

Sarah C. Stoner  
717-237-6026  
sstoner@eckertseamans.com

May 24, 2024

**Via Electronic Filing**

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

Re: City of Lock Haven Water Department 2024 Rate Case  
Docket No. R-2024-\_\_\_\_\_

Dear Secretary Chiavetta:

On behalf of City of Lock Haven Water Department (“City”), please find attached for filing with the Pennsylvania Public Utility Commission (“Commission”), the City’s Tariff Supplement No. 19 to Tariff Water – PA P.U.C. No. 1 (“Supplement No. 19”) and supporting information, as listed below, proposing an annual increase of \$377,823 in water service revenue for Outside City Customers:

1. Supplement No. 19 issued today with a proposed effective date of July 23, 2024;
2. Information supporting Supplement No. 19, including information required under 52 Pa. Code § 53.52;
3. Water Rate Study prepared by Raftelis Financial Consultants, Inc.;
4. Notice to customers of the proposed increase;
4. Press Release distributed to local newspapers serving the City’s territory;
5. An Affidavit verifying posting of the Customer Notice in the City’s office, verifying mailing of individual notices to all customers, and verifying distribution of the Press Release to a local newspaper serving the City’s territory; and
6. A verification confirming the factual nature of all information presented in this filing.

The City is simultaneously filing a Petition for Authorization to Implement a PENNVEST Surcharge and a Motion to Consolidate this rate filing and the PENNVEST Surcharge Petition.

**The City respectfully requests that the Office of Administrative Law Judge assign this matter and the PENNVEST Surcharge Petition to the Mediation Unit for mediator-assisted settlement discussions.**

If you have any questions regarding this filing, please feel free to contact the undersigned. Thank you.

Sincerely,

*Sarah C. Stoner*

Sarah C. Stoner

SCS/lww

Enclosure

cc: Certificate of Service w/enc.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of City of Lock Haven’s Rate Filing upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**Via Email Only**

Allison Kaster, Esq.  
Bureau of Investigation & Enforcement  
PA Public Utility Commission  
400 North Street  
Harrisburg, PA 17120  
[akaster@pa.gov](mailto:akaster@pa.gov)

Paul Diskin, Director  
Bureau of Technical Utility Services  
PA Public Utility Commission  
400 North Street  
Harrisburg, PA 17120  
[pdiskin@pa.gov](mailto:pdiskin@pa.gov)

Daniel Searfoorce  
Manager – Water, Reliability, and  
Emergency Preparedness Division  
Bureau of Technical Utility Services  
PA Public Utility Commission  
400 North Street  
Harrisburg, PA 17120  
[dsearfoorc@pa.gov](mailto:dsearfoorc@pa.gov)

Patrick Cicero, Esq.  
Melanie J. El Atieh, Esq.  
Erin Gannon, Esq.  
Office of Consumer Advocate  
555 Walnut St., 5<sup>th</sup> Fl., Forum Place  
Harrisburg, PA 17101  
[pcicero@paoca.org](mailto:pcicero@paoca.org)  
[MElAtieh@paoca.org](mailto:MElAtieh@paoca.org)  
[EGannon@paoca.org](mailto:EGannon@paoca.org)

Office of Small Business Advocate  
555 Walnut St., 5<sup>th</sup> Fl, Forum Place  
Harrisburg, PA 17101  
[Ra-sba@pa.gov](mailto:Ra-sba@pa.gov)

Dated: May 24, 2024

*Sarah C. Stoner*  
\_\_\_\_\_  
Sarah C. Stoner, Esq.

**SUPPLEMENT NO. 19**

**TO**

**TARIFF WATER – PA P.U.C. NO. 1**

CITY OF LOCK HAVEN

WATER DEPARTMENT

RULES AND REGULATIONS

Rates, Rules and Regulations

Governing the

Furnishing of Water Service

Allison, Castanea, and Wayne Townships

Issued: May 24, 2024

Effective: July 23, 2024

By:

Gregory J. Wilson, Manager  
City of Lock Haven  
20 East Church Street  
Lock Haven, Pennsylvania 17745

NOTICE

This tariff makes changes in rates as supported by the  
May 24, 2024 filing at Docket No. R-2024-XXXXXXX.

**LIST OF CHANGES MADE BY THIS TARIFF**

**Page No. 1 (Original):**

Deleted duplicate cover page.

**Table of Contents (Page No. 3):**

Added page numbers for new pages 4A, 5A, 13A, 25D, 25E and 25F. Corrected various errors in listed items.

**Definitions (Page No. 4):**

Added definition of “Equivalent Residential Meter Size.” Text regarding Applications for Service was moved to the following page (Page No. 4A).

**Application for Service (Page No. 4A):**

Added a new Page No. 4A. Text regarding Applications for Service was moved from the previous page (Page No. 4) to the new Page No. 4A.

**Application for Service, Section II.G (Page No. 5):**

Corrected reference to “Public Utility Law” to “Public Utility Code.” Removed language related to service connections which is being addressed in the Service Connection section (Section III). Service Connection language was moved to the following page (Page No. 5A).

**Service Connections, Section III (Page No. 5A):**

Added a new Page No. 5A and moved Service Connection language from the previous page (Page No. 5) to the new Page No. 5A. In Section III.A, added new language on service connections and connection fees and modified existing language.

**Bills for Water Service, Section VII.K (Page No. 10):**

Revised to reflect the currently available bill payment methods.

**Meters, Section VIII (Page No. 13):**

Revised Section VIII.I.2 to be consistent with 52 Pa. Code § 65.8(a). Revised the fees in Section VIII.I.3 to be consistent with 52 Pa. Code § 65.8(h). Updated the citation in Section VIII.I.4 to reflect the applicable 52 Pa. Code § 65.8(b). Section VIII.I.5(a) was moved to the following page (Page No. 13A).

**Meters, Section VIII (Page No. 13A):**

Added a new Page No. 13A. Section VIII.I.5(a) was moved from the previous page to the new page No. 13A, and language was revised to be consistent with 52 Pa. Code § 65.9(a). Section VIII.I.5(b) was moved from the following page (Page No. 14) to the new Page No. 13A, and language was revised to be consistent with 52 Pa. Code § 65.9(b).

**LIST OF CHANGES MADE BY THIS TARIFF** (Continued)

**Meters, Section VIII (Page No. 14):**

Section VIII.I.5(b) was moved from this page to the preceding Page No. 13A.

**Deposits, Section XIII (Page No. 22):**

Removed language regarding interest on deposits which is being addressed on the following page.

**Deposits, Section VIII (Page No. 23):**

Added language to Section XIII.C to comply with the interest rate requirements in 52 Pa. Code § 56.57.

**General, Section XIV (Page No. 24):**

Modified Section XIV.H to reflect that PUC approval of rate changes applies to rates for jurisdictional customers located outside the City of Lock Haven.

**Schedule of Rates, Section XV (Page Nos. 25 and 25A):**

Removes the existing minimum charges for Residential; Commercial and Industrial; Public and Healthcare; and Educational customer classes. Includes new rates for quarterly service charge applicable to all customer classes based on meter size, with no usage allowance. Page No. 25A has been reserved for future use.

**Schedule of Rates, Section XV (Page Nos. 25B and 25C):**

Provides revised quarterly charges for water consumption for Residential; Commercial and Industrial; Public and Healthcare; and Educational customer classes.

**Schedule of Rates, Section XV (Page Nos. 25D, 25E and 25F):**

Adds new pages with language describing the proposed PENNVEST Surcharge (“PVS”).

TABLE OF CONTENTS

		Page No.	
Title Page	Supp. No. 19	1	(C)
List of Changes Made by this Tariff	9 <sup>th</sup> Revised	2	(C)
	2 <sup>nd</sup> Revised	2A	(C)
Table of Contents	9 <sup>th</sup> Revised	3	(C)
Table of Contents	5 <sup>th</sup> Revised	3A	(C)
Rules and Regulations			
I. Definitions	1 <sup>st</sup> Revised	4	(C)
II. Application for Service	Original	4A	(C)
Application for Service	1 <sup>st</sup> Revised	5	(C)
III. Service Connections	Original	5A	(C)
Service Connections	Original	6	(C)
Service Connections	Original	7	(C)
IV. Service	Original	7	(C)
Service	Original	8	(C)
V. Discontinuance of Service	Original	8	
VI. Renewal of Water Service After Discontinuance	Original	9	(C)
VII. Bills for Water Service	Original	9	(C)
Bills for Water Service	1 <sup>st</sup> Revised	10	(C)

(C) = Change

Page No.	<u>TABLE OF CONTENTS</u> (Cont.)			
VIII.	Meters	1 <sup>st</sup> Revised	10	
	Meters	Original	11	(C)
	Meters	Original	12	(C)
	Meters	1 <sup>st</sup> Revised	13	
	Meters	Original	13A	
IX.	Main Extensions	1 <sup>st</sup> Revised	14	
	Main Extensions	Original	15	(C)
	Main Extensions	Original	16	(C)
	Main Extensions	Original	17	(C)
	Main Extensions	Original	18	(C)
	Main Extensions	Original	19	(C)
X.	Turning Off Water and Turn on Charge	Original	19	(C)
XI.	Vacating the Premises	Original	19	(C)
	Vacating the Premises	1 <sup>st</sup> Revised	20	(C)
XII.	Fire Protection	1 <sup>st</sup> Revised	20	(C)
	Fire Protection	1 <sup>st</sup> Revised	20A	
	Fire Protection	1 <sup>st</sup> Revised	21	
	Fire Protection	1 <sup>st</sup> Revised	22	(C)
XIII.	Deposits	1 <sup>st</sup> Revised	22	(C)
	Deposits	1 <sup>st</sup> Revised	23	(C)
XIV.	General	1 <sup>st</sup> Revised	23	(C)
	General	1 <sup>st</sup> Revised	24	(C)
XV.	Schedule of Rates	7 <sup>th</sup> Revised	25	(C)
	Schedule of Rates	1 <sup>st</sup> Revised	25B	(C)
	Schedule of Rates	1 <sup>st</sup> Revised	25C	(C)
	Schedule of Rates	Original	25D, E, F	(C)
XVI.	Water Conservation Contingency Plan	Original	26	
XVII.	Collection of Excess Use Charges	Original	28	

(C) = Change

(C)

RULES AND REGULATIONS

I. Definitions

- A. A customer is a party who contracts for water service to a property, which property is hereinafter described as follows, but not limited to such description:
1. A building under one roof, owned or leased by one party and occupied as one residence or business, shall be considered as one customer.
  2. A group or combination of buildings owned or leased by one party, in one common enclosure and occupied by one family or business as a residence, or place of business or for manufacturing or industrial purposes, or as a hospital or other institution shall be considered as one customer.
  3. A public building such as a town hall, school houses, fire engine house, etc., shall be considered as one customer.
- B. The term “Service Connection” means the service pipe beginning at its connection with the street main and ending with and including the curb stop and curb box, generally just inside the line of the curb.
- C. “Consumer” – Any party receiving water service from the City.
- D. Equivalent Residential Meter Size ("ERMS"). For purposes of the PENNVEST Surcharge, the ERMS uses the maximum volume of a typical 5/8-inch meter as a baseline and then determines the surcharge amount based on how the customer’s meter compares to the 5/8-inch meter. (C)

(C) = Change

II. Application for Service

(C)

- A. Service connections will be made and water will be furnished upon written application by the prospective customer (or his properly authorized agent) on the form furnished by the Water Office, at least two (2) weeks before service is required and upon approval by the Water Department or its duly authorized agent.
- B. The application and its acceptance by the City of Lock Haven – Water Department shall constitute a contract between the City and the applicant obligating the applicant to pay the City its rates for water service from the date the water is turned on.
- C. The rules and regulations are a part of the contract with every person, municipal authority, or political sub-division which takes water service and every such person, authority, or political sub-division, by contacting with the City, agrees to be bound thereby.
- D. A customer who has made application for water service to any property shall be held liable for all water service furnished to such property until such time as the customer properly notifies the City Water Department to discontinue the service for his account.

(C) = Change

RULES AND REGULATIONS

(Continued)

II. Application for Service (Continued)

- E. A new application for service must be made to, and approved by, the City Water Department upon any change in the ownership of the property, or in the service as described in the application.
- F. No agreement will be entered into by the City Water Department with any applicant for water service until all arrearages for water service rendered at any property now or heretofore owned or occupied by him shall have been paid or until satisfactory arrangements for payment of such unpaid bills have been made.
- G. The payment of any undisputed bill, within the meaning of the Public Utility Code, shall be payment of the bill with or without interest, within thirty (30) days for residential and commercial customers following the date of the bill except in the case of bills to the Commonwealth of Pennsylvania. (See Section VII(C)). (C)
- H. Adequate pressure must be available to provide proper service, which determination will be by the City. (C)

(C) = Change

III. Service Connections

- A. Upon approval of the application made by a customer for a supply of water, the Water Department shall install the curb stop and coupling for water service lines 1.5 inches or less in diameter. The customer is responsible for excavation and installation of the water service line from the building to be serviced to the point of connection at the Water Department main. The Water Department will assess the following Connection Fee, which includes the cost of connecting to the main and which varies based upon the size of the connection and the type of tap-in procedures required. (C)

Connection Fee

Type of Fee	Tap Size	Fee
Connection Fee	1"	\$340
	4"	\$400
	6"	\$400
	8"	\$400
	10"	\$400
	12"	\$400
Connection Fee – Outside Normal Business Hours	Fees at 1.5x for work performed outside business hours.	
	1"	\$510
	4"	\$600
	6"	\$600
	8"	\$600
	10"	\$600
	12"	\$600

Service connections for special service not considered to be permanent, shall be installed and maintained, unless otherwise provided, at the expense of the applicant.

- B. The service line beyond the curb stop shall be installed and maintained by and at the expense of the customer. The portion of the service line installed by the customer shall be not less in size and quality than the service line in the street laid by the City and shall be laid not less than forty-eight (48") inches below the surface, and shall not be covered until the tap on the main is made and the service line tested. If any defects in workmanship are found the service shall not be turned on until such defects are remedied. All service pipe must meet the specifications established by the City and be installed to the specifications of the pipe manufacturer and the City.

(C) = Change

---

RULES AND REGULATIONS

(Continued)

VII. Bills for Water Service (Continued)

- G. Failure to receive a bill shall not exempt any customer from accruing a penalty. The presentation of a bill to the customer is only a matter of accommodation and not a waiver of the Rules and Regulations of this tariff.
- H. Final Billing – When a final billing is requested and less than 4,000 gallons of water is consumed, the minimum charge for the size meter in service will be assessed. Where multiple unit buildings are involved, if the total metered consumption divided by the number of units results in a per-unit consumption figure of less than 4,000 gallons, the final bill shall be based on the total metered consumption as if the building were a single unit. The new customer on the premises will be afforded the same courtesy on his initial bill.
- I. There shall be no service rendered free of charge.
- J. All water bills and water charges shall be the ultimate responsibility of the customer or his authorized representative or agent.
- K. Payment may be made online through the Water Department’s website, by mail using check or money order, or by drop box using cash, check or money order. (C)
- L. Partial payments may be accepted upon approval of the Water Department, however, full payment must be made within ninety (90) days from date of billing.

VIII. Meters

- A. The City will, without charge, furnish and install for each customer supplied with water a suitable meter of type and size to be determined by the City, and will keep the same in repair except in case of misuse or damage by (1) frost in basement settings, (2) hot water, or (3) external cause, in which case the expense of repair must be borne by the customer. Auxiliary water meters may be installed at the expense of the customer with prior approval of the City Water Department.
- B. The customer will provide at no expense to the City a meter location in an easily accessible place in the cellar near the entrance of service pipes to the cellar, with a stop and waste valve at the inlet side of the meter and a check valve on the outlet side of the meter. In any case where it is not convenient to place the meter within the building, it

(C) = Change

RULES AND REGULATIONS

(Continued)

VIII. Meters (Continued)

2. No water meter shall be placed in service which has a registration error of more than two (2) percent. No water meter shall be allowed to remain in service, which has an error in registration of more than four (4) percent when water is passing through it at approximately the following rates of flow: (C)
- |                  |                        |
|------------------|------------------------|
| 5/8 inch meter   | 6 gallons per minute   |
| 3/4 inch meter   | 10 gallons per minute  |
| 1 inch meter     | 20 gallons per minute  |
| 1 1/2 inch meter | 30 gallons per minute  |
| 2 inch meter     | 50 gallons per minute  |
| 3 inch meter     | 90 gallons per minute  |
| 4 inch meter     | 180 gallons per minute |
| 6 inch meter     | 300 gallons per minute |
3. Schedule Of Fees for Testing Meters
- (a) For each water meter having an outlet  
Not exceeding one inch.....\$ 10.00 (I)
- (b) For water meters having an outlet not  
Exceeding two inches .....\$ 20.00 (I)
- (c) For other water meters having an outlet  
exceeding two inches the charge shall be  
on a time and material basis.
4. Periodic Testing – Periodic testing of meters shall be done in accordance with 52 Pa. Code § 65.8(b). (C)

(C) = Change; (I) = Increase

---

RULES AND REGULATIONS

(Continued)

VIII. Meters (Continued)

(C)

5. Adjustment of Bills for Meter Error

- (a) Fast Meters – If, upon test of a meter, the meter is found to have an error of more than four percent (4%) fast, the public utility shall refund to the customer the overcharge, based upon what the meter would have registered had it not been fast or slow for a period equal to one-half the time elapsed since the last previous test, but not to exceed twelve (12) months. If the period of registration error is fixed with a reasonable degree of certainty, the overcharge shall be computed for said period. If the meter has not been tested under 52 Pa. Code § 65.8, the period for which it has been in service beyond the regular test period shall be added to the twelve (12) months in computing the refund. (C)
- (b) Slow Meters – If upon test of a meter, the meter is found to have an error of more than four (4) percent slow, the public utility may render a bill for the water consumed, but not covered by bills previously rendered, for a period equal to one-half of the time elapsed since the last previous test, but not to exceed twelve (12) months. (C)

(C) = Change

---

RULES AND REGULATIONS

(Continued)

(C)

IX. Main Extensions

- A. Application for Extension – The City of Lock Haven may extend the water pipes and improvements of any or all of its water works within and beyond the bounds of the City Lock Haven within the approved service area. The City shall upon application made to and approved by the Council of the City of Lock Haven, furnish water to any and all persons, corporations, institutions, authorities and municipalities with the approval of the governing body of the affected community; provided, however, that any person, corporation, authority, institution or municipality desiring to be furnished water outside of the limits of the City shall apply for such service to the Council of the City of Lock Haven on a form provided by the City for the purpose, and procure a permit which shall stipulate the rates, terms and conditions at and upon which the desired service will be supplied. No extension will be made or agreement executed until the necessary rights-of-way have been furnished to the City and the City may require an enabling ordinance from the municipality being served by the extension of mains.
- B. In determining the length of and necessity for an extension required pursuant hereto, the terminal point of such extension shall, in all cases, be at the point in the curb line which is equidistant from the side property lines of the last lot for which water service is requested.
- C. Permits Required – No extension of street mains shall be made unless the required permits and regulations of the Pennsylvania Department of Transportation and the Department of Environmental Resources have been complied with.
- D. The City of Lock Haven will extend existing mains a distance of thirty-five (35) feet for each bona fide prospective customer making application for water service therefrom. The type and size of the main will be determined by the City. “Bona Fide prospective customer” shall mean

(C) = Change

RULES AND REGULATIONS

(Continued)

XII. Fire Protection (Continued)

3. In the event any public fire hydrant requires replacing in the judgment of the City, it will be done at the cost of the City.

