, Bureau of Technical Utility Services (via email)



**SECOND STATUS REPORT TO THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VENANGO WATER COMPANY  
AQUA PENNSYLVANIA, INC., AS RECEIVER

DOCKET NO. M-2023-3042180

DOCKET NO. I-2023-3042312

**Dated: January 9, 2024**

## **A. BACKGROUND**

On August 11, 2023, the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) issued an Ex Parte Emergency Order at Docket No. M-2023-3042180 (“Receivership Order”) naming Aqua Pennsylvania, Inc. (“Aqua” or the “Company”) as Receiver for the Venango Water Company (“VWC”).<sup>1</sup> The VWC system serves approximately 215 customers and is comprised of two spring sources (Bellows and Shaffer Springs), one storage tank, and approximately 7 miles of mains. The Receivership Order was ratified by the Commission through its Ratification Order entered on August 24, 2023. Aqua was directed to assume its Receivership role on August 12, 2023. Included within the Commission’s Receivership Order, the Company was directed to “[s]ubmit an initial status report to the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.”<sup>2</sup> Aqua submitted its Initial Status Report on October 11, 2023.

Aqua now submits its Second Status Report (“Status Report”) on the operations of VWC as directed by the Commission.

## **B. SECOND STATUS REPORT**

### **1. Financial**

The Receivership Order directed Aqua to establish the financial position of VWC at the time Aqua assumed its Receivership role.<sup>3</sup> Aqua is working to establish the financial position of VWC as of the start of Aqua’s Receivership, however, Aqua does not have access to all financial records of VWC. VWC has previously submitted Class C Annual Reports to the Commission which includes financial and operational data, the most recent of which was submitted on June 30, 2023 and available on the Commission’s website.<sup>4</sup> Aqua will continue to track expenses and capital improvements related to the VWC system through deferred accounting treatment via establishment of a regulatory asset in accordance with Aqua’s Receivership duties.<sup>5</sup>

Aqua and the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) have discussed funding opportunities for construction of a pipeline that would deliver water from the City of Franklin, Venango County, and for the construction of a new water storage tank. PENNVEST provided options for this project including an Aqua loan, a Venango loan or a White Knight Program loan. PENNVEST indicated that a grant would not likely be offered due to the higher median income of Sugar Creek Borough. The White Knight program would afford an opportunity for low-interest loan, but Aqua would have to commit at least \$650,000 and Aqua would have to produce a letter of intent to own the VWC’s assets. Ownership of the VWC system will ultimately be determined by the Commission through this Section 529 proceeding.

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<sup>1</sup> In re: Venango Water Company, Docket No. M-2023-3042180, Ex Parte Emergency Order, Ordering Paragraph No. 4 (August 11, 2023) (hereinafter “Receivership Order”).

<sup>2</sup> Id. Ordering Paragraph No. 4, Appendix A Paragraph 1.o.

<sup>3</sup> Id. Ordering Paragraph 4, Appendix A Paragraph 1.r.

<sup>4</sup> See <https://www.puc.pa.gov/pdocs/1791853.pdf>.

<sup>5</sup> Receivership Order, Ordering Paragraph 4, Appendix A Paragraphs 1.s and 2.b.

## 2. Operations and Capital Expenditures

On August 12, 2023, Aqua began its Receivership duties for the VWC system. Since the Initial Status Report, Aqua has completed the following improvements to the VWC system:

- i. Installed winterization on the temporary water storage tank and booster station used for hauling water.
- ii. Began leak detection in the system to address water loss, and Aqua will be continuing leak detection efforts.
- iii. Removed above ground chlorine contact tanks at Shaffer Spring.
- iv. Purchased utility task vehicle in order to access the VWC spring sources.
- v. Water hauling reduced from once or twice a week to once every 2-3 weeks.

In November 2023, Aqua met with the City of Franklin’s Council to discuss options of a bulk water agreement. The City Council indicated it would make a decision on availability of water and present its terms after January 1, 2024. The City’s decision regarding provision of water to VWC will be key to the ultimate conclusion of the current situation as a pipeline from the City of Franklin would provide a permanent alternate source of drinking water for VWC customers.

Aqua is developing a recommended capital plan for the VWC system and will provide recommendations on capital improvements in a subsequent status report.<sup>6</sup> Along with the capital plan Aqua will be providing a breakdown of costs incurred during the Receivership in a future status report.

Since the First Status Report, Aqua received one Notice of Violation (“NOV”) regarding payment of the Chapter 302 Operator Certification Service Fee, included as **Attachment A**. However, this NOV was due to a timing issue of payment arriving during the holidays and when the list of NOVs was generated. This NOV has been resolved with DEP.

Aqua was informed by the Rhodes family that they intended to cease providing operations service to the remaining systems owned by the Blaine Edwin Rhodes Estate (“Rhodes Utilities”) effective December 31, 2023.<sup>7</sup> Aqua was subsequently informed that the Rhodes family intended to continue its current operations until a resolution can be reached. On January 3, 2024, the Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Petition requesting the

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<sup>6</sup> Id. Ordering Paragraph 4, Appendix A Paragraph 1.c.