C. General Fire Hydrant Usage – No person or persons shall take water from any fire hydrant, public or private, except for fire purposes. Fire companies may test the hydrants with the permission and prior approval of the Water Department. No public or private fire hydrant shall be used for any purpose other than fire purposes, unless specifically permitted by the Water Department for that particular time or occasion. The person or persons requesting permission for the use of any public or private fire hydrant must obtain from the Water Department a permit stating the time, location and purpose for use of the hydrant, and the person or persons including property owner or his duly authorized agent who will be responsible for all costs and water consumed at the regular meter rates as measured by a hydrant meter supplied by the Water Department.

1. The cost for installing and removing the hydrant meter shall be at the regular labor rate plus twenty (20%) percent compensation expense and equipment usage during regular working hours.
2. The cost for installing the hydrant meter at times other than regular working hours shall be based on the overtime rate plus twenty (20%) percent compensation expense and equipment usage.
3. The hydrant meter and hydrant wrench shall be the sole responsibility of the person or persons granted use of the public or private fire hydrant.
4. The City shall be free from all claims and damages resulting from any such use of public or private fire hydrants.

XIII. Deposits

A. The City reserves the right to require a deposit equal to the estimated bill for any single billing period plus one month with a minimum of five dollars (\$5.00) to secure payments for water service rendered where the credit of the customer has not been established to the satisfaction of the City. (C)

(C) = Change

---

RULES AND REGULATIONS

(Continued)

XIII. Deposits (Continued)

- B. Deposits will be required from customers who apply for service for a period of less than sixty (60) days, in an amount equal to the estimated bill for such temporary service.
- C. The City will refund said deposit on notice to discontinue service and after payment in full has been made for all services rendered or when the customer shall have paid bills for service over a period of twelve (12) consecutive months; any customer having secured the return of a deposit shall not be required to make a new deposit unless the service has been discontinued and the customer's credit standing impaired through failure to comply with tariff provisions. Deposits from residential customers shall bear simple interest to be computed at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax. The applicable interest rate shall become effective on January 1 of each year. (C)
- D. The payment of any undisputed bill, within the meaning of the rules, shall be payment of the bill within thirty (30) days following the date of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned if the dispute is terminated substantially in favor of the customer and if payment be made by the customer within ten (10) days thereafter.
- E. Any customer having placed a deposit shall pay bills for water service as rendered in accordance with these rules and regulations and the deposit shall not be considered as payment toward any bill during the time the customer is receiving water service.

XIV. General

- A. No customer supplied with water by the City will be allowed to supply other persons or families or other premises except by written permit from the City. A person who violates this section may have his water shut off thirty (30) days after written notice is given to that person and it may remain so until the City is satisfied that provisions of the Rules and Regulations have been complied with.
- B. Where two or more premises are supplied through a single service any violation by either or any of said consumers shall be deemed a violation as to all and the City may take such action as could be taken against a single customer, except that such action shall not be taken until the innocent consumer who is not in violation of the Rules has been given reasonable opportunity to make application to attach his pipes to a separately controlled service connection.

(C) = Change

---

RULES AND REGULATIONS

(Continued)

XIV. General (Continued)

- C. In the case of large properties, two or more connections may be allowed provided they meet City approval, as described in Section III(D).
- D. The City may, at any time, declare that an emergency situation exists and restrict use of water. After notice of said order is published on three (3) different days in at least one (1) local newspaper, any consumer who violates said order shall be subject to discontinuance of service.
- E. No customer shall permit any condition to exist upon premises served whereby there is, or in the opinion of the Water Department could be a backflow into the mains of the City of non-potable matter, hot or other liquids, or any leakage or seepage of such matter into said main.
- F. For the prevention of backflow, all connections are required to have a stop and waste valve on the inlet side of the meter and a check valve on the outlet side of the meter of a type approved by the City.
- G. The City will not be responsible for any damage caused within the consumer's premises by an increase or decrease of pressure within the City's distribution mains. It shall be incumbent on the customer to install and maintain, in his service line, between the curb stop and meter, such pressure regulating devices as may be necessary to prohibit excessive pressure from being transmitted to the inside piping or fixtures.
- H. Changing of Rates – Lock Haven City Council may change or amend the rates, rules and regulations for water service for customers residing outside the boundaries of the City of Lock Haven. as necessary, subject to filing and approval of any such changes by the Pennsylvania Public Utility Commission. (C)
- I. No agent or authorized representative of the Water Department or the City of Lock Haven shall have the authority to exercise any promise, agreement or representation not provided for herein, unless such authority is in writing and signed by the proper City officials.
- J. The City shall not be liable for turbidity in water or a deficiency or failure in the supply or increase or decrease of pressure when occasioned by shutting off water to make repairs or connections or failure from any cause beyond control.

(C) = Change

---

RULES AND REGULATIONS  
(Continued)

XV. Schedule of Rates

A. Service Charges (C)

For all customer classes, service charges per quarter shall be based on the size of the meter as follows:

<u>Meter Size</u>		<u>Service Charge Per Quarter</u>	
5/8" or 3/4"	Meter	\$39.62	(C)
1"	Meter	\$86.88	(C)
1-1/4"	Meter	\$126.26	(C)
1-1/2"	Meter	\$165.64	(C)
2"	Meter	\$260.15	(C)
3"	Meter	\$559.43	(C)
4"	Meter	\$1,000.47	(C)
6"	Meter	\$2,055.82	(C)
8"	Meter	\$4,418.55	(C)
10"	Meter	\$6,623.76	(C)
12"	Meter	\$8,356.43	(C)

(C)

(C) = Change

**Reserved for future use.**

(C)

(C) = Change

RULES AND REGULATIONS

(Continued)

XV. Schedule of Rates (Continued)

B. Metered Service Schedule

In addition to the Service Charge, the following water consumption charges will apply (C)  
for each 1,000 gallons for each customer class:

1. Residential Customers

(Applied to all metered service) The quarterly charges for water service furnished by the City of Lock Haven are fixed and established, based on consumption as follows:

<u>GALLONS</u>	<u>PER QUARTER</u>
0 to 12,000	\$3.28 per thousand (C)/(I)
Over 12,000	\$6.55 per thousand (C)/(I)

2. Commercial & Industrial Customers

(Applicable to all metered service) The quarterly charges for water service furnished by the City of Lock Haven are fixed and established, based on consumption as follows:

\$5.57 per thousand gallons (C)/(I)

(C) = Change; (I) = Increase

RULES AND REGULATIONS  
(Continued)

XV. Schedule of Rates (Continued)

3. Public & Healthcare Customers

(Applied to all metered service) The quarterly charges for water service furnished by the City of Lock Haven are fixed and established, based on consumption as follows:

\$5.39 per thousand gallons (C)/(I)

4. Educational Customers

(Applied to all metered service) The quarterly charges for water service furnished by the City of Lock Haven are fixed and established, based on consumption as follows:

\$6.18 per thousand gallons (C)/(I)

(C) = Change; (I) = Increase

XV. Schedule of Rates (Continued)

(C)

C. PENNVEST Surcharge (PVS)

1. In addition to the charges provided in this tariff, and for the limited purpose of recovering PENNVEST loan principal and interest only for used and useful assets financed by such loans, a per equivalent residential meter size (“ERMS”) surcharge will be uniformly applied to all classes (with the exception of public fire protection customers and customer served pursuant to pre-existing wholesale contracts) for service rendered on or after July 23, 2024.
  
2. This per ERMS surcharge is calculated to recover the total principal and interest amounts payable pursuant to the final PENNVEST amortization schedule for the Water Department’s PENNVEST loan obligations that have not been included in the rates charged to Lock Haven customers. This and the provisions below shall apply to the following PENNVEST loans:

<b>Loan Number / Identifier</b>	<b>PENNVEST Approval Date</b>
18889092201-CW	April 20, 2022

3. The currently effective quarterly PVS is as follows based on meter size:

<b>Meter Size</b>	<b>PVS</b>
5/8” or 3/4”	\$19.96
1”	\$49.91
1 ¼”	\$74.86
1 ½”	\$99.82
2”	\$159.71
3”	\$349.37
4”	\$628.86
6”	\$1,297.66
8”	\$2,794.95
10”	\$4,192.43
12”	\$5,290.44

(C) = Change

- 
4. The PVS per REMS is determined as follows: (C)
- $$\text{PVS} = (\text{PI}/\text{EDUs})/4$$
- Where PVS = the prospective PENNVEST Quarterly Surcharge per REMS;
- PI = the annual Principal and Interest per the PENNVEST Loans listed in Paragraph 2 above; and
- REMSs = the current maximum capacity of a meter in comparison to a 5/8<sup>th</sup> inch meter as determined from the Water Department’s Billing Records.
5. The Water Department will recalculate the prospective surcharge amount in a Section 1308(a) filing made: (i) annually; (ii) with 60 days’ notice of a material change to PI or REMS ; or (iii) at the time of a general rate case filing under Section 1308(d) of the Public Utility Code.
- a. For purposes of this recalculation, a material change is a change that would result in a cumulative increase or decrease in the currently approved PVS of 1.5% or more.
6. In the annual filing, the Water Department shall include a reconciliation pursuant to 66 Pa. C.S. § 1307(e) (the initial reconciliation period may be less than a 12-month period to account for the customary lag between the reconciliation and computational periods). The annual filing shall be filed within thirty (30) days following the end of the reconciliation period. The reconciliation or “e” factor shall be designed to recover or to credit customers for any amounts under or overbilled in the prior 12 months (compared to the total PI to be recovered). No interest is to be applied to any over or under collections.
7. The PVS is reflected as a separate line item on each customer’s bill.
8. The PVS shall remain in effect until the principal and interest charges (amounts payable pursuant to the final amortization schedule) for the applicable loan have been collected.
9. The PVS mechanism will be continued but set at zero if there are no PENNVEST loans approved by the Public Utility Commission for surcharge recovery.

(C) = Change

10. The PVS is solely designed to begin timely recovery of PENNVEST principal and interest loan obligations. All amounts charged pursuant to the surcharge are subject to audit and review by the Public Utility Commission and/or in a complaint proceeding. (C)
11. The Water Department will segregate all revenues dedicated for PENNVEST repayment so long as the surcharge remains in effect.
12. The Water Department may include subsequent qualifying PENNVEST loans for recovery in the PVS by making a Section 1308(a) filing with the Commission at least sixty (60) days prior to the proposed effective date of the PVC revision. The Water Department shall provide notice to affected customers at that time and shall also provide all the information required by this Tariff, and any other data required to be provided by the PUC.

(C) = Change

**DATA IN SUPPORT OF  
PROPOSED SUPPLEMENT NO. 19  
TO TARIFF WATER – PA P.U.C. NO. 1**

## **City of Lock Haven Water Department**

### Reasons for Proposed Increase in Water Rates and Other Tariff Changes Pursuant to 52 Pa. Code Sections 53.52(a)(1) and (b)(1)

#### **Summary of Proposed Increase**

The City of Lock Haven Water Department (“Lock Haven” or the “City”) hereby submits the following information in support of Supplement No. 19 to its Tariff Water – PA P.U.C. No. 1 as required by Section 53.52 of the Pennsylvania Public Utility Commission’s (“Commission” or “PUC”) regulations, 52 Pa. Code § 53.52. Lock Haven proposes to increase the base water rates for all customers (including customers located inside and outside the City) by \$990,432 per year, or 64.2%. Of this amount, the City is specifically seeking Commission approval to increase rates for jurisdictional customers located outside the City by \$377,823 or 71.4%.

Simultaneous with this base rate filing, Lock Haven is also filing a separate Petition for Authorization to Implement a PENNVEST Surcharge (“PENNVEST Petition”) pursuant to Section 1307 of the Public Utility Code, 66 Pa. C.S. § 1307, and Sections 69.361-69.364 of the Commission’s regulations, 52 Pa. Code §§ 69.361-69.364. The proposed PENNVEST Surcharge (“PVS”) will allow the City to timely recover the interest and principal charges associated with low-interest loans from PENNVEST that have and will continue to be awarded to the City since its last rate case. These amounts have not been previously included in Lock Haven’s revenue requirement claims, and also are not included in the proposed base rate increase. The PVS is necessary to fund critical infrastructure projects, which have either been mandated by the Pennsylvania Department of Environmental Protection (“DEP”) or are necessary to complete the DEP-mandated projects. These projects are critically important to maintain the safety and reliability of Lock Haven’s water system. The total proposed increase to be recovered from the

PVS, to be put in place at the same time as the base rate increase goes into effect, is \$334,396 (for both inside and outside City customers). Of this amount, Lock Haven is seeking to recover \$106,048 from jurisdictional customers outside the City.

### **Background on City of Lock Haven Water Department**

The City of Lock Haven Water Department serves residents and occupants of the City of Lock Haven as well as surrounding communities, including portions of Allison Township, Castanea Township, and Wayne Township. Of the total 3,257 customers, 2,181 are located in the City of Lock Haven and 1,076 are located in Wayne (528), Castanea (524) and Allison (24) Townships. The estimated service area population is 9,750. Only the rates and service provided to customers outside the city limits of Lock Haven are subject to the review and approval of the PUC.

The City owns and operates two water supply reservoirs that constitute the principal water sources for the system. Both reservoirs are located on McElhattan Creek with the Boyd H. Keller reservoir in Wayne Township and the upstream Warren H. Ohl reservoir in Greene Township. The total water supply capacity is 664 million gallons. An independently operated treatment plant provides potable water to City customers. The Lock Haven water distribution and transmission system includes 157.5 miles of transmission and distribution piping, ranging in size from 4-inch through 18-inch.

### **Reasons for the Proposed Increase**

Lock Haven's last rate increase went into effect as of January 1, 2011. While the City has maintained present rates for well over a decade – both for customers located inside and outside the City – additional revenues are now necessary to meet rising operational costs and fund

critical, mandated system improvements. These improvements are necessary to update aging infrastructure and continue providing safe and adequate service to customers.

As discussed in detail in Lock Haven's PENNVEST Petition, DEP has mandated major modifications to certain City infrastructure that will require significant investment to complete. These projects are the primary drivers of this rate filing, and they are critically necessary to ensuring that Lock Haven can continue providing safe and adequate water service to customers.

Specifically, Ohl Dam requires significant upgrades and is part of an ongoing two-phase repair project. Because of the potential for downstream loss of life and extensive property damage during a dam breach, Ohl Dam is classified by DEP as a "High Hazard" structure and subject to passing the maximum flood event known as the "Probable Maximum Flood (PMF)." Engineering studies have revealed that the existing dam has inadequate spillway capacity, passing only 68% of the PMF. The DEP designated Ohl Dam as having a "significant deficiency in spillway capacity" and has directed the City to upgrade the spillway to current standards, in addition to other modifications.

Similarly, Keller Dam is also classified by the PADEP as a "High Hazard" structure and subject to passing the PMF. Engineering studies have revealed that the existing spillway can only pass 68% of the PMF. PADEP has designated Keller Dam as having a "substantial deficiency in spillway capacity" and has directed the City to upgrade the spillway to current standards and complete a variety of other improvements.

Further, Lock Haven has successfully explored, drilled and tested a groundwater source along McKinney Road in Youngdale, Wayne Township, Clinton County, PA as a supplemental water source. The reasons are two-fold. First, the reservoirs are vulnerable during periods of extreme drought which puts their ability to supply ordinary system demand in jeopardy.

Secondly, lowering either Ohl or Keller reservoir(s) for construction is an unnecessary risk, because it would make the system more vulnerable in water emergencies, such as those that have occurred in the past. As such, a supplemental water source must be developed before Lock Haven can proceed with the DEP-mandated dam projects discussed above (other than Ohl Dam Phase I, which has already been completed).

These projects are either currently or anticipated to be funded by low-interest PENNVEST loans. A recent PENNVEST loan was conditioned on the City filing the instant rate increase proposal with the PUC. Further, PENNVEST has advised that it will not approve further funding for Lock Haven until a rate increase is granted. As such, this rate increase is critically necessary and needed as soon as possible to allow these DEP-mandated projects to proceed and provide the City with the resources necessary to continue operating the system.

### **Reasons for Other Tariff Changes**

As discussed in the attached Water Rate Study and in response to the filing requirements below, the City is proposing changes to its rate structure. After a detailed investigation, it was determined that the existing rate structure is not fairly and equitably recovering the cost of service to individual rate classes. As a result, Lock Haven is proposing to eliminate the existing quarterly minimum charges with usage allowances, and instead implement fixed service charges without usage allowances. For residential customers, the City proposes to eliminate the existing multi-tier residential volumetric rate and instead implement a two-tier inclining block rate structure. Additionally, for the Commercial/Industrial, Educational, and Public Health customer classes, the City proposes to eliminate the existing multi-tier declining block rate structure and instead implement a separate uniform rate for each class. These rate structure changes will bring

the various customer classes closer to their cost of service, and will also create price signals that encourage water conservation.

Lock Haven is also proposing to modify the tariff language on Service Connections to more clearly describe the responsibilities of the Water Department and customers, and to include proposed connection fees. Finally, general updates are made to the tariff to reflect current practices, terminology and applicable regulations.

### **Lock Haven's Requests are in the Public Interest**

Lock Haven's requested rate increase and related proposals are in the public interest and should be approved. As discussed above, the City has not increased rates in over 13 years. The requested increase is essential to provide operating funds for the Water Department and to allow the City to make critical, DEP-mandated improvements to its infrastructure. Notably, the City's proposed revenue requirement does not include a request for a rate of return. Lock Haven intends to apply any approved rate increase in the same manner to both inside and outside-City customers. The City is simply requesting the additional funds that are necessary to continue providing safe and adequate service to its customers. Therefore, Lock Haven's rate proposal is in the public interest and should be approved.

# **WATER RATE STUDY**

**CITY OF LOCK HAVEN**

# **Water Rate Study**

**FINAL REPORT / May 1, 2024**



# Contents

- 1. Introduction ..... 6**
  - 1.1. Background .....6
  - 1.2. Existing Water Rates .....7
- 2. Revenue Requirements Forecast and Financial Plan ..... 8**
  - 2.1. Fiscal Policies .....8
    - 2.1.1. Operating Cash Reserves ..... 8
    - 2.1.2. Debt Service Coverage ..... 8
    - 2.1.3. Capital Project Funding ..... 9
  - 2.2. Beginning FY 2025 System Cash Position.....9
  - 2.3. Customer Growth .....9
  - 2.4. Baseline FY 2025 Rate Revenue Calculation .....9
  - 2.5. Non-Rate Revenue and Expense Projections .....9
    - 2.5.1. Non-Rate Revenue ..... 9
    - 2.5.2. Operating and Maintenance Expenses..... 10
    - 2.5.3. Debt Service ..... 11
  - 2.6. Capital Plan and Project Funding .....12
  - 2.7. Rate Revenue Requirement.....12
  - 2.8. Cash Flow Forecast .....13
- 3. Cost of Service Evaluation..... 15**
  - 3.1. Allocation of O&M Expenses to Cost Driver Categories .....15
  - 3.2. Allocation of Capital-Related Expenses to Cost Driver Categories.....16
  - 3.3. Units of Service and Calculation of Unit Cost of Service .....16
  - 3.4. Allocation of Revenue Requirements to Customer Classes .....17
  - 3.5. Comparison of COS and Cost Recovery By Class Under Existing Rate Structure  
18
- 4. Projected FY 2025 Rates ..... 20**
  - 4.1. Existing Rate Structure.....20
  - 4.2. Alternative Rate Structure .....21
  - 4.3. Revenue Impact by Class .....22
  - 4.4. Residential Bill Impacts .....23

**5. Conclusions and Recommendations..... 25**

**5.1. Revenue Requirements Forecast and Financial Plan:.....25**

**5.2. Cost of Service Evaluation:.....25**

**5.3. Projected Rates:.....25**

# Tables

Table 1-1. Existing (FY 2024) Base Water Rates ..... 7

Table 2-1. Non-Rate Revenue Escalation Factors ..... 10

Table 2-2. O&M Cost Escalation Factors ..... 10

Table 2-3. Planned Capital Improvement Projects – FY 2024 and FY 2025 ..... 12

Table 2-4. Projected FY 2025 Base Rate Revenue Requirement (no PENNVEST Surcharge DS) ..... 13

Table 2-5. Projected FY 2025 Base Rate Revenue Requirement (w/ PENNVEST Surcharge DS)..... 13

Table 2-6. Water System Cash Flow Forecast ..... 14

Table 3-1. Allocation of O&M Expenses to Cost Driver Categories ..... 15

Table 3-2. Allocation of Capital-Related Expenses to Cost Driver Categories ..... 16

Table 3-3. Units of Service by Customer Class ..... 16

Table 3-4. Units of Service and Unit Cost of Service ..... 17

Table 3-5. Allocation of Costs to Customer Classes..... 17

Table 3-6. Allocation of Costs to Customer Classes w/ FP Adjustment ..... 18

Table 3-7. Allocation of Costs to Customer Classes (with FP Costs)..... 18

Table 3-8. Comparison of Projected Revenue with Estimated Cost of Service ..... 19

Table 4-1. Projected FY 2025 Water Rates (Existing Rate Structure) ..... 20

Table 4-2. Projected FY 2025 Water Rates (Alternative Rate Structure) ..... 22

Table 4-3. FY 2024 and FY 2025 Revenue Comparison by Class – Existing Rate Structure ..... 23

Table 4-4. FY 2024 and FY 2025 Revenue Comparison by Class – Alternative Rate Structure ..... 23

# Figures

Figure 4-1. Quarterly Bill Increases – Projected FY 2025 Rates (Existing Rate Structure + PENNVEST Surcharge) as Compared to Existing (FY 2024) Rates..... 24

Figure 4-2. Quarterly Bill Increases – Projected FY 2025 Rates (Alternative Rate Structure + PENNVEST Surcharge) as Compared to Existing (FY 2024) Rates..... 24

THIS PAGE INTENTIONALLY LEFT BLANK

# 1. Introduction

The City of Lock Haven (“City”) engaged Raftelis Financial Consultants, Inc. (“Raftelis”) to complete a water rate study for fiscal year (“FY”) 2025. The City’s fiscal year begins on January 1 of each year. The main objectives of the rate study were to assess the revenue needs of the water system for FY 2025, determine if existing water rates are fairly and equitably recovering costs from identified customer classes, and project water rates for FY 2025 to meet the revenue need using the existing rate structure or, if needed, with an alternative rate structure that may better address the City’s key pricing objectives.

To meet the project objectives, Raftelis completed a financial forecast to assess the revenue need in FY 2025 and a cost of service evaluation to analyze whether existing water rates are fairly recovering the estimated cost to serve each customer class. Projected rates were prepared for FY 2025. Revenue impacts by class and bill impacts across a range of consumption levels were prepared to provide a high-level comparison of the existing rate structure to the proposed alternative.

## 1.1. Background

The City of Lock Haven Water Department provides potable water service to roughly 3,250 customers in the greater Lock Haven area including the City of Lock Haven and Wayne, Castanea, and Allison Townships. The service area includes roughly 9,750 people.

The City operates two water supply reservoirs that constitute the principal water sources for the system. Both reservoirs are located on McElhattan Creek, with Keller Reservoir in Wayne Township and Ohl Reservoir in Greene Township. The Boyd H. Keller Dam and Reservoir is located 3.5 miles north of the Ohl reservoir on McElhattan Creek. Constructed in 1955, the dam consists of a zoned-earth embankment with an uncontrolled overflow spillway and intake tower. With a capacity of 94 million gallons (“MG”), the reservoir is the primary feed for the Central Clinton County Water Filtration Authority’s (“CCCWFA”) treatment plant. The Warren H. Ohl Dam and Reservoir was constructed in 1964 and consists of a zoned-earth embankment with an uncontrolled overflow spillway and intake tower. The reservoir has a capacity of 576 MG. The reservoir is not connected to the water system and is a storage dam only.

Both dams are classified by the Pennsylvania Department of Environmental Protection as “high hazard” structures due to the potential for downstream loss of life and property damage during a dam breach, and as having a “significant deficiency in spillway capacity.” PADEP has directed the City to upgrade the spillways of both dams to meet current standards. The City is currently in the process of completing these upgrades.

Raw water from Keller Reservoir is piped to CCCWFA’s treatment plant located in Wayne Township. The City owns two water mains that deliver raw water from Keller Reservoir to the CCCWFA plant. CCCWFA provides treated water to the City and the Suburban Lock Haven Water Authority (“SLHWA”), which serves Flemington and Mill Hall Boroughs, Bald Eagle, Lamar and Woodward Townships and a portion of the City. The City and SLHWA share the cost of treatment at the CCCWFA plant proportionately, based on total annual water use.

The City owns and operates 57.5 miles of distribution mains comprised of 4 to 18-inch pipe, 235 fire hydrants and 760 main line valves. Distribution storage is provided by two 1.0 MG storage tanks at the CCCWFA treatment plant. Additionally, a pump station and storage tank provide service to higher elevations of Castanea Township. A similar pump station/storage tank arrangement provides service to 50 customers in Cummings Village, which is also located in Castanea Township.

In addition, the City has experienced water emergencies caused by extended droughts in recent years due to Keller’s low reservoir capacity, high conservation release, and suspected reservoir leakage. Expanding storage capacity at the Keller Reservoir is not cost effective, which has led the City to explore a local groundwater source as a supplemental supply of raw water. The City has estimated it would cost roughly \$5.0 million to develop a well field and to construct a pipeline from the wells to the CCCWFA’s treatment plant.

The City has not increased its water rates since 2011. During this time, operating costs have increased, and the water system has taken on debt to finance critical projects at both dams and for the development of a local well field site to serve as a supplemental raw water supply during extreme droughts and as a backup supply while the reservoirs are lowered for continued work at the dams. In response, the City has engaged Raftelis to assess the water system’s revenue needs in FY 2025 and prepare projected rates to provide sufficient revenues.

## 1.2. Existing Water Rates

The City’s existing water rates are comprised of quarterly minimum charges with allowances that differ by customer class, along with tiered volumetric rates, which also differ by customer class. For example, the Residential volumetric rates have a six-tier inclining/declining block rate structure, while the Commercial/Industrial, Education, and Public Health classes each have a five-tier declining block rate structure. The City’s existing (FY 2024) rates are shown in Table 1. Note that the water rates shown in Table 1-1 may be referred to as *Base Rates* or the *Base Water Rates* throughout this report.

**Table 1-1. Existing (FY 2024) Base Water Rates**

	Residential	Commercial/ Industrial	Education	Public Health
<b>Quarterly Minimum Charge:</b>				
5/8 or 3/4-inch	\$51.40	\$63.90	\$65.25	\$59.40
1-inch	\$61.90	\$71.00	\$72.50	\$66.00
1-1/4-inch	\$71.25	\$81.65	\$84.00	\$76.00
1-1/2-inch	\$81.95	\$94.00	\$96.00	\$87.00
2-inch	\$103.70	\$119.00	\$121.00	\$110.00
3-inch	\$116.00	\$133.00	\$136.00	\$124.00
4-inch	\$164.00	\$188.00	\$192.00	\$175.00
6-inch	\$217.90	\$250.00	\$256.00	\$233.00
8-inch	\$348.25	\$400.00	\$408.00	\$371.00
10-inch	\$436.50	\$500.00	\$511.00	\$465.00
12-inch	\$604.00	\$692.00	\$707.00	\$644.00
<b>Volumetric Rates:</b>				
Allowance	0 – 2,000 gal.	0 – 4,000 gal.	0 – 4,000 gal.	0 – 4,000 gal.
2,001 – 4,000	\$4.16	n/a	n/a	n/a
Next 21,000	\$4.28	\$4.88	\$4.99	\$4.54
Next 35,000	\$3.45	\$3.91	\$3.99	\$3.63
Next 140,000	\$2.30	\$2.60	\$2.65	\$2.42
Next 2,800,000	\$1.57	\$1.78	\$1.81	\$1.65
Over 3,000,000	\$1.26	\$1.42	\$1.45	\$1.32

Note: These rates may be referred to as *Base Rates* or the *Base Water Rates* throughout this report.

## 2. Revenue Requirements Forecast and Financial Plan

A financial forecast and revenue needs assessment was developed for the City's water system to project the water rate revenue requirement in FY 2025 and to identify the base rate adjustment required to meet the revenue need in that fiscal year. The annual rate revenue requirement in FY 2025 was developed based on inputs related to beginning unrestricted and available system cash in FY 2025 and projected actual rate revenues for FY 2024, as well as inputs and assumptions related to non-rate revenues, operating expenses, debt service, and the City's planned debt issuances to provide funding for the water system's capital program.

The revenue requirement was also developed based on assumptions related to the expected future growth or decline in customer accounts and billed consumption, as well as fiscal policies related to liquidity, debt service coverage, and capital project funding. This section of the report discusses these inputs and assumptions in more detail.

### 2.1. Fiscal Policies

#### 2.1.1. Operating Cash Reserves

In general, utilities maintain operating reserves to meet unexpected operating costs, such as those related to unplanned maintenance or repairs, serve as a source of working capital to address timing differences between cash inflows and outflows, and function as a buffer against revenue shortfalls resulting from weather-related declines in water usage, unforeseen economic influences, or fiscal emergencies. Similarly, utilities maintain capital reserves to address emergency repair or maintenance projects, smooth out rate increases due to unusually large capital project needs, and to provide a pre-defined level of cash funding for future projects.

Based on information provided by the City, the water system's ending unrestricted and available cash balance for FY 2024 was projected to be \$0. In addition, the water system generates cash from rates to transfer monies to a separate Capital Projects Fund; for example, \$29,000 was transferred from the Water Fund to this fund in FY 2023. No transfer was included in the budget for FY 2024. The City reported that all water system capital project monies had been spent and that the balance of the water system Capital Projects Fund was projected to be \$0 at the end of FY 2024.

At the direction of the City to minimize the need for future rate adjustments, no minimum target for operating cash reserves was incorporated into the forecast for the Water Fund in FY 2025. It is recommended that in the future, the City should aim to hold at least 90 days of budgeted annual O&M expenses as an operating cash reserve. In addition, no minimum target for the water system's Capital Projects Fund was incorporated into the forecast in FY 2025.

#### 2.1.2. Debt Service Coverage

Debt service coverage is the amount of net operating revenue (operating revenues, less operating expenses) available to fund annual principal and interest payments on outstanding debt. Separate coverage targets are often established for outstanding debt that has a senior lien, or priority claim, to the net revenues of the system, as opposed to a subordinate lien, or a secondary claim, to the net revenues of the system.

Currently outstanding debt related to the City's water system was comprised of Pennsylvania Infrastructure Investment Authority ("PENNVEST") loans and the water system's share of City-issued General Obligation bonds. None of the water system's existing debt holds a priority claim to the net revenues of the system.

Therefore, a minimum requirement of 1.0x total annual debt service was included in the forecast. Note that the beginning unrestricted and available cash balance of the water system was projected by the City to be \$0 at the beginning of FY 2025; therefore, a debt service coverage target of 1.0x was assumed to ensure that sufficient revenues would be available to fully fund the system's debt service obligation in FY 2025.

### **2.1.3. Capital Project Funding**

The City does not have formal or informal policies related to capital project funding. The City provided a schedule of capital project costs in FY 2024 and FY 2025 and a detailed funding plan for the project costs in these years. These project costs and the associated funding plan from the City were incorporated into the forecast and revenue needs assessment.

## **2.2. Beginning FY 2025 System Cash Position**

Based on information provided by the City, the water system's ending unrestricted and available cash balance for FY 2024 was projected to be \$0. In addition, the water system generates cash from rates to transfer monies to a separate Capital Projects Fund for the water system; the City reported that all monies in this account associated are projected to be spent in FY 2024 and that no monies will be available from this fund to the water system in FY 2025.

## **2.3. Customer Growth**

The City's existing water rate structure is comprised of quarterly minimum charges and volumetric rates. Therefore, rate-related revenues are directly affected by growth or declines in customer accounts and consumption. In addition, certain non-rate revenues, such as connection fees, service charges, and penalties, are affected by customer growth. However, the City indicated that it has realized no significant account or consumption growth or decline in recent years; therefore, to provide a conservative estimate of rate revenue in FY 2025, no growth or decline in accounts or consumption was factored into the calculation of unadjusted baseline rate revenues in FY 2025.

## **2.4. Baseline FY 2025 Rate Revenue Calculation**

With no adjustments for growth or declines in customer accounts or consumption, unadjusted base rate revenues in FY 2025 were assumed to equal the budgeted base water rate revenues for FY 2024. The baseline rate revenues for FY 2024 were assumed to be \$1,543,130.

## **2.5. Non-Rate Revenue and Expense Projections**

### **2.5.1. Non-Rate Revenue**

The water system's non-rate revenues mainly consist of reimbursements for cost shared with SLHWA from CCCWFA, other miscellaneous reimbursements, agricultural leases, private fire protection charges, service charges, penalties, and connection fees. The system's non-rate revenues were grouped into the categories shown in Table 2-1 and escalated in FY 2025 based on their FY 2024 budget amount plus an assumed annual escalation factor. The cost escalation factors for each category are also shown in Table 2-1. No interest revenues on cash reserve balances were projected to be earned in FY 2025.

Note that CCCWFA reimbursements in FY 2025 were projected based on shared costs related to the Lock Haven City Authority (“LHCA”) and debt service costs with SLHWA.<sup>1</sup> Excluding reimbursements from SLHWA through CCCWFA, non-rate revenues were projected to be approximately \$26,500 in FY 2025.

**Table 2-1. Non-Rate Revenue Escalation Factors**

None-Rate Revenue	Annual Escalation Factor	Rationale
CCCWFA Reimbursements	n/a	Reimbursement of certain operating expenses and debt service costs from SLHWA through CCCWFA.
Other Reimbursements	2.5%	Reflects other miscellaneous reimbursements for services performed by the City, used historical CPI increase.
Agricultural Leases	0.0%	Lease of land located near the dams, assume unchanged in future years.
Fire Protection Charges	0.0%	Represents insignificant future account growth and assumes these charges remain unchanged in future years.
Service Charges	0.0%	Represents consistent annual turn-on/off services during the year and assumes charges remain unchanged in future years.
Penalties for Late Payment	2.0%	Reflects conservative estimate of future late fee revenues in response to proposed rate increases in FY 2025.
Connection Fees	0.0%	Represents insignificant future account growth and assumes connection fees remain unchanged in future years.

### 2.5.2. Operating and Maintenance Expenses

The system’s operating and maintenance (“O&M”) expenses were grouped into the categories shown in Table 2-2 and escalated in FY 2025 based on their FY 2024 budget amount plus an assumed annual escalation factor. The cost escalation factors for each expense category are also shown in Table 2-2. Total operating expenses in FY 2025 were projected to be roughly \$2,306,700.

**Table 2-2. O&M Cost Escalation Factors**

O&M Expense	Annual Escalation Factor	Rationale
Salaries and Wages	2.0%	Historical Δ in U.S. BLS’s Employment Cost Index for Salaries & Wages of State/Local Government Workers.
Employee Benefits	3.5%	Historical Δ in U.S. BLS’s Employment Cost Index for Benefit Costs of State/Local Government Workers.
Chemicals	5.0%	Raftelis judgement and experience
Electric	5.0%	Raftelis judgement and experience
General	3.0%	Historical Δ in Consumer Price Index.

<sup>1</sup> The Lock Haven City Authority was incorporated in 1952 and has a charter extending to 2057. It currently maintains the watershed that feeds the water supply of municipalities served by the City as well as by the Suburban Lock Haven Water Authority. LHCA’s annual watershed management costs are shared by the City and SLHWA.

<b>Professional Services</b>	4.0%	Raftelis judgement and experience.
<b>CCCWFA Treatment Costs</b>	9.0%	Estimates provided by CCCWFA.

Other relevant information related to the water system's O&M expenses in FY 2025 is as follows:

- The water system's annual budget includes funds each year for distribution line maintenance. These costs are related to minor emergency repairs to water mains and were assumed to reflect the historical average annual cost for minor emergency repairs. Approximately \$40,000 was budgeted for this purpose in FY 2024; however, based on discussions with the City, it was anticipated that \$75,000 would be spent on distribution line maintenance in FY 2025.
- As discussed previously, the City transfers funds from the Water Fund to the water system's Capital Projects Fund for minor capital expenditures during the year. No transfer was budgeted to be made in FY 2024; however, the City anticipates making these transfers again on an annual basis, beginning in FY 2025. Therefore, \$30,000 was included as a projected expense in FY 2025 for this purpose, as directed by the City.
- The City also pays an annual lease payment to LHCA, which was budgeted to be roughly \$37,700 in FY 2023 and assumed to recur annually. Due to fiscal constraints, the City does not expect to pay its annual lease payment to LHCA in FY 2024. However, the City reported it does anticipate making the lease payment in FY 2025; therefore, \$45,000 was included as a projected expense for this purpose in FY 2025.
- The City's General Fund provided the water system with a loan of \$496,946 in FY 2024 to address near-term solvency concerns. The loan will be repaid by the water system to the General Fund over five years, beginning in FY 2025, and at an annual interest rate of 8.5 percent. The first repayment in FY 2025 was included as an expense in that year of \$122,347.
- Note that the water system's budget includes costs for LHCA watershed maintenance. Budgeted costs for FY 2024 totaled approximately \$57,900, while projected costs for FY 2025 were approximately \$59,700. LHCA maintains the watershed that feeds the water supply of the City and other local municipalities, including those served by the SLHWA. SLHWA shares in and reimburses the City for 45 percent of these costs.