<sup>7</sup> In addition to VWC, systems owned by the Blaine Edwin Rhodes Estate include Sugarcreek Water Company, West Hickory Water Company, Plumer Water Company, Fryburg Water Company, Cooperstown Water Company, and Blaine E. Rhodes Sewer Company.

Commission open a 529 proceeding regarding the Rhodes Utilities.<sup>8</sup> Aqua is currently reviewing I&E's petition.

As Aqua continues to operate the VWC system to ensure compliance with the Receivership Order, Aqua will make improvements necessary to provide quality and reliable service. Aqua will have further information on operational issues in later reports.

**C. CONCLUSION**

Aqua will continue to investigate the system's operations and financial status and will make necessary improvements to operate the VWC system to ensure quality service to the VWC customers for the period of its Receivership duties during the 529 proceeding. Aqua will provide an update to this Status Report on or before April 8, 2024.

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<sup>8</sup> See *Pa. Pub. Util. Comm'n v. The Blane Edwin Rhodes Estate*, Docket Nos. P-2024-3045205 and I-2024-\_\_\_\_\_ (Jan. 3, 2024).

# ATTACHMENT A



January 4, 2024

**NOTICE OF VIOLATION**

VENANGO WATER CO  
PO BOX 397  
RENO PA 16343-0397

Dear Permittee:

On July 1, 2023, the Department of Environmental Protection (DEP) issued an Available Operator Report (AOR) for completion, and an invoice for payment of Chapter 302 Water and Wastewater Operator Certification Program annual service fees under the authority of 25 Pa. Code §302.1202(b) and §302.202. The details of this invoice are as follows:

Permittee Name: VENANGO WATER CO  
Facility Name: VENANGO WATER CO  
Permit No.: 6610014  
Account No.: 739628  
Amount Due: \$100  
Due Date: August 31, 2023

Additionally, in October 2023, DEP issued email notice to systems who had not paid the annual fee and provided an extension to the due date. **As of the date of this letter, the Chapter 302 Operator Certification Service Fee has not been paid.** We remind you that failure to pay the annual fee in full and/or failure to submit the AOR constitutes violations of 25 Pa. Code §302.202(c) and 302.1202(b), respectively, and subjects the permittee named above to enforcement action under the Water and Wastewater Systems Operators' Certification Act, 63 P.S. § 1014(c). The Act provides for up to \$1,000 per day in civil penalties and up to \$1,000 per day in summary criminal penalties for each violation. Each day of continued violation constitutes a separate offense. Continued failure to submit the fee will require an interest payment when the next annual fee invoice is transmitted. Other actions may be pursued such as revocation of your permit and/or referral to the Office of the Attorney General. You should also be aware that this violation is a matter of public record and may be found on DEP's website at [www.dep.pa.gov/DATA AND TOOLS/EFACTS](http://www.dep.pa.gov/DATA AND TOOLS/EFACTS).

Please submit the AOR and provide payment within **15 days** from the date of this letter. Otherwise, DEP may use any, and all, enforcement procedures, penalties and remedies afforded under the Water and Wastewater Systems Operators' Certification Act to compel compliance. Checks should be made payable to the "Commonwealth of Pennsylvania." Please include your permit number with all correspondence. The AOR and payment should be mailed to the following address:

January 4, 2024

ATTN: Chapter 302 Annual Service Fee  
PA Department of Environmental Protection  
P.O. Box 8467  
Harrisburg, PA 17105-8467

This Notice of Violation is neither an order nor any other final action of the Department. It neither imposes nor waives any enforcement action available to the Department under any of its statutes. If the Department determines that an enforcement action is appropriate, you will be notified of the action.

If you have any questions about this notice, you have already submitted the AOR and payment, or would like a re-print of the AOR and Invoice please contact me at [lorweaver@pa.gov](mailto:lorweaver@pa.gov) or 717.772.4056.

Sincerely,

A handwritten signature in cursive script that reads "Lori L. Weaver".

Lori L. Weaver  
Water Program Specialist  
Operator Certification Water and Wastewater



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Venango Water Company – Ex Parte</b>	:	
<b>Emergency Order Naming Aqua</b>	:	<b>Docket No. M-2023-3042180</b>
<b>Pennsylvania, Inc. as Receiver</b>	:	
	:	
<b>Section 529 Investigation of Venango</b>	:	<b>Docket No. I-2023-3042312</b>
<b>Water Company</b>	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 9th day of January 2024 served a true and correct copy of the foregoing document upon the persons and in the manner indicated below:

**VIA ELECTRONIC MAIL**

Carrie B. Wright, Prosecutor  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
400 North Street, 2<sup>nd</sup> Floor  
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Paul Diskin, Director  
Bureau of Technical Utility Services  
Pennsylvania Public Utility Commission  
400 North Street  
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**VIA ELECTRONIC MAIL AND U.S. MAIL**

Randall L. Rhodes, Secretary  
Venango Water Company  
P.O. Box 397  
Reno, PA 16343  
vwc-rlr@pa.rr.com



Alexander R. Stahl

Dated: January 9, 2024