### 2.5.3. Debt Service

The water system's currently outstanding debt is comprised of PENNVEST loans and General Obligation bonds. The City provided the future annual debt service to be paid on the currently outstanding loans and General Obligation bonds and these costs were included in the forecast for FY 2025.

Specifically, the individual loans/issues of debt outstanding and related to the City's water system as of FY 2024 are as follows:

- PENNVEST Loan – 2007 Ohl Dam Projects
- GO Bonds – Series A of 2021
- PENNVEST Loan – 2022 Ohl Dam Projects
- PENNVEST Loan – 2024 Wellfield/Raw Water Pipeline Projects

- GO Note – Series A of 2023
- GO Note – Series B of 2023

The City shares in the repayment of debt service on the PENNVEST Loan – 2007 Ohl Dam Projects, PENNVET Loan – 2022 Ohl Dam Projects, PENNVEST Loan – 2024 Wellfield/Raw Water Pipeline Projects, and the GO Note – Series B of 2023 with SLHWA. Based on the latest cost sharing agreement between CCCWFA, SHLWA, and the City, SLHWA is currently responsible for paying 45 percent of the shared debt service costs. The City is solely responsible for the repayment of debt service on the GO Bonds – Series A of 2021 and GO Note – Series A of 2023 debt. Total debt service payments on existing debt are projected to be \$661,833 in FY 2025.

## 2.6. Capital Plan and Project Funding

The City provided Raftelis with the latest capital improvement plan for the water system. The costs were provided in 2023 dollars and were escalated by 3.5 percent per year to FY 2024 and FY 2025, respectively, to account for future cost inflation. This cost escalation rate was based on recent historical changes to the Engineering News Record’s Construction Cost Index. Planned capital projects expenditures in FY 2024 and FY 2025 are shown in 2023 dollars in Table 2-3 along with their assumed funding source. Funding sources for future capital project costs were provided by the City. No funds from LHCA were assumed to be used to fund any project costs in FY 2024 or FY 2025.

**Table 2-3. Planned Capital Improvement Projects – FY 2024 and FY 2025**

Capital Project	FY 2024 Expenditure	FY 2025 Expenditure	Funding Source
Wellfield Land and Easements	\$1,500,000	\$0	GO Note – Series A of 2023
Wellfield Design / Construction	100,000	900,000	PENNVEST Loan – 2024
Wellfield Pipeline Design/Construction	350,000	2,000,000	PENNVEST Loan – 2024
Zindel Park Bridge Replacements	616,000	0	GO Note – Series A of 2023
Keller / Ohl Dam Phase II Engineering / Construction	0	500,000	Future PENNVEST Loan
Upper Castanea Dam Breach Engineering / Construction	0	90,000	Future GO Bonds
<b>Total</b>	<b>\$2,566,000</b>	<b>\$3,490,000</b>	

Note: Project costs shown in 2023 dollars.

Financing terms on the future PENNVEST loan that was assumed to finance the cost of future engineering and construction work at the Keller and Ohl Dams was assumed to include a 20-year term, annual interest rate of 1.5 percent, and issuance costs of 1.0 percent of the amount borrowed. Interest-only payments were assumed to be incurred on drawn amounts until the project is complete; therefore, using the assumed financing terms and \$500,000 drawn on the loan, roughly \$8,000 in interest expenses were projected to be incurred on this loan.

Financing terms on the future GO bond that was assumed to finance the cost of engineering and construction related to the Upper Castanea Dam Breach project was assumed to include a 20-year term, annual interest rate of 4.0 percent, and issuance costs of 1.5 percent of the amount borrowed.

## 2.7. Rate Revenue Requirement

The projection of the water system’s revenue requirement in FY 2025 is shown in Table 2-4. Revenue requirements include O&M expenses, minor capital/equipment costs, debt service, and base rate-funded capital expenditures. Non-rate revenues were subtracted from the annual revenue requirement to arrive at the

rate revenue requirement. Note that the rate revenue requirements in Table 2-4 do not include the debt service costs that will be funded with a proposed PENNVEST Surcharge. The City intends to implement a separate PENNVEST Surcharge in FY 2025 to recover the debt service costs associated with certain PENNVEST loans. As shown in the table, a total base water rate revenue increase of \$990,432 (\$2,533,562 – \$1,543,130), or 64.2 percent, was projected for FY 2025 for the City and outlying townships.

**Table 2-4. Projected FY 2025 Base Rate Revenue Requirement (no PENNVEST Surcharge DS)**

Description	Budget FY 2024	Projected FY 2025
Operating and Maintenance Expenses	\$2,257,116	\$2,306,692
Debt Service	395,268	395,475
Cash-Funded Capital	<u>0</u>	<u>0</u>
Total O&M and Capital	2,652,384	2,702,166
Less: Non-Rate Revenues	<u>-1,109,254</u>	<u>-168,604</u>
Base Water Rate Revenue Requirement	\$1,543,130	\$2,533,562
% Increase	n/a	64.2%

Note: Budgeted FY 2024 non-rate revenues (\$1,109,254) were largely comprised of non-recurring cash inflows from a General Fund loan, rate case expense reimbursements from LHCA, and the sale of assets.

Projected revenue requirements for FY 2025 that include the debt service to be recovered with the proposed PENNVEST Surcharge are included in Table 2-5. Note that PENNVEST loan debt service that is proposed to be recovered with the PENNVEST Surcharge was projected to be \$334,396 in FY 2025, which increased annual debt service costs from \$395,475 (see Table 2-4) to \$729,871, as shown in Table 2-5. As shown in the table, an overall rate revenue increase of \$1,324,828 (\$2,867,959 – \$1,543,130), or 85.9 percent, was projected in FY 2025 if the debt service to be recovered with the proposed PENNVEST Surcharge is included in the revenue requirement.

**Table 2-5. Projected FY 2025 Base Rate Revenue Requirement (w/ PENNVEST Surcharge DS)**

Description	Budget FY 2024	Projected FY 2025
Operating and Maintenance Expenses	\$2,257,116	\$2,306,692
Debt Service	395,268	729,871
Cash-Funded Capital	<u>0</u>	<u>0</u>
Total O&M and Capital	\$2,652,384	\$3,036,563
Less: Non-Rate Revenues	<u>-1,109,254</u>	<u>-168,604</u>
Base Water Rate Revenue Requirement	\$1,543,130	\$2,867,959
% Increase	n/a	85.9%

## 2.8. Cash Flow Forecast

A cash flow forecast projecting the annual cash revenues and expenses of the City’s water system as budgeted by the City in FY 2024 and as projected by Raftelis in FY 2025 was prepared and is provided in Table 2-6. The rate revenues shown in FY 2024 reflect the City’s budgeted water rate revenues for the year based on its existing (FY 2024) water rates. Projected user rates and charge revenues in FY 2025 reflect the proposed increase to the City’s base water rates as projected within the revenue requirements forecast, as shown in Table 2-4. Note that debt service to be recovered with the proposed PENNVEST Surcharge is included in the forecast. Revenues associated with the proposed PENNVEST Surcharge are shown separately in FY 2025.

The results of the forecast indicate that the additional revenues projected are sufficient to fund the operating and capital-related costs of the system in FY 2025. Cash reserves are expected to be \$0 at the end of each fiscal year, as budgeted in FY 2024 and as projected for FY 2025. In addition, debt service coverage is expected to be maintained at 1.0x total annual debt service in FY 2025, as sufficient funds are projected to be generated from current year revenues to fund the system’s debt service obligation for that year.

**Table 2-6. Water System Cash Flow Forecast**

Description	Budget FY 2024	Projected FY 2025
<b>Revenues:</b>		
Base Water Rates	\$1,543,130	\$2,533,562
PENNVEST Surcharge	0	334,396
Miscellaneous Revenues	<u>1,109,254</u>	<u>168,604</u>
<b>Total Revenues</b>	<b>\$2,652,384</b>	<b>\$3,036,563</b>
<b>Total Operating Expenses</b>	<b>\$2,257,116</b>	<b>\$2,306,692</b>
<b>Debt Service:</b>		
PENNVEST Loans	\$365,509	\$480,452
GO Bonds	<u>29,759</u>	<u>249,419</u>
<b>Total Debt Service</b>	<b>\$395,268</b>	<b>\$729,871</b>
<b>Cash-Funded Capital Projects</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Revenue Requirements</b>	<b>\$2,652,384</b>	<b>\$3,036,563</b>
<b>Revenues Over / (Under) Expenditures</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash Analysis:</b>		
Beginning Unrestricted / Available Cash	\$0	\$0
Revenues Over / (Under) Expenditures	<u>0</u>	<u>0</u>
Ending Balance	\$0	\$0
Minimum Operating Reserve Target	\$0	\$0
<b>Debt Service Coverage (1.0x min target)</b>	<b>1.0x</b>	<b>1.0x</b>
<b>Projected Rate Revenue Increase</b>		
-Base Rates Only	n/a	64.2%
<b>Projected Rate Revenue Increase</b>		
-Base Rates + PV Surcharge	n/a	85.9%

### 3. Cost of Service Evaluation

A cost of service evaluation was completed to estimate the cost of providing water service to the City’s major customer classes, which include Residential, Commercial/Industrial, Education, and Public Health-related customers. The cost of service evaluation was completed in accordance with the generally accepted industry practices documented in the American Water Works Association’s Manual No. 1, *Principles of Water Rates, Fees, and Charges*.

Note that debt service costs associated with the PENNVEST Loan – 2022 Ohl Dam Projects, PENNVEST Loan – 2024 Wellfield/Raw Water Pipeline Projects, and future PENNVEST loan were removed from the cost of service evaluation. The debt service costs associated with these loans are not proposed to be repaid from base rates and are instead proposed to be repaid with the PENNVEST surcharge.

The following steps were performed to complete the cost of service evaluation:

1. Allocate projected detail-level FY 2025 O&M expenses to functional categories.
2. Allocate O&M expenses from functional categories to the cost driver categories of Base Demand, Max Day, Max Hour, Customer, Public/Private Fire Protection.
3. Allocate O&M costs from within cost driver categories to customer classes based on the units of service associated with each class and the O&M-related unit cost of service for each cost driver category.
4. Allocate projected FY 2025 debt service costs to functional categories.
5. Allocate debt service costs from functional categories to the cost driver categories of Base Demand, Max Day, Max Hour, Customer, Public/Private Fire Protection.
6. Allocate debt service costs from within cost driver categories to customer classes based on units of service associated with each class and the unit cost of service for each cost driver category.
7. Compare the projected FY 2025 costs allocated to each customer class to the projected revenues to be generated from each class to determine if the City’s existing water rates are fairly and equitably recovering the cost of service.

#### 3.1. Allocation of O&M Expenses to Cost Driver Categories

The water system’s projected FY 2025 O&M expenses were allocated to functional categories and then to cost driver categories. The resulting allocation of O&M expenses to cost driver categories is shown in Table 3-1. Note costs included under Public / Private Fire were related to hydrant maintenance activities.

**Table 3-1. Allocation of O&M Expenses to Cost Driver Categories**

Description	Base Demand	Max Day Demand	Max Hour Demand	Customer	Public/Private Fire	Total
Allocated O&M \$	\$1,300,337	\$676,150	\$178,454	\$105,714	\$1,533	\$2,262,188

## 3.2. Allocation of Capital-Related Expenses to Cost Driver Categories

The water system's capital-related expenses, which included debt service payments on existing and projected PENNVEST loans and General Obligation bonds, were allocated to functional categories and then to cost driver categories. The resulting allocation of capital-related expenses to cost driver categories is shown in Table 3-2.

**Table 3-2. Allocation of Capital-Related Expenses to Cost Driver Categories**

Description	Base Demand	Max Day Demand	Max Hour Demand	Customer	Public/Private Fire	Total
Allocated Capital \$	\$251,679	\$25,016	\$3,565	\$0	\$0	\$280,261

## 3.3. Units of Service and Calculation of Unit Cost of Service

Units of service were used to allocate costs from cost driver categories to the City's major water customer classes. The units of service associated with each cost driver category are documented below:

- Base Demand – total annual billed water consumption (units of 1,000 gallons)
- Maximum Day Demand – units of excess capacity associated with maximum day demand (units of 1,000 gallons)
- Maximum Hour Demand – units of excess capacity associated with maximum hour demand (units of 1,000 gallons)
- Customer – total number of water customer accounts.
- Public / Private Fire Protection – units of service were not used, as costs were allocated directly to the public / private fire protection class from this category. Unrecovered costs within the public / private fire protection class were allocated to the Residential, Commercial/Industrial, Education, and Public Health classes proportionate to total annual water use.

The units of service attributable to each customer class are shown in Table 3-3.

**Table 3-3. Units of Service by Customer Class**

Customer Class	Base Demand <sup>1</sup> (1,000 gal.)	Max Day to Avg Day Factor	Max Day Demand (1,000 gal.)	Max Hour to Avg Hour Factor	Max Hour Demand (1,000 gal.)	Customer Accounts
Residential	156,535	1.74	115,897	2.35	95,351	2,895
Commercial/Industrial	180,089	1.41	73,282	2.11	126,685	276
Education	13,676	1.85	11,647	4.44	35,452	14
Public Health	21,581	1.57	12,403	1.97	8,496	69
<b>Total</b>	<b>371,881</b>		<b>213,229</b>		<b>265,985</b>	<b>3,254</b>

<sup>1</sup>Reflects total annual consumption in units of 1,000 gal.

The total units of service associated with each cost driver category and the resulting unit cost of service within each cost driver category are shown in Table 3-4.

**Table 3-4. Units of Service and Unit Cost of Service**

Description	Base Demand	Max Day Demand	Max Hour Demand	Customer	Public / Private Fire	Total
<b>Total Units of Service</b>	371,881	213,229	265,985	3,254	n/a	
<b>Units</b>	<i>(1,000 gal.)</i>	<i>(1,000 gal.)</i>	<i>(1,000 gal.)</i>	<i>(Accounts)</i>	<i>n/a</i>	
<b>O&amp;M Expenses</b>	\$1,300,337	\$676,150	\$178,454	\$105,714	\$1,533	\$2,262,188
<b>Unit Cost (\$ per unit)</b>	\$3.50	\$3.17	\$0.67	32.49	n/a	
<b>Capital Expenses</b>	251,679	25,016	3,565	0	0	280,261
<b>Unit Cost (\$ per unit)</b>	\$0.68	\$0.12	\$0.01	0.00	n/a	
<b>Total Cost of Service</b>	\$1,552,016	\$701,166	\$182,019	\$105,714	\$1,533	\$2,542,449
<b>Unit Cost (\$ per unit)</b>	\$4.17	\$3.29	\$0.68	\$32.49	n/a	

### 3.4. Allocation of Revenue Requirements to Customer Classes

Costs were allocated from cost driver categories to customer classes using the units of service for each class in Table 3-3 and the unit cost of service for each cost driver category in Table 3-4. For example, 156,535 Base Demand units of service were attributable to residential customers; therefore, residential customers were allocated \$653,287 of Base Demand costs (156,535 units × \$4.17 unit cost of service). The resulting allocation of projected FY 2025 O&M and capital expenses to customer classes is shown in Table 3-5.

**Table 3-5. Allocation of Costs to Customer Classes**

Description	Base Demand	Max Day Demand	Max Hour Demand	Customer	Public / Private Fire	Total
<b>Residential</b>	\$653,287	\$381,108	\$65,251	\$94,051	\$0	\$1,193,697
<b>Commercial/Industrial</b>	751,587	240,974	86,694	8,967	0	1,088,221
<b>Education</b>	57,076	38,299	24,261	455	0	120,090
<b>Public Health</b>	90,067	40,785	5,814	2,242	0	138,907
<b>Fire Protection</b>	0	0	0	0	1,533	1,533
<b>Total</b>	<b>\$1,552,016</b>	<b>\$701,166</b>	<b>\$182,019</b>	<b>\$105,714</b>	<b>\$1,533</b>	<b>2,542,449</b>

Costs under Public / Private Fire (\$1,533) that were directly allocated to Fire Protection as a customer class were related to hydrant maintenance. Separately, the cost incurred by the City to provide the necessary flows and pressures for public and private fire protection service was estimated using a cost curve referenced from the AWWA manual.<sup>2</sup> Using this cost curve is an industry-accepted method to estimate fire protection related costs. The cost curve uses the population served to estimate the required fire flow of the service area and then compares this to the system's maximum hour demand. The resulting ratio of 1.761 (system maximum hour demand of 2,231.5 gallons per minute ÷ required fire flow of 1,266.9 gallons per minute) corresponded to total public / private fire protection costs being roughly 11 percent, or \$279,669 (\$2,542,449 × 11%), of the annual cost incurred by the system.

The public / private fire protection costs were then removed from the Maximum Day and Maximum Hour cost driver categories. For example, 50 percent, or \$139,834.50 (\$279,669 × 50%) was removed from

<sup>2</sup> Figure IV-8.1 Percentage of Total Revenue Allocated as Fire Protection Costs (Maine Water Utilities Association), Chapter IV.8 – Rates for Fire Protection Service, p. 159, AWWA M1, *Principles of Water Rates, Fees, and Charges*.

Maximum Day Demand costs and the other 50 percent was removed from Maximum Hour Demand costs. The costs were removed from costs previously allocated to customer classes under Maximum Day Demand and Maximum Hour Demand proportional to the allocation of the peaking costs to the classes. For example, with \$139,834.50 to be removed from Maximum Day Demand and Residential customers allocated 54.4 percent of Maximum Day Demand costs, roughly \$76,005 ( $\$139,834.50 \times 54.4\%$ ) was removed from Maximum Day Demand costs allocated to Residential customers and moved to Public / Private Fire category. The resulting allocation of costs to customer classes, including Fire Protection, is shown in Table 3-6.

**Table 3-6. Allocation of Costs to Customer Classes w/ FP Adjustment**

Description	Base Demand	Max Day Demand	Max Hour Demand	Customer	Public / Private Fire	Total
Residential	\$653,287	\$305,520	\$15,397	\$94,051	\$0	\$1,068,255
Commercial/Industrial	751,587	193,179	20,457	8,967	0	974,190
Education	57,076	30,703	5,725	455	0	93,958
Public Health	90,067	32,696	1,372	2,242	0	126,376
Fire Protection	0	0	0	0	279,669	279,669
<b>Total</b>	<b>\$1,552,016</b>	<b>\$562,098</b>	<b>\$42,951</b>	<b>\$105,714</b>	<b>\$279,669</b>	<b>\$2,542,449</b>

Note: Estimated public / private fire protection costs were removed from the Max Day and Max Hour Demand categories and allocated to the Public / Private Fire category.

Unrecovered public / private fire protection costs of \$270,782 ( $\$279,669 - \text{projected FY 2025 private fire protection revenues of } \$8,887$ ) were then allocated to customer classes proportionally based on annual water use. For example, Residential customers were projected to consume 156,535,000 gallons as compared to total projected consumption of 371,881,000; therefore, residential customers were allocated 42.1 percent ( $156,535 \div 371,881$ ) of the unrecovered public / private fire protection costs. The final allocation of costs to customer classes, including the allocation of unrecovered public / private fire protection costs is shown in Table 3-7.

**Table 3-7. Allocation of Costs to Customer Classes (with FP Costs)**

Description	Total Costs	FP Allocation	Total w/ FP
Residential	\$1,068,255	\$113,980	\$1,182,235
Commercial/Industrial	974,190	131,130	1,105,321
Education	93,958	9,958	103,916
Public Health	126,376	15,714	142,090
<b>Total</b>	<b>\$2,262,779</b>	<b>\$270,782</b>	<b>\$2,533,562</b>

### 3.5. Comparison of COS and Cost Recovery By Class Under Existing Rate Structure

The estimated cost for the City to provide water service to each major customer class (Table 3-7) in FY 2025 was compared to the level of annual revenues that were projected to be recovered from each customer class in this year, based on the City’s existing (FY 2024) rate structure. The results of this comparison are shown in Table 3-8 and indicate that, under its existing rate structure, the City is projected to over recover costs from Residential customers by approximately \$543,519 in FY 2025 and under recover costs from Commercial/Industrial, Education, and Public Health customers by roughly \$453,324, \$48,806, and \$41,388, respectively. These results indicate the existing water rate structure is not fairly and equitably recovering the approximate cost to serve individual customer classes and that changes to the rate structure would better align

water rates with cost of service. It is recommended that the City consider modifying its existing rate structure to more equitably recover costs from customers.

**Table 3-8. Comparison of Projected Revenue with Estimated Cost of Service**

<b>Customer Class</b>	<b>Estimated Cost of Service</b>	<b>Projected FY 2025 Revenue</b>	<b>\$ Difference</b>	<b>% Difference</b>
<b>Residential</b>	\$1,182,235	\$1,725,753	\$543,519	46.0%
<b>Commercial/Industrial</b>	1,105,321	651,997	-453,324	-41.0%
<b>Education</b>	103,916	55,110	-48,806	-47.0%
<b>Public Health</b>	142,090	100,701	-41,388	-29.1%
<b>Total</b>	<b>\$2,533,562</b>	<b>\$2,533,562</b>		

# 4. Projected FY 2025 Rates

## 4.1. Existing Rate Structure

Projected water rates for FY 2025 under the existing rate structure are shown in Table 4-1. The projected water rates were calculated to meet the projected revenue need of \$2,867,958 (\$2,533,562 from base rates + \$334,396 from the PENNVEST Surcharge) in FY 2025. The quarterly minimum charge and the volumetric rates were increased proportionally by 64.2 percent to meet the revenue need from base rates of \$2,533,562 in FY 2025. The proposed PENNVEST Surcharge was designed to be assessed on an equivalent meter basis to generate \$334,396 in revenue to fund specific PENNVEST debt service expenses in FY 2025.

**Table 4-1. Projected FY 2025 Water Rates (Existing Rate Structure)**

	Residential	Commercial/ Industrial	Education	Public Health
<b><u>Quarterly Minimum Charge:</u></b>				
5/8 or 3/4-inch	\$84.39	\$104.91	\$107.13	\$97.52
1-inch	\$101.63	\$116.57	\$119.03	\$108.36
1-1/4-inch	\$116.98	\$134.06	\$137.91	\$124.78
1-1/2-inch	\$134.55	\$154.33	\$157.62	\$142.84
2-inch	\$170.26	\$195.38	\$198.66	\$180.60
3-inch	\$190.45	\$218.36	\$223.29	\$203.59
4-inch	\$269.26	\$308.66	\$315.23	\$287.32
6-inch	\$357.76	\$410.46	\$420.31	\$382.55
8-inch	\$571.77	\$656.73	\$669.87	\$609.12
10-inch	\$716.66	\$820.92	\$838.98	\$763.45
12-inch	\$991.67	\$1,136.15	\$1,160.78	\$1,057.34
<b><u>Quarterly PV Surcharge:</u></b>				
5/8 or 3/4-inch	\$19.96	\$19.96	\$19.96	\$19.96
1-inch	\$49.91	\$49.91	\$49.91	\$49.91
1-1/4-inch	\$74.86	\$74.86	\$74.86	\$74.86
1-1/2-inch	\$99.82	\$99.82	\$99.82	\$99.82
2-inch	\$159.71	\$159.71	\$159.71	\$159.71
3-inch	\$349.37	\$349.37	\$349.37	\$349.37
4-inch	\$628.86	\$628.86	\$628.86	\$628.86
6-inch	\$1,297.66	\$1,297.66	\$1,297.66	\$1,297.66
8-inch	\$2,794.95	\$2,794.95	\$2,794.95	\$2,794.95
10-inch	\$4,192.43	\$4,192.43	\$4,192.43	\$4,192.43
12-inch	\$5,290.44	\$5,290.44	\$5,290.44	\$5,290.44
<b><u>Volumetric Rates:</u></b>				
Allowance	0 – 2,000 gal.	0 – 4,000 gal.	0 – 4,000 gal.	0 – 4,000 gal.
2,001 – 4,000	\$6.83	n/a	n/a	n/a
Next 21,000	\$7.03	\$8.01	\$8.19	\$7.45
Next 35,000	\$5.66	\$6.42	\$6.55	\$5.96
Next 140,000	\$3.78	\$4.27	\$4.35	\$3.97
Next 2,800,000	\$2.58	\$2.92	\$2.97	\$2.71
Over 3,000,000	\$2.07	\$2.33	\$2.38	\$2.17

## 4.2. Alternative Rate Structure

Projected water rates for FY 2025 under an alternative rate structure are shown in Table 4-2. The alternative rate structure was developed to meet the following key pricing objectives identified by the City:

1. Provide sufficient revenues to fund the system's annual O&M and capital-related costs.
2. Maintain a reasonable degree of revenue stability.
3. Improve rate equity between classes.
4. Improve rate equity within customer classes.
5. Address affordability concerns for economically vulnerable customers.

In response to these pricing objectives, the alternative rate structure was designed with the following components:

1. A fixed quarterly service charge scaled by meter size. The service charge was designed to recover billing and account servicing costs, while the remaining portion serves as a 'readiness-to-serve' charge and recovers a portion of the system's fixed capacity-related costs.
  - a. The service charge would be assessed to all customers and would not vary by class.
  - b. Customers with larger meter sizes would pay higher service charges, reflecting that the charge recovers capacity related costs and customers with larger meters likely use more capacity than those with smaller meters.
  - c. No allowance quantities are associated with the service charge.
  - d. The charge was designed to generate 25 percent of total annual base rate revenue to maintain a reasonable degree of revenue stability.
2. A two-tier inclining block rate for residential customers. The first tier serves as an essential water rate and is associated with basic indoor water use. The rate associated with the first tier is one-half of the rate of the second tier to help address affordability concerns.
  - a. The first tier is associated with up to 12,000 gallons of water use per quarter; customer billing data was analyzed to set the tier threshold at an appropriate level to estimate basic indoor household water use.
  - b. These rates were specifically designed to recover the estimated cost to serve residential customers, better aligning the rates with cost of service.
3. Uniform class-based volumetric rates for Commercial/Industrial, Education, and Public Health customers. The volumetric rates were designed to recover costs not recovered by the service charges and to reflect the estimated cost to serve each class.
  - a. Note that eliminating the declining block rate structures for these customers helps to better align their rates with their respective service costs.

Note the quarterly minimum charge with allowances was replaced by a fixed quarterly service charge that does not include a minimum allowance for usage. In addition, under this alternative, the proposed PENNVEST Surcharge was designed to be assessed on an equivalent meter basis to generate \$334,396 in revenue to fund specific PENNVEST debt service expenses in FY 2025.

**Table 4-2. Projected FY 2025 Water Rates (Alternative Rate Structure)**

	Residential	Commercial/ Industrial	Education	Public Health
<b>Quarterly Service Charge:</b>				
5/8 or 3/4-inch	\$39.62	\$39.62	\$39.62	\$39.62
1-inch	\$86.88	\$86.88	\$86.88	\$86.88
1-1/4-inch	\$126.26	\$126.26	\$126.26	\$126.26
1-1/2-inch	\$165.64	\$165.64	\$165.64	\$165.64
2-inch	\$260.15	\$260.15	\$260.15	\$260.15
3-inch	\$559.43	\$559.43	\$559.43	\$559.43
4-inch	\$1,000.47	\$1,000.47	\$1,000.47	\$1,000.47
6-inch	\$2,055.82	\$2,055.82	\$2,055.82	\$2,055.82
8-inch	\$4,418.55	\$4,418.55	\$4,418.55	\$4,418.55
10-inch	\$6,623.76	\$6,623.76	\$6,623.76	\$6,623.76
12-inch	\$8,356.43	\$8,356.43	\$8,356.43	\$8,356.43
<b>Quarterly PV Surcharge:</b>				
5/8 or 3/4-inch	\$19.96	\$19.96	\$19.96	\$19.96
1-inch	\$49.91	\$49.91	\$49.91	\$49.91
1-1/4-inch	\$74.86	\$74.86	\$74.86	\$74.86
1-1/2-inch	\$99.82	\$99.82	\$99.82	\$99.82
2-inch	\$159.71	\$159.71	\$159.71	\$159.71
3-inch	\$349.37	\$349.37	\$349.37	\$349.37
4-inch	\$628.86	\$628.86	\$628.86	\$628.86
6-inch	\$1,297.66	\$1,297.66	\$1,297.66	\$1,297.66
8-inch	\$2,794.95	\$2,794.95	\$2,794.95	\$2,794.95
10-inch	\$4,192.43	\$4,192.43	\$4,192.43	\$4,192.43
12-inch	\$5,290.44	\$5,290.44	\$5,290.44	\$5,290.44
<b>Volumetric Rates:</b>				
0 – 12,000	\$3.28	\$5.57	\$6.18	\$5.39
Over 12,000	\$6.55	\$5.57	\$6.18	\$5.39

### 4.3. Revenue Impact by Class

The annual revenues projected to be generated by class in FY 2025 under the existing rate structure were compared to the revenues projected to be generated by class under the alternative rate structure. Note that this comparison assumes that rates under each scenario are adjusted to meet the revenue need in that year and reflect those shown in Table 4-1 (existing rate structure) and Table 4-2 (alternative rate structure).

Table 4-3 shows the revenues projected to be generated by class assuming the existing rate structure remains the same and the base rates are increased by 64.2 percent to meet the additional revenue need from base rates. This also assumes the PENNVEST Surcharge is implemented, as shown in Table 4-1. The results shown in the '\$ Difference' column indicate that if the existing rate structure is left unchanged, the proposed increase to these rates to meet the projected revenue need in FY 2025 will require an additional \$923,070 to be generated from residential customers. This is an increase of 87.8 percent as compared to the existing (FY 2024) level of revenues generated from residential customers. In addition, results show that revenues from Commercial/Industrial, Education, and Public Health customer classes will increase by 79.1, 99.9, and 88.5 percent, over the prior year, respectively.

**Table 4-3. FY 2024 and FY 2025 Revenue Comparison by Class – Existing Rate Structure**

Customer Class	Budgeted FY 2024	Projected FY 2025 Rates	PV Surcharge	Projected FY 2025 Total	\$ Difference	% Difference
Residential	\$1,051,114	\$1,725,753	\$248,431	\$1,974,185	\$923,071	87.8%
Commercial/Industrial	397,115	651,997	59,093	711,090	313,975	79.1%
Education	33,566	55,110	11,978	67,089	33,523	99.9%
Public Health	61,335	100,701	14,893	115,594	54,259	88.5%
<b>Total</b>	<b>\$1,543,130</b>	<b>\$2,533,562</b>	<b>\$334,396</b>	<b>\$2,867,958</b>	<b>\$1,324,828</b>	

Table 4-4 shows the revenues to be projected by class if the City were to transition to the alternative rate structure in FY 2025. This also assumes the PENNVEST Surcharge is implemented, as shown in Table 4-2. Under the alternative rate structure, which more closely aligns revenue recovery with cost of service, revenues from Residential customers will only increase by approximately \$379,552, or 36.1 percent, as compared to FY 2024. However, additional revenues from other classes are higher under the alternative rate structure scenario, which results from the current misalignment between the existing rate structure and cost of service. For example, Commercial/Industrial, Education, and Public Health customers will contribute \$945,275 (\$767,299 + \$82,328 + \$95,648) more in revenue under the alternative rate structure, while these classes would only contribute \$401,756 (\$313,975 + \$33,522 + \$54,259) more if rates are increased under the existing rate structure.

**Table 4-4. FY 2024 and FY 2025 Revenue Comparison by Class – Alternative Rate Structure**

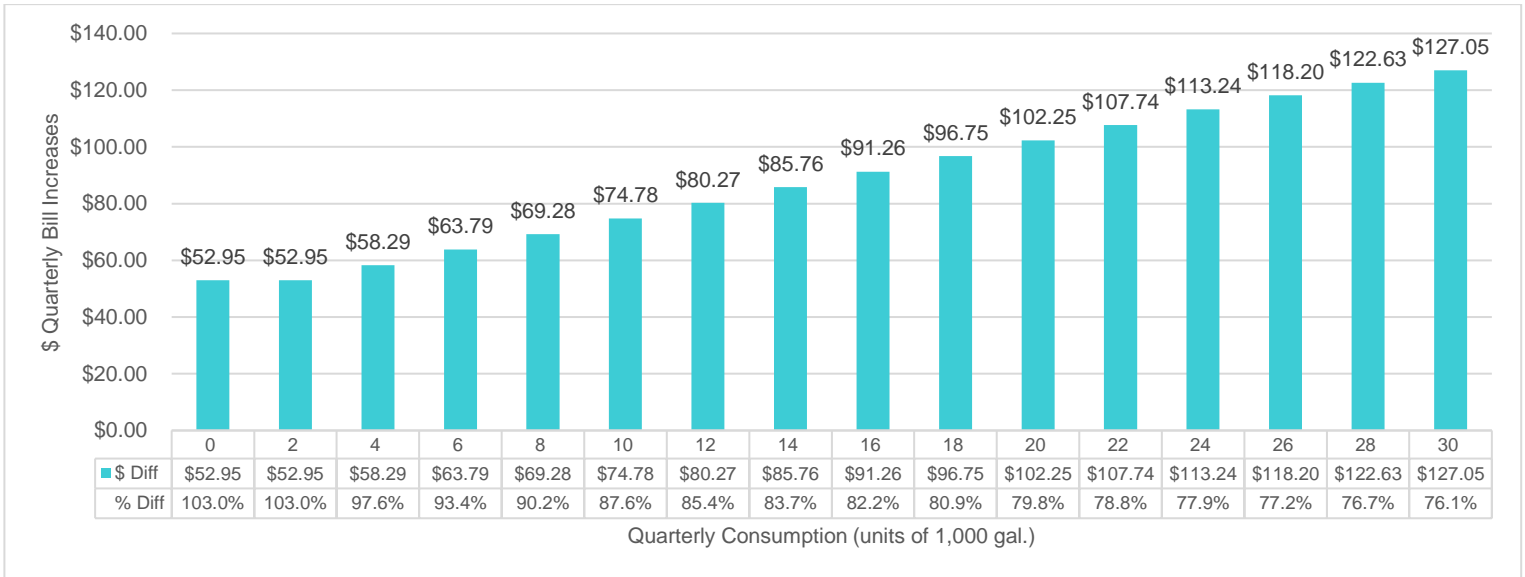
Customer Class	Budgeted FY 2024	Projected FY 2025 Rates	PV Surcharge	Projected FY 2025 Total	\$ Difference	% Difference
Residential	\$1,051,114	\$1,182,235	\$248,431	\$1,430,666	\$379,552	36.1%
Commercial/Industrial	397,115	1,105,321	59,093	1,164,414	767,299	193.2%
Education	33,566	103,916	11,978	115,894	82,328	245.3%
Public Health	61,335	142,090	14,893	156,983	95,648	155.9%
<b>Total</b>	<b>\$1,543,130</b>	<b>\$2,533,562</b>	<b>\$334,396</b>	<b>\$2,867,958</b>	<b>\$1,324,828</b>	

### 4.4. Residential Bill Impacts

Quarterly bill impacts for a residential customer using a 5/8-inch water meter and using up to 30,000 gallons of water were analyzed. The first set of bill impacts shown in Figure 4-1 compares quarterly water bills under the existing (FY 2024) water rates and the projected rates under the existing rate structure plus the PENNVEST Surcharge for FY 2025, as shown in Table 4-1.

The figure shows the bill impacts ranged from roughly \$53 to \$127 per quarter across the various levels of consumption. While the impacts become larger on a dollar basis as quarterly consumption increased, the bill impacts actually decrease on a percentage basis as consumption increased, declining from 103.0 percent at 0 gallons to 76.1 percent at 30,000 gallons.

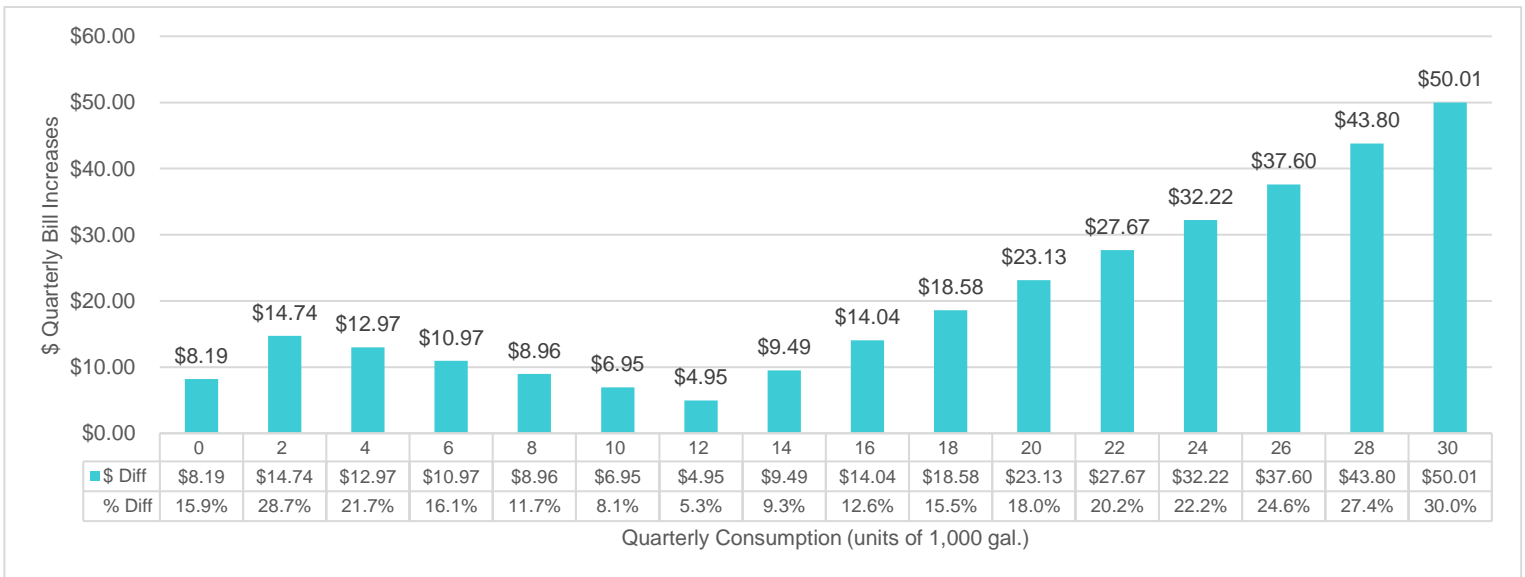
**Figure 4-1. Quarterly Bill Increases – Projected FY 2025 Rates (Existing Rate Structure + PENNVEST Surcharge) as Compared to Existing (FY 2024) Rates**



The second set of bill impacts shown in Figure 4-2 compares quarterly water bills under the existing (FY 2024) water rates and the projected rates under the alternative rate structure plus the PENNVEST Surcharge for FY 2025, as shown in Table 4-2.

The figure shows the bill impacts ranged from roughly \$5 to \$50 per quarter. On a percentage basis, the bill impacts ranged from 5.3 percent to 30.0 percent. Overall, the bill impacts associated with the alternative rate structure were less than the bill impacts under the existing rate structure.

**Figure 4-2. Quarterly Bill Increases – Projected FY 2025 Rates (Alternative Rate Structure + PENNVEST Surcharge) as Compared to Existing (FY 2024) Rates**



## 5. Conclusions and Recommendations

The following are the major conclusions and recommendations resulting from the analyses completed as part of this rate study project:

### 5.1. Revenue Requirements Forecast and Financial Plan:

1. The additional revenue need from the City and outlying townships' base water rates in FY 2025 was projected to be \$990,432 for a total revenue need of \$2,533,562. This reflects an increase of 64.2 percent in the base rates in FY 2025, as compared to FY 2024.
2. The additional revenue need from the City and outlying townships' proposed PENNVEST Surcharge in FY 2025 was projected to be \$334,396.
3. The combined additional revenue need from the City and outlying townships in FY 2025 is \$1,324,828 (\$990,432 + \$334,396), which results in a total revenue need of \$2,867,959 (\$1,543,130 + \$1,324,828). This reflects an increase of 85.9 percent in total rate-related revenue in FY 2025, as compared to FY 2024. It is recommended that the City adjust its water rates accordingly to generate the additional revenues needed to fund the operating and capital-related costs of the system in FY 2025.
  - a. Note the beginning and ending FY 2025 unrestricted and available cash reserves within the Water Fund were projected to be \$0. No additional revenue need was projected to be used to build this reserve to a more appropriate level. It is recommended that in the future, the City hold at least 90 days of budgeted annual O&M expenses as an operating cash reserve.

### 5.2. Cost of Service Evaluation:

1. Cost of service results indicate that costs are being over recovered from the Residential customer class and under recovered from Commercial/Industrial, Education, and Public Health customers. Specifically, the results showed that under the existing rate structure, the City was projected to over recover the estimated cost to provide water service from Residential customers by \$543,519, or 46.0% in FY 2025. Alternatively, the results showed that under the existing rate structure, the City was projected to under recover costs from Commercial/Industrial, Education, and Public Health customers by roughly \$453,324, \$48,806, and \$41,388, respectively.
2. These results indicate the existing water rate structure is not fairly and equitably recovering the approximate cost to serve individual customer classes and that changes to the rate structure would better align water rates with cost of service. It is recommended that the City consider modifying its existing rate structure to more equitably recover costs from customers.

### 5.3. Projected Rates:

1. The base water rates were projected to meet the revenue need in FY 2025 under the existing rate structure by increasing the quarterly minimum charges and volumetric rates proportionally, by 64.2 percent. In addition, a PENNVEST Surcharge was proposed to recover specific PENNVEST debt service expenses in FY 2025.

2. If the City elects to keep its existing water rate structure, the proposed increase to these rates to meet the projected revenue need in FY 2025 will require an additional \$923,071 to be generated from Residential customers. This is an increase of 87.8 percent as compared to the existing (FY 2024) level of revenues generated from Residential customers. In addition, results show that revenues from Commercial/Industrial, Education, and Public Health customer classes will increase by 79.1, 99.9, and 88.5 percent, respectively, over the prior year.
3. An alternative rate structure was designed to better meet the needs of the City in the areas of rate fairness and equity among classes and affordability among customers with economic vulnerabilities. This rate structure included the following characteristics:
  - a. A fixed quarterly service charge scaled by meter size. The service charge was designed to recover billing and account servicing costs, while the remaining portion serves as a 'readiness-to-serve' charge and recovers a portion of the system's fixed capacity-related costs.
  - b. A two-tier inclining block rate for Residential customers. The first tier serves as a lifeline rate and is associated with basic indoor water use. The rate associated with the first tier is one-half of the rate of the second tier to help address affordability concerns.
  - c. Uniform class-based volumetric rates for Commercial/Industrial, Education, and Public Health customers. The volumetric rates were designed to recover costs not recovered by the service charges and to reflect the estimated cost to serve each class.
4. If the City elects to implement the alternative rate structure to meet the projected revenue need in FY 2025, it will generate approximately \$379,552 in additional revenue from Residential customers, as compared to FY 2024. This is 36.1 percent more revenue than was generated from Residential customers in FY 2024. Note that the additional revenue need from Residential customers was projected to be \$923,071 under the existing rate structure, which was 87.8 percent higher as compared to FY 2024.
  - a. However, additional revenues from other classes are higher under the alternative rate structure scenario, which results from the current misalignment between the existing rate structure and cost of service. For example, Commercial/Industrial, Education, and Public Health customers will contribute \$945,275 ( $\$767,299 + \$82,328 + \$95,648$ ) more in revenue under the alternative rate structure, while these customer classes would only contribute \$401,756 ( $\$313,975 + \$33,522 + \$54,259$ ) more if rates are increased under the existing rate structure.
5. Quarterly bill impacts were calculated for residential customers using up to 30,000 gallons per quarter.
  - a. The results of the bill impacts showed that if the City elects to keep the existing rate structure, raises the base rates to meet the revenue need, and implements the PENNVEST Surcharge, quarterly Residential bill impacts in FY 2025 would range from approximately \$53 to \$127. While the impacts become larger on a dollar basis as quarterly consumption increases, the bill impacts decrease on a percentage basis as consumption increases, from 103.0 percent (0 gallons) to 76.1 percent (30,000 gallons).
  - b. If the City elects to implement the alternative rate structure and implement the PENNVEST Surcharge, the bill impacts for Residential customers using up to 30,000 gallons of water per quarter would be less than the bill impacts if the existing rate structure remains in place, ranging from roughly \$5 to \$50 per quarter. On a percentage basis, the bill impacts ranged from 5.3 percent to 30.0 percent.

Total Number of Customers Served by the City of Lock Haven Water Department  
52 Pa. Code § 53.52(a)(2)

<b>Tariff Subdivision</b>	<b>Number of Outside-City Customers</b>
<b>Residential</b>	997
<b>Commercial</b>	40
<b>Industrial</b>	13
<b>Education</b>	0
<b>Public Health</b>	26
<b>Total</b>	<b>1,076</b>

Number of Customers, by Tariff Subdivision, Whose Bills Will Be Affected by the Change  
52 Pa. Code § 53.52(a)(3) and (b)(3)

<b>Tariff Subdivision</b>	<b>Number of Outside-City Customers</b>
<b>Residential</b>	997
<b>Commercial</b>	40
<b>Industrial</b>	13
<b>Education</b>	0
<b>Public Health</b>	26
<b>Total</b>	<b>1,076</b>

Statement of the Effect of the Proposed Tariff Changes on the Utility's Customers  
52 Pa. Code § 53.52(a)(4) through (a)(11)

Section 53.52(a)(4): The proposed tariff changes are comprised of three separate changes: 1) increase to base rate revenues, 2) implementation of a PENNVEST surcharge, and 3) rate structure change for base rates for all customer classes.

The first change includes an increase to base rate revenues from outside-City customers of \$377,823 in fiscal year ("FY") 2025. The proposed increase to base rates reflects a 71.4 percent increase over projected base rate revenues from outside-City customers in FY 2024.

The second change includes the implementation of a proposed PENNVEST Surcharge that would recover costs associated with all PENNVEST loans incurred since the last base rate case in 2010 and for any future PENNVEST loans. The PENNVEST surcharge is anticipated to generate \$106,048 from outside-City customers in FY 2025.

The combined increase to base rates and PENNVEST Surcharge revenues of \$483,872 (\$377,823 + \$106,048) reflects a 91.5 percent increase over projected rate revenues in FY 2024.

The third change includes changes to the City's water base rate structure. Proposed changes to the base rate structure include:

- Eliminating the quarterly minimum charges with usage allowances.
- Implementing fixed service charges without usage allowances that were designed to meet a fixed revenue target of 25 percent of total base rate revenues.
- Modifying the scaling of the service charges to reflect the relative maximum capacities of the various water meter types and sizes used by customers of the City's water system.
- Eliminating the multi-tier residential volumetric rates and implementing a two-tier inclining block rate structure for residential customers.
- Eliminating the multi-tier declining block rate structures for Commercial / Industrial, Educational, and Public Health volumetric rates and implementing a separate and distinct uniform rate for each tariff subdivision.

Changes to the base rate structure will affect how the additional revenues of \$377,823 from the proposed tariff change will be recovered from each outside-City tariff subdivision.

Table 1 shows the effect of the tariff change to base rates only on the utility's outside-City customers. Column 1 shows the additional revenues to be recovered by tariff subdivision without any change to the base rate structure,

while Column 2 shows the additional revenues to be recovered by tariff subdivision with the proposed changes to the base rate structure discussed in this section.

**Table 1.**

<b>Tariff Subdivision</b>	<b>-Column 1- Additional Revenues from Increase in Base Rates (No base rate structure changes)</b>	<b>-Column 2- Additional Revenues from Increase in Base Rates (Proposed base rate structure changes)</b>
<b>Residential</b>	\$208,099 (64.2% increase)	-\$22,551 (7.0% decrease)
<b>Commercial</b>	\$14,334 (64.2% increase)	\$9,717 (43.5% increase)
<b>Industrial</b>	\$95,330 (64.2% increase)	\$338,657 (228.1% increase)
<b>Educational</b>	\$0 (0.0% increase)	\$0 (0.0% increase)
<b>Public Health</b>	\$21,780 (64.2% increase)	\$52,002 (153.3% increase)
<b>Total</b>	<b>\$339,543</b>	<b>\$377,823</b>

Table 2 shows the effect of the tariff change on the utility’s outside-City customers, including the implementation of a proposed PENNVEST Surcharge. Column 1 shows the additional revenues to be recovered by tariff subdivision without any change to the base rate structure and the implementation of a PENNVEST Surcharge, while Column 2 shows the additional revenues to be recovered by tariff subdivision with the proposed changes to the base rate structure discussed in this section and the implementation of a PENNVEST Surcharge.

The proposed PENNVEST Surcharge would be assessed based on meter size and is scaled using the same scaling approach that has been proposed in this section for the quarterly service charge.

**Table 2.**

<b>Tariff Subdivision</b>	<b>-Column 1- Additional Revenues from Increase in Base Rates (No base rate structure changes)</b>	<b>-Column 2- Additional Revenues from Increase in Base Rates (Proposed base rate structure changes and PENNVEST Surcharge)</b>
<b>Residential</b>	\$287,655 (88.7% increase)	\$57,005 (17.6% increase)
<b>Commercial</b>	\$21,761 (97.5% increase)	\$17,143 (76.8% increase)
<b>Industrial</b>	\$107,068 (72.1% increase)	\$350,395 (236.0% increase)
<b>Educational</b>	\$0 (0.0% increase)	\$0 (0.0% increase)
<b>Public Health</b>	\$29,107 (85.8% increase)	\$59,328 (174.9% increase)
<b>Total</b>	<b>\$445,591</b>	<b>\$483,872</b>

Section 53.52(a)(5): Revenues are projected to increase by \$377,823 in FY 2025 for outside-City customers based on the proposed change to base rates in that year. In addition, revenues are projected to increase by \$106,048 in FY 2025 for outside-City customers as a result of the proposed implementation of a PENNVEST Surcharge in that year.

There is not expected to be any change to the utility's expenses as a result of the proposed change to the utility's revenue.

Section 53.52(a)(6): There is not expected to be any change in the service rendered by the utility as a result of the proposed change to the utility's revenue.

Section 53.52(a)(7): Not applicable.

Section 53.52(a)(8): Not applicable.

Section 53.52(a)(9): Lock Haven did not undertake any customer polls that indicate customer acceptance or desire for the proposed tariff changes. The tariff changes are in the public interest as discussed above in response to 52 Pa. Code § 53.52(a)(1).

Section 53.52(a)(10): The City of Lock Haven Water Department will implement the proposed tariff changes upon Commission approval.

Section 53.52(a)(11): Not applicable.

Operating Income Statement of the Utility for a 12-Month Period Ending December 31, 2023  
52 Pa. Code § 53.52(b)(2) and 53.52(c)(5)

Lock Haven Water Fund Operating Income Statement

	<u>FY 2023 Actual</u>
Revenues:	
User Rate and Charges	\$ 1,303,535
Reimbursements	203,755
Interfund Transfers In	23,326
Miscellaneous Revenues	<u>26,390</u>
Total Revenues	\$ 1,557,005
Operating Expenses:	
General Expenses	\$ 1,763,531
LHCA Property Maintenance	46,827
Interfund Transfers Out	<u>103,087</u>
Total Operating Expenses	\$ 1,913,445
Debt Service	\$ 217,452
Capital Projects Funded with Cash	\$ -
Total Expenditures	\$ 2,130,897
Revenues Over / (Under) Expenditures	\$ (573,892)

Statement of Operating Income – Projected FY 2025  
12-Month Period Ending December 31, 2025

Description	Projected FY 2025
<b><u>Revenues:</u></b>	
Base Water Rates	\$2,533,562
PENNVEST Surcharge	334,396
Miscellaneous Revenues	<u>168,604</u>
<b>Total Revenues</b>	<b>\$3,036,563</b>
<b>Total Operating Expenses</b>	<b>\$2,306,692</b>
<b><u>Debt Service:</u></b>	
PENNVEST Loans	\$480,452
General Obligation Bonds	<u>249,419</u>
<b>Total Debt Service</b>	<b>\$729,871</b>
<b>Cash-Funded Capital Projects</b>	<u>\$0</u>
<b>Total Expenditures</b>	<b>\$3,036,563</b>
<b>Revenues Over / (Under) Expenditures</b>	<b>\$0</b>

Calculation of the Total Increases, In Dollars, by Tariff Subdivision, Projected to an Annual Basis  
52 Pa. Code § 53.52(b)(4)

<b>Tariff Subdivision</b>	<b>Total Annual Dollar Increase – Base Rates Only (without PENNVEST Surcharge)</b>	<b>Total Annual Dollar Increase (with PENNVEST Surcharge)</b>
<b>Residential</b>	-\$22,551	\$57,005
<b>Commercial</b>	9,717	17,143
<b>Industrial</b>	338,657	350,395
<b>Educational</b>	0	0
<b>Public Health</b>	52,002	59,328
<b>Total</b>	<b>\$377,823</b>	<b>\$483,872</b>

Calculation of the Number of Customers, By Tariff Subdivision, Whose Bills Will Be Decreased  
52 Pa. Code § 53.52(b)(5)

Under the City's proposed rates, no customers' bills for water service will be decreased.

Calculation of the Total Decrease, In Dollars, by Tariff Subdivision, Projected to an Annual Basis  
52 Pa. Code § 53.52(b)(6)

Under the City's proposed rates, there will not be a decrease in total annual water revenues.

Rate of Return Calculations  
52 Pa. Code § 53.52(c)(1)

The proposed revenue requirement does not include a request for a return on equity and reflects the Company's cash needs.

Balance Sheet as of December 31, 2023  
52 Pa. Code § 53.52(c)(2)

See the attached Balance Sheet below.

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg %Chg	Budget 12/22	Amount Chg %Chg
<b>10 General Municipalities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>54,999.49</b>	<b>(54,999.49) (100)</b>	<b>(47,664.00)</b>	<b>47,664.00 (100)</b>
<b>10.11000 Cash and investments</b>	<b>(163,273.74)</b>	<b>14,416.85</b>	<b>0.00</b>	<b>(148,856.89)</b>		<b>801,169.90</b>	<b>(950,026.79) (119)</b>	<b>0.00</b>	<b>(148,856.89) 0</b>
<b>10.11000.11100 Treasurer's working cash</b>	<b>(163,273.74)</b>	<b>14,416.85</b>	<b>0.00</b>	<b>(148,856.89)</b>		<b>801,169.90</b>	<b>(950,026.79) (119)</b>	<b>0.00</b>	<b>(148,856.89) 0</b>
06-00106 WO06 CASH Utility Receivables	223.41	0.00	0.00	223.41	<a href="#">A. 910</a>	223.41	0.00 0	0.00	223.41 0
06-00801 WO06 CASH PCard Admin	295.44	0.00	0.00	295.44	<a href="#">A. 910</a>	284.97	10.47 4	0.00	295.44 0
06-00802 WO06 CASH PCard Utility	29.68	0.00	0.00	29.68	<a href="#">A. 910</a>	(1,121.09)	1,150.77 (103)	0.00	29.68 0
06-00803 WO06 CASH PCard Streets	(1.70)	0.00	0.00	(1.70)	<a href="#">A. 910</a>	(1.70)	0.00 0	0.00	(1.70) 0
06-00804 WO06 CASH PCARD (PUBLIC WORKS)	(215.00)	0.00	0.00	(215.00)	<a href="#">A. 910</a>	(294.84)	79.84 (27)	0.00	(215.00) 0
06-00806 WO06 CASH PCard Water	206.17	0.00	0.00	206.17	<a href="#">A. 910</a>	206.17	0.00 0	0.00	206.17 0
06-01001 WO06 CASH	(14,556.14)	14,556.14	0.00	0.00	<a href="#">A. 910</a>	(14,556.14)	14,556.14 (100)	0.00	0.00 0
06-01110 WO06 CASH	(149,418.66)	0.00	0.00	(149,418.66)	<a href="#">A. 910</a>	816,266.06	(965,684.72) (118)	0.00	(149,418.66) 0
06-02920 WO06 CASH LONG/SHORT	0.01	0.00	0.00	0.01	<a href="#">A. 910</a>	0.01	0.00 0	0.00	0.01 0
06-100-01010 WO06 PETTY CASH	(50.00)	0.00	0.00	(50.00)	<a href="#">A. 910</a>	(50.00)	0.00 0	0.00	(50.00) 0
06-300-01110 WO06 CASH	(0.30)	0.00	0.00	(0.30)	<a href="#">A. 910</a>	(0.30)	0.00 0	0.00	(0.30) 0
06-300-02920 WO06 CASH LONG/SHORT	2.70	0.00	0.00	2.70	<a href="#">A. 910</a>	2.70	0.00 0	0.00	2.70 0
06-448-01110 WO06 CASH	58.91	0.00	0.00	58.91	<a href="#">A. 910</a>	58.91	0.00 0	0.00	58.91 0
06-449-01001 WO06 CASH	139.29	(139.29)	0.00	0.00	<a href="#">A. 910</a>	139.29	(139.29) (100)	0.00	0.00 0
06-449-01110 WO06 CASH	12.45	0.00	0.00	12.45	<a href="#">A. 910</a>	12.45	0.00 0	0.00	12.45 0
<b>10.13000 Other receivables</b>	<b>589,205.29</b>	<b>(147,592.12)</b>	<b>0.00</b>	<b>441,613.17</b>		<b>454,153.10</b>	<b>(12,539.93) (3)</b>	<b>0.00</b>	<b>441,613.17 0</b>
<b>10.13000.13100 Customer accounts receivable</b>	<b>583,359.01</b>	<b>(147,592.12)</b>	<b>0.00</b>	<b>435,766.89</b>		<b>448,306.82</b>	<b>(12,539.93) (3)</b>	<b>0.00</b>	<b>435,766.89 0</b>
06-01144 WO06 ACCOUNTS REC	142,683.73	0.00	0.00	142,683.73	<a href="#">C. 301</a>	172,696.39	(30,012.66) (17)	0.00	142,683.73 0
06-01145 WO06 AR MUNILINK	463,707.60	(147,592.12)	0.00	316,115.48	<a href="#">C. 301</a>	298,642.75	17,472.73 6	0.00	316,115.48 0
06-145-01152 WO06 ALLOWANCE-DOUBTFUL A	(23,032.32)	0.00	0.00	(23,032.32)	<a href="#">C. 301</a>	(23,032.32)	0.00 0	0.00	(23,032.32) 0
<b>10.13000.13800 Other</b>	<b>5,846.28</b>	<b>0.00</b>	<b>0.00</b>	<b>5,846.28</b>		<b>5,846.28</b>	<b>0.00 0</b>	<b>0.00</b>	<b>5,846.28 0</b>
06-146-01146 WO06 DEFERRED REVENUE	6,153.13	0.00	0.00	6,153.13		6,153.13	0.00 0	0.00	6,153.13 0
06-146-02246 WO06 DEFERRED REVENUE	(306.85)	0.00	0.00	(306.85)		(306.85)	0.00 0	0.00	(306.85) 0
<b>10.15000 Due from other funds</b>	<b>4,071.67</b>	<b>0.00</b>	<b>0.00</b>	<b>4,071.67</b>		<b>4,071.67</b>	<b>0.00 0</b>	<b>0.00</b>	<b>4,071.67 0</b>
<b>10.15000.15100 General Fund</b>	<b>4,071.67</b>	<b>0.00</b>	<b>0.00</b>	<b>4,071.67</b>		<b>4,071.67</b>	<b>0.00 0</b>	<b>0.00</b>	<b>4,071.67 0</b>
06-100-02365 WO06 DT/DF DOWNTOWN STREE	4,071.67	0.00	0.00	4,071.67		4,071.67	0.00 0	0.00	4,071.67 0
<b>10.18000 Property and equipment</b>	<b>10,109,896.57</b>	<b>1,393,748.97</b>	<b>0.00</b>	<b>11,503,645.54</b>		<b>10,109,896.57</b>	<b>1,393,748.97 14</b>	<b>0.00</b>	<b>11,503,645.54 0</b>
<b>10.18000.08240 Machinery, equipment and furnis</b>	<b>2,228,720.81</b>	<b>7,281.00</b>	<b>0.00</b>	<b>2,236,001.81</b>		<b>2,228,720.81</b>	<b>7,281.00 0</b>	<b>0.00</b>	<b>2,236,001.81 0</b>
06-170-01610 WO06 MACHINERY AND EQUIPME	1,942,663.32	7,281.00	0.00	1,949,944.32	<a href="#">U. 910</a>	1,942,663.32	7,281.00 0	0.00	1,949,944.32 0
06-170-01660 WO06 Vehicles	286,057.49	0.00	0.00	286,057.49	<a href="#">U. 910</a>	286,057.49	0.00 0	0.00	286,057.49 0
<b>10.18000.08260 Infrastructure</b>	<b>7,881,175.76</b>	<b>44,341.40</b>	<b>0.00</b>	<b>7,925,517.16</b>		<b>7,881,175.76</b>	<b>44,341.40 1</b>	<b>0.00</b>	<b>7,925,517.16 0</b>

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-1

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg	%Chg	Budget 12/22	Amount Chg	%Chg
06-170-01620 WO06 Water Reservoir	7,211,444.12	28,084.40	0.00	7,239,528.52	<a href="#">U. 910</a>	7,211,444.12	28,084.40	0	0.00	7,239,528.52	0
06-170-01630 WO06 Purification Equipment	46,278.60	0.00	0.00	46,278.60	<a href="#">U. 910</a>	46,278.60	0.00	0	0.00	46,278.60	0
06-170-01640 WO06 Office Equipment	369,135.04	16,257.00	0.00	385,392.04	<a href="#">U. 910</a>	369,135.04	16,257.00	4	0.00	385,392.04	0
06-170-01650 WO06 Developer Fees	254,318.00	0.00	0.00	254,318.00	<a href="#">U. 910</a>	254,318.00	0.00	0	0.00	254,318.00	0
<b>10.18000.08700 Construction in progress</b>	<b>0.00</b>	<b>1,342,126.57</b>	<b>0.00</b>	<b>1,342,126.57</b>		<b>0.00</b>	<b>1,342,126.57</b>	<b>0</b>	<b>0.00</b>	<b>1,342,126.57</b>	<b>0</b>
06-170-01600 WO06 Construction in Progress	0.00	1,342,126.57	0.00	1,342,126.57	<a href="#">U. 910</a>	0.00	1,342,126.57	0	0.00	1,342,126.57	0
<b>10.18500 Accumulated depreciation</b>	<b>(6,226,924.76)</b>	<b>(102,511.84)</b>	<b>0.00</b>	<b>(6,329,436.60)</b>		<b>(5,957,659.65)</b>	<b>(371,776.95)</b>	<b>6</b>	<b>0.00</b>	<b>(6,329,436.60)</b>	<b>0</b>
06-01613 WO06 ACCUM DEP-MACHINERY & EQ	(9,952.80)	9,952.80	0.00	0.00		0.00	0.00	0	0.00	0.00	0
06-01623 WO06 ACC DEP-WATER RESEVOIR	(228,628.75)	228,628.75	0.00	0.00		0.00	0.00	0	0.00	0.00	0
06-01633 WO06 ACC DEP-PURIFICATION EQUIP	(626.28)	626.28	0.00	0.00		0.00	0.00	0	0.00	0.00	0
06-01653 WO06 ACC DEP-DEVELOPER FEES	(5,067.84)	5,067.84	0.00	0.00		0.00	0.00	0	0.00	0.00	0
06-01663 WO06 ACC DEP-VEHICLES	(24,989.44)	24,989.44	0.00	0.00		0.00	0.00	0	0.00	0.00	0
06-170-01615 WO06 AccumulatedDeprec-Water S	(1,173,317.29)	(37,428.22)	0.00	(1,210,745.51)	<a href="#">U. 910</a>	(1,173,317.29)	(37,428.22)	3	0.00	(1,210,745.51)	0
06-170-01625 WO06 Accum.Deprec-WaterReserv	(4,024,874.47)	(311,097.70)	0.00	(4,335,972.17)	<a href="#">U. 910</a>	(4,024,874.47)	(311,097.70)	8	0.00	(4,335,972.17)	0
06-170-01635 WO06 Accum.Deprec-PurificationEq	(22,922.01)	(1,000.37)	0.00	(23,922.38)	<a href="#">U. 910</a>	(22,922.01)	(1,000.37)	4	0.00	(23,922.38)	0
06-170-01645 WO06 Accum.Deprec-OfficeEquipm	(350,047.23)	(2,340.70)	0.00	(352,387.93)	<a href="#">U. 910</a>	(350,047.23)	(2,340.70)	1	0.00	(352,387.93)	0
06-170-01655 WO06 Accum.Deprec-DeveloprFees	(130,088.36)	(5,086.36)	0.00	(135,174.72)	<a href="#">U. 910</a>	(130,088.36)	(5,086.36)	4	0.00	(135,174.72)	0
06-170-01665 WO06 Accum.Depreciation-Vehicles	(256,410.29)	(14,823.60)	0.00	(271,233.89)	<a href="#">U. 910</a>	(256,410.29)	(14,823.60)	6	0.00	(271,233.89)	0
<b>10.19950 Deferred outflows of resources</b>	<b>76,578.35</b>	<b>120,361.15</b>	<b>0.00</b>	<b>196,939.50</b>		<b>76,578.35</b>	<b>120,361.15</b>	<b>157</b>	<b>0.00</b>	<b>196,939.50</b>	<b>0</b>
<b>10.19950.19200 Pension related amounts</b>	<b>76,578.35</b>	<b>120,361.15</b>	<b>0.00</b>	<b>196,939.50</b>		<b>76,578.35</b>	<b>120,361.15</b>	<b>157</b>	<b>0.00</b>	<b>196,939.50</b>	<b>0</b>
06-190-02252 WO06 DEFERRED OUTFLOW OF F	76,578.35	120,361.15	0.00	196,939.50	<a href="#">EE . 200</a>	76,578.35	120,361.15	157	0.00	196,939.50	0
<b>10.21000 Accounts payable</b>	<b>(24,892.60)</b>	<b>(624,113.87)</b>	<b>0.00</b>	<b>(649,006.47)</b>		<b>(17,944.01)</b>	<b>(631,062.46)</b>	<b>3517</b>	<b>0.00</b>	<b>(649,006.47)</b>	<b>0</b>
<b>10.21000.21100 Accounts payable</b>	<b>(24,732.79)</b>	<b>0.00</b>	<b>0.00</b>	<b>(24,732.79)</b>		<b>(17,784.20)</b>	<b>(6,948.59)</b>	<b>39</b>	<b>0.00</b>	<b>(24,732.79)</b>	<b>0</b>
06-02020 WO06 ACCOUNTS PAYABLE	(24,732.79)	0.00	0.00	(24,732.79)		(17,784.20)	(6,948.59)	39	0.00	(24,732.79)	0
<b>10.21000.21200 Construction contracts payable</b>	<b>(159.81)</b>	<b>(624,113.87)</b>	<b>0.00</b>	<b>(624,273.68)</b>		<b>(159.81)</b>	<b>(624,113.87)</b>	<b>*****</b>	<b>0.00</b>	<b>(624,273.68)</b>	<b>0</b>
06-02023 WO06 AP ADJUSTING ACT	(159.81)	(624,113.87)	0.00	(624,273.68)		(159.81)	(624,113.87)	*****	0.00	(624,273.68)	0
<b>10.21600 Accrued liabilities</b>	<b>(8,148.24)</b>	<b>3,108.66</b>	<b>0.00</b>	<b>(5,039.58)</b>		<b>(9,169.93)</b>	<b>4,130.35</b>	<b>(45)</b>	<b>0.00</b>	<b>(5,039.58)</b>	<b>0</b>
<b>10.21600.21900 Other</b>	<b>(8,148.24)</b>	<b>3,108.66</b>	<b>0.00</b>	<b>(5,039.58)</b>		<b>(9,169.93)</b>	<b>4,130.35</b>	<b>(45)</b>	<b>0.00</b>	<b>(5,039.58)</b>	<b>0</b>
06-02030 WO06 LOCAL EARNED INCOME TAX	(1,653.95)	0.00	0.00	(1,653.95)		(2,102.78)	448.83	(21)	0.00	(1,653.95)	0
06-02110 WO06 FEDERAL INCOME TAXES	2,039.14	0.00	0.00	2,039.14		4,144.77	(2,105.63)	(51)	0.00	2,039.14	0
06-02120 WO06 SOCIAL SECURITY/MEDICARE	(1,980.42)	0.00	0.00	(1,980.42)		4.86	(1,985.28)	****	0.00	(1,980.42)	0
06-02140 WO06 CITY RETIREMENT	2,513.53	0.00	0.00	2,513.53		0.00	2,513.53	0	0.00	2,513.53	0
06-02170 WO06 PA UNEMPLOYMENT WITHHOLI	(64.97)	0.00	0.00	(64.97)		(165.32)	100.35	(61)	0.00	(64.97)	0
06-02180 WO06 UNION DUES	616.51	0.00	0.00	616.51		0.00	616.51	0	0.00	616.51	0
06-02190 WO06 LOCAL SERVICES TAX	(120.08)	0.00	0.00	(120.08)		(167.11)	47.03	(28)	0.00	(120.08)	0

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-2

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg %Chg	Budget 12/22	Amount Chg %Chg
06-02211 WO06 ACCRUED PAYROLL	(10,332.88)	3,108.66	0.00	(7,224.22)	<a href="#">DD. 105</a>	(10,332.88)	3,108.66 (30)	0.00	(7,224.22) 0
06-02220 WO06 WAGE ATTACHMENTS	(220.30)	0.00	0.00	(220.30)		(220.30)	0.00 0	0.00	(220.30) 0
06-02240 WO06 PA STATE INCOME TAX W/H	4,993.03	0.00	0.00	4,993.03		(220.87)	5,213.90(2361)	0.00	4,993.03 0
06-02250 WO06 UNITED WAY	(38.32)	0.00	0.00	(38.32)		45.02	(83.34 )(185)	0.00	(38.32) 0
06-02271 WO06 HEALTH CONTRIBUTION (EMPL	58.62	0.00	0.00	58.62		(34.79)	93.41 (268)	0.00	58.62 0
06-02287 WO06 DISABILITY INSURANCE	579.13	0.00	0.00	579.13		(71.07)	650.20 (915)	0.00	579.13 0
06-02290 WO06 CATASTROPHIC ILLNESS INSUI	436.93	0.00	0.00	436.93		41.97	394.96 941	0.00	436.93 0
06-02291 WO06 VOLUNTARY VISION INSURANC	461.89	0.00	0.00	461.89		(60.88)	522.77 (859)	0.00	461.89 0
06-02292 WO06 SUPPLEMENTAL HEALTH OPTIC	119.25	0.00	0.00	119.25		(25.96)	145.21 (559)	0.00	119.25 0
06-02295 WO06 LIFE INS SUP	65.62	0.00	0.00	65.62		(15.28)	80.90 (529)	0.00	65.62 0
06-203-02240 WO06 PA STATE INCOME TAX W/H	(5,610.28)	0.00	0.00	(5,610.28)		0.00	(5,610.28) 0	0.00	(5,610.28) 0
06-300-02271 WO06 HEALTH CONTRIBUTION (E	26.44	0.00	0.00	26.44		(26.44)	52.88 (200)	0.00	26.44 0
06-300-02272 WO06 DENTAL CONTRIBUTION (E	0.72	0.00	0.00	0.72		(0.72)	1.44 (200)	0.00	0.72 0
06-448-02292 WO06 SUPPLEMENTAL HEALTH C	(30.56)	0.00	0.00	(30.56)		30.56	(61.12 )(200)	0.00	(30.56) 0
06-449-02292 WO06 SUPPLEMENTAL HEALTH C	(7.29)	0.00	0.00	(7.29)		7.29	(14.58 )(200)	0.00	(7.29) 0
<b>10.25000 Due to other funds</b>	<b>(152,854.59)</b>	<b>0.00</b>	<b>45,332.23</b>	<b>(107,522.36)</b>		<b>(152,854.59)</b>	<b>45,332.23 (30)</b>	<b>0.00</b>	<b>(107,522.36) 0</b>
<b>10.25000.25100 General Fund</b>	<b>(152,854.59)</b>	<b>0.00</b>	<b>45,332.23</b>	<b>(107,522.36)</b>		<b>(152,854.59)</b>	<b>45,332.23 (30)</b>	<b>0.00</b>	<b>(107,522.36) 0</b>
06-100-02308 WO06 DT/DF SEWER FUND	(85,071.83)	0.00	0.00	(85,071.83)		(85,071.83)	0.00 0	0.00	(85,071.83) 0
06-130-02309 WO06 DT/DF AIRPORT FUND	(278.76)	0.00	0.00	(278.76)		(278.76)	0.00 0	0.00	(278.76) 0
06-230-02301 WO06 DT/DF GENERAL FUND	0.00	0.00	45,332.23	45,332.23		0.00	45,332.23 0	0.00	45,332.23 0
06-230-02336 WO06 DT/DF WATER RESERVE FI	(67,504.00)	0.00	0.00	(67,504.00)		(67,504.00)	0.00 0	0.00	(67,504.00) 0
<b>10.26500 Current portion of general obligation de</b>	<b>(14,937.82)</b>	<b>(548.28)</b>	<b>0.00</b>	<b>(15,486.10)</b>		<b>(14,937.82)</b>	<b>(548.28) 4</b>	<b>0.00</b>	<b>(15,486.10) 0</b>
<b>10.26500.21600 Current portion of leases</b>	<b>(14,937.82)</b>	<b>(548.28)</b>	<b>0.00</b>	<b>(15,486.10)</b>		<b>(14,937.82)</b>	<b>(548.28) 4</b>	<b>0.00</b>	<b>(15,486.10) 0</b>
06-203-00035 WO06 2019 F250 LEASE CURREN	(7,823.17)	(287.14)	0.00	(8,110.31)		(7,823.17)	(287.14) 4	0.00	(8,110.31) 0
06-203-00045 WO06 2019 F350 LEASE CURREN	(7,114.65)	(261.14)	0.00	(7,375.79)		(7,114.65)	(261.14) 4	0.00	(7,375.79) 0
<b>10.29100 General obligation debt payable</b>	<b>(2,343,935.45)</b>	<b>(492,095.12)</b>	<b>0.00</b>	<b>(2,836,030.57)</b>		<b>(2,220,755.03)</b>	<b>(615,275.54) 28</b>	<b>0.00</b>	<b>(2,836,030.57) 0</b>
<b>10.29100.29110 General obligation bonds payabl</b>	<b>(2,343,935.45)</b>	<b>(492,095.12)</b>	<b>0.00</b>	<b>(2,836,030.57)</b>		<b>(2,220,755.03)</b>	<b>(615,275.54) 28</b>	<b>0.00</b>	<b>(2,836,030.57) 0</b>
06-202-02010 WO06 NOTE PAYABLE	0.01	0.00	0.00	0.01		0.01	0.00 0	0.00	0.01 0
06-202-02017 WO06 PENNVEST WATER LOAN	0.00	(2,096,337.04)	0.00	(2,096,337.04)	<a href="#">KK. 910</a>	(2,220,755.04)	124,418.00 (6)	0.00	(2,096,337.04) 0
06-202-02034 WO06 PENNVEST WATER LOAN	(2,343,935.46)	1,604,241.92	0.00	(739,693.54)	<a href="#">KK. 910</a>	0.00	(739,693.54) 0	0.00	(739,693.54) 0
<b>10.29150 Lease obligations</b>	<b>(27,474.74)</b>	<b>15,486.10</b>	<b>0.00</b>	<b>(11,988.64)</b>		<b>(27,475.25)</b>	<b>15,486.61 (56)</b>	<b>0.00</b>	<b>(11,988.64) 0</b>
<b>10.29150.29150 Capital leases payable</b>	<b>(27,474.74)</b>	<b>15,486.10</b>	<b>0.00</b>	<b>(11,988.64)</b>		<b>(27,475.25)</b>	<b>15,486.61 (56)</b>	<b>0.00</b>	<b>(11,988.64) 0</b>
06-203-00040 WO06 2019 F250 LEASE LT	(14,389.96)	8,110.31	0.00	(6,279.65)		(14,390.47)	8,110.82 (56)	0.00	(6,279.65) 0
06-203-00050 WO06 2019 F350 LEASE LT	(13,084.78)	7,375.79	0.00	(5,708.99)		(13,084.78)	7,375.79 (56)	0.00	(5,708.99) 0
<b>10.29400 Net pension liability</b>	<b>166,992.00</b>	<b>(336,207.11)</b>	<b>0.00</b>	<b>(169,215.11)</b>		<b>166,992.00</b>	<b>(336,207.11 )(201)</b>	<b>0.00</b>	<b>(169,215.11) 0</b>

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-3

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg %Chg	Budget 12/22	Amount Chg %Chg
06-202-02278 WO06 NET PENSION LIABILITY	166,992.00	(336,207.11)	0.00	(169,215.11)	<a href="#">EE. 200</a>	166,992.00	(336,207.11) (201)	0.00	(169,215.11) 0
<b>10.29500 Compensated absences</b>	<b>(4,259.30)</b>	<b>(560.72)</b>	<b>0.00</b>	<b>(4,820.02)</b>		<b>(4,259.30)</b>	<b>(560.72) 13</b>	<b>0.00</b>	<b>(4,820.02) 0</b>
<b>10.29500.21800 Compensated absences (non-cui)</b>	<b>(4,259.30)</b>	<b>(560.72)</b>	<b>0.00</b>	<b>(4,820.02)</b>		<b>(4,259.30)</b>	<b>(560.72) 13</b>	<b>0.00</b>	<b>(4,820.02) 0</b>
06-201-02108 WO06 ACCRUED SICK LEAVE	(4,259.30)	(560.72)	0.00	(4,820.02)		(4,259.30)	(560.72) 13	0.00	(4,820.02) 0
<b>10.29950 Deferred inflows of resources</b>	<b>(218,613.13)</b>	<b>197,877.66</b>	<b>0.00</b>	<b>(20,735.47)</b>		<b>(218,613.13)</b>	<b>197,877.66 (91)</b>	<b>0.00</b>	<b>(20,735.47) 0</b>
<b>10.29950.29400 Pension related amounts</b>	<b>(218,613.13)</b>	<b>197,877.66</b>	<b>0.00</b>	<b>(20,735.47)</b>		<b>(218,613.13)</b>	<b>197,877.66 (91)</b>	<b>0.00</b>	<b>(20,735.47) 0</b>
06-210-01252 WO06 DEFERRED INFLOW OF RE	(218,613.13)	197,877.66	0.00	(20,735.47)	<a href="#">EE. 200</a>	(218,613.13)	197,877.66 (91)	0.00	(20,735.47) 0
<b>10.34000 Fund balances (deficit)</b>	<b>(2,533,943.08)</b>	<b>(455,250.53)</b>	<b>0.00</b>	<b>(2,989,193.61)</b>		<b>(2,381,580.00)</b>	<b>(607,613.61) 26</b>	<b>(722,727.00)</b>	<b>(2,266,466.61) 314</b>
<b>10.34000.35100 Nonspendable for inventory</b>	<b>(465,092.76)</b>	<b>0.00</b>	<b>465,092.76</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00 0</b>	<b>(722,727.00)</b>	<b>722,727.00 (100)</b>
06-300-03001 WO06 BEGINNING BALANCE	0.00	0.00	0.00	0.00		0.00	0.00 0	(722,727.00)	722,727.00 (100)
06-492-02780 WO06 FUND BALANCE-RESERVE	(465,092.76)	0.00	465,092.76	0.00		0.00	0.00 0	0.00	0.00 0
<b>10.34000.35500 Unassigned, reported in general</b>	<b>(2,068,850.32)</b>	<b>(455,250.53)</b>	<b>(465,092.76)</b>	<b>(2,989,193.61)</b>		<b>(2,381,580.00)</b>	<b>(607,613.61) 26</b>	<b>0.00</b>	<b>(2,989,193.61) 0</b>
06-170-02780 WO06 FUND BALANCE-RESERVE	1,415,954.23	0.00	(1,415,954.23)	0.00		0.00	0.00 0	0.00	0.00 0
06-202-02780 WO06 FUND BALANCE-RESERVE	(7,755,058.89)	0.00	7,755,058.89	0.00		0.00	0.00 0	0.00	0.00 0
06-279-01601 WO06 INVESTED IN CAPITAL ASSI	(4,166,405.56)	0.00	0.00	(4,166,405.56)		(4,166,405.56)	0.00 0	0.00	(4,166,405.56) 0
06-279-02780 WO06 FUND BALANCE-RESERVE	9,245,168.89	(455,250.53)	(7,612,706.41)	1,177,211.95		1,784,825.56	(607,613.61) (34)	0.00	1,177,211.95 0
06-300-02780 WO06 FUND BALANCE-RESERVE	(7,362,530.48)	0.00	7,362,530.48	0.00		0.00	0.00 0	0.00	0.00 0
06-341-02780 WO06 FUND BALANCE-RESERVE	(624.43)	0.00	624.43	0.00		0.00	0.00 0	0.00	0.00 0
06-342-02780 WO06 FUND BALANCE-RESERVE	(280.00)	0.00	280.00	0.00		0.00	0.00 0	0.00	0.00 0
06-378-02780 WO06 FUND BALANCE-RESERVE	(1,780,858.03)	0.00	1,780,858.03	0.00		0.00	0.00 0	0.00	0.00 0
06-389-02780 WO06 FUND BALANCE-RESERVE	(48,480.33)	0.00	48,480.33	0.00		0.00	0.00 0	0.00	0.00 0
06-429-02780 WO06 FUND BALANCE-RESERVE	780.68	0.00	(780.68)	0.00		0.00	0.00 0	0.00	0.00 0
06-448-02780 WO06 FUND BALANCE-RESERVE	4,842,146.96	0.00	(4,842,146.96)	0.00		0.00	0.00 0	0.00	0.00 0
06-449-02780 WO06 FUND BALANCE-RESERVE	2,180,372.65	0.00	(2,180,372.65)	0.00		0.00	0.00 0	0.00	0.00 0
06-459-02780 WO06 FUND BALANCE-RESERVE	43,662.53	0.00	(43,662.53)	0.00		0.00	0.00 0	0.00	0.00 0
06-471-02780 WO06 FUND BALANCE-RESERVE	121,955.23	0.00	(121,955.23)	0.00		0.00	0.00 0	0.00	0.00 0
06-472-02780 WO06 FUND BALANCE-RESERVE	130,556.54	0.00	(130,556.54)	0.00		0.00	0.00 0	0.00	0.00 0
06-490-02780 WO06 FUND BALANCE-RESERVE	1,064,789.69	0.00	(1,064,789.69)	0.00		0.00	0.00 0	0.00	0.00 0
<b>10.43000 Intergovernmental</b>	<b>(8,987.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(8,987.00)</b>		<b>(5,603.00)</b>	<b>(3,384.00) 60</b>	<b>(6,705.00)</b>	<b>(2,282.00) 34</b>
<b>10.43000.44000 Other</b>	<b>(8,987.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(8,987.00)</b>		<b>(5,603.00)</b>	<b>(3,384.00) 60</b>	<b>(6,705.00)</b>	<b>(2,282.00) 34</b>
06-378-07788 WO06 FIRE PROTECTION	(8,987.00)	0.00	0.00	(8,987.00)		(5,603.00)	(3,384.00) 60	(6,705.00)	(2,282.00) 34
<b>10.46000 Public charges for services</b>	<b>(1,495,019.68)</b>	<b>5,575.29</b>	<b>0.00</b>	<b>(1,489,444.39)</b>		<b>(1,452,421.79)</b>	<b>(37,022.60) 3</b>	<b>(1,473,456.00)</b>	<b>(15,988.39) 1</b>
<b>10.46000.50000 Water service</b>	<b>(1,495,019.68)</b>	<b>5,575.29</b>	<b>0.00</b>	<b>(1,489,444.39)</b>		<b>(1,452,421.79)</b>	<b>(37,022.60) 3</b>	<b>(1,473,456.00)</b>	<b>(15,988.39) 1</b>

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-4

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg %Chg	Budget 12/22	Amount Chg %Chg
06-300-07781 WO06 WATER RENTS/CITY	0.00	5,575.29	0.00	5,575.29		0.00	5,575.29 0	0.00	5,575.29 0
06-378-05421 WO06 AGRICULTURAL LEASES	(6,590.00)	0.00	0.00	(6,590.00)		0.00	(6,590.00) 0	0.00	(6,590.00) 0
06-378-05425 WO06 CONNECTION FEES	(1,480.00)	0.00	0.00	(1,480.00)		(950.00)	(530.00) 56	(837.00)	(643.00) 77
06-378-07781 WO06 WATER RENTS/CITY	(1,478,336.42)	0.00	0.00	(1,478,336.42)	<a href="#">RR. 302</a>	(1,446,213.38)	(32,123.04) 2	(1,467,397.00)	(10,939.42) 1
06-378-07789 WO06 SERVICE CHARGES	(4,992.50)	0.00	0.00	(4,992.50)		(2,139.45)	(2,853.05) 133	(2,141.00)	(2,851.50) 133
06-378-07791 WO06 PENALTY CHARGES	(3,620.76)	0.00	0.00	(3,620.76)		(3,118.96)	(501.80) 16	(3,081.00)	(539.76) 18
<b>10.47000 Intergovernmental charges for services</b>	<b>(288,523.78)</b>	<b>142,016.83</b>	<b>0.00</b>	<b>(146,506.95)</b>		<b>(288,523.78)</b>	<b>142,016.83 (49)</b>	<b>(140,018.00)</b>	<b>(6,488.95) 5</b>
<b>10.47000.47300 Other local governments</b>	<b>(288,523.78)</b>	<b>142,016.83</b>	<b>0.00</b>	<b>(146,506.95)</b>		<b>(288,523.78)</b>	<b>142,016.83 (49)</b>	<b>(140,018.00)</b>	<b>(6,488.95) 5</b>
06-378-07616 WO06 CCCWFA REIMBURSEMEN	(288,523.78)	142,016.83	0.00	(146,506.95)	<a href="#">RR. 305</a>	(288,523.78)	142,016.83 (49)	(140,018.00)	(6,488.95) 5
<b>10.47500 Investment income</b>	<b>(278.70)</b>	<b>0.00</b>	<b>0.00</b>	<b>(278.70)</b>		<b>(624.43)</b>	<b>345.73 (55)</b>	<b>(678.00)</b>	<b>399.30 (59)</b>
<b>10.47500.48100 Interest on investments</b>	<b>(278.70)</b>	<b>0.00</b>	<b>0.00</b>	<b>(278.70)</b>		<b>(624.43)</b>	<b>345.73 (55)</b>	<b>(678.00)</b>	<b>399.30 (59)</b>
06-341-05410 WO06 INVESTMENT INTEREST	(278.70)	0.00	0.00	(278.70)		(624.43)	345.73 (55)	(678.00)	399.30 (59)
<b>10.48000 Miscellaneous revenues</b>	<b>17,809.39</b>	<b>(44,929.01)</b>	<b>0.00</b>	<b>(27,119.62)</b>		<b>(79,674.99)</b>	<b>52,555.37 (66)</b>	<b>(28,809.00)</b>	<b>1,689.38 (6)</b>
<b>10.48000.48200 Rent</b>	<b>(840.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(840.00)</b>		<b>(280.00)</b>	<b>(560.00) 200</b>	<b>(8,500.00)</b>	<b>7,660.00 (90)</b>
06-342-05421 WO06 AGRICULTURAL LEASES	(840.00)	0.00	0.00	(840.00)		(280.00)	(560.00) 200	(8,500.00)	7,660.00 (90)
<b>10.48000.48400 Insurance recoveries</b>	<b>18,649.39</b>	<b>(44,929.01)</b>	<b>0.00</b>	<b>(26,279.62)</b>		<b>(79,394.99)</b>	<b>53,115.37 (67)</b>	<b>(20,309.00)</b>	<b>(5,970.62) 29</b>
06-378-07614 WO06 REIMBURSEMENTS	30,512.16	(30,512.16)	0.00	0.00		(30,612.16)	30,612.16 (100)	0.00	0.00 0
06-378-08100 WO06 MISCELLANEOUS	(537.50)	0.00	0.00	(537.50)		(302.50)	(235.00) 78	0.00	(537.50) 0
06-389-07308 WO06 ACCIDENT/DAMAGE REIMB	0.00	0.00	0.00	0.00		(5,445.08)	5,445.08 (100)	0.00	0.00 0
06-389-07614 WO06 REIMBURSEMENTS	(660.00)	0.00	0.00	(660.00)		(43,022.23)	42,362.23 (98)	(20,000.00)	19,340.00 (97)
06-389-08100 WO06 MISCELLANEOUS	(10,665.27)	(14,416.85)	0.00	(25,082.12)		(13.02)	(25,069.10) *****	(309.00)	(24,773.12) 017
<b>10.49100 Debt issued</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00 0</b>	<b>(2,500,000.00)</b>	<b>2,500,000.00 (100)</b>
06-393-05413 WO06 PennVEST PROCEEDS	0.00	0.00	0.00	0.00		0.00	0.00 0	(2,500,000.00)	2,500,000.00 (100)
<b>10.49200 Transfers in</b>	<b>(184,826.47)</b>	<b>544,889.01</b>	<b>0.00</b>	<b>360,062.54</b>		<b>(722,822.76)</b>	<b>1,082,885.30 (150)</b>	<b>61,786.00</b>	<b>298,276.54 483</b>
<b>10.49200.49200 Operating transfers in</b>	<b>(184,826.47)</b>	<b>544,889.01</b>	<b>0.00</b>	<b>360,062.54</b>		<b>(722,822.76)</b>	<b>1,082,885.30 (150)</b>	<b>61,786.00</b>	<b>298,276.54 483</b>
06-300-00015 WO06 Allocation from ARP	0.00	(28,084.40)	0.00	(28,084.40)	<a href="#">C. 9</a>	0.00	(28,084.40) 0	0.00	(28,084.40) 0
06-300-05136 WO06 Allocation from Water Reserv	0.00	(818,620.57)	0.00	(818,620.57)	<a href="#">C. 9</a>	0.00	(818,620.57) 0	0.00	(818,620.57) 0
06-392-05142 WO06 ALLOCATION FROM FUND I	(487,532.51)	487,532.51	0.00	0.00	<a href="#">C. 9</a>	0.00	0.00 0	0.00	0.00 0
06-392-05144 WO06 ALLOCATION FROM OHL D.	(577.96)	0.00	0.00	(577.96)	<a href="#">C. 9</a>	0.00	(577.96) 0	0.00	(577.96) 0
06-490-49336 WO06 Transfer to Water Reserve	0.00	651,900.44	0.00	651,900.44	<a href="#">C. 9</a>	0.00	651,900.44 0	0.00	651,900.44 0
06-490-49344 WO06 TRANSFER TO OHL DAMN I	0.00	252,161.03	0.00	252,161.03	<a href="#">C. 9</a>	0.00	252,161.03 0	0.00	252,161.03 0
06-492-49336 WO06 FUND 036 ANNUAL TRANSF	84,436.00	0.00	0.00	84,436.00	<a href="#">C. 9</a>	(722,822.76)	807,258.76 (112)	61,786.00	22,650.00 37
06-492-49344 WO06 ALLOCATION TO FUND 044	218,848.00	0.00	0.00	218,848.00	<a href="#">C. 9</a>	0.00	218,848.00 0	0.00	218,848.00 0

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-5

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg	%Chg	Budget 12/22	Amount Chg	%Chg
<b>10.49400 Sales of fixed assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>(500.00)</b>	<b>500.00</b>	<b>(100)</b>
<b>10.49400.49400 Sales of general fixed assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>(500.00)</b>	<b>500.00</b>	<b>(100)</b>
06-391-09910 WO06 SALE OF ASSETS	0.00	0.00	0.00	0.00		0.00	0.00	0	(500.00)	500.00	(100)
<b>10.53000 Public works</b>	<b>1,830,024.15</b>	<b>542,646.52</b>	<b>(45,332.23)</b>	<b>2,327,338.44</b>		<b>1,941,834.86</b>	<b>385,503.58</b>	<b>20</b>	<b>2,011,260.00</b>	<b>316,078.44</b>	<b>16</b>
06-448-43100 WO06 TAX CLAIM BUREAU	0.00	0.00	0.00	0.00		135.00	(135.00)	(100)	0.00	0.00	0
06-449-31400 WO06 LEGAL EXPENSE	0.00	0.00	0.00	0.00		36.00	(36.00)	(100)	0.00	0.00	0
06-449-31700 WO06 TRAINING	37.82	0.00	0.00	37.82		444.72	(406.90)	(91)	550.00	(512.18)	(93)
<b>10.53000.24030 Depreciation expense</b>	<b>0.00</b>	<b>371,776.95</b>	<b>0.00</b>	<b>371,776.95</b>		<b>387,298.91</b>	<b>(15,521.96)</b>	<b>(4)</b>	<b>0.00</b>	<b>371,776.95</b>	<b>0</b>
06-490-49999 WO06 DEPRECIATION EXPENSE	0.00	371,776.95	0.00	371,776.95		387,298.91	(15,521.96)	(4)	0.00	371,776.95	0
<b>10.53000.29200 Personnel services</b>	<b>803,125.70</b>	<b>15,420.36</b>	<b>(45,332.23)</b>	<b>773,213.83</b>		<b>771,616.42</b>	<b>1,597.41</b>	<b>0</b>	<b>937,459.00</b>	<b>(164,245.17)</b>	<b>(18)</b>
06-448-10111 WO06 COUNCILMEN	4,967.04	(13.60)	0.00	4,953.44	<a href="#">SS. 920</a>	4,865.13	88.31	2	4,968.00	(14.56)	0
06-448-10112 WO06 MAYOR	1,103.96	(3.03)	0.00	1,100.93	<a href="#">SS. 920</a>	1,095.47	5.46	0	1,104.00	(3.07)	0
06-448-10114 WO06 TREASURER	384.02	(1.06)	0.00	382.96	<a href="#">SS. 920</a>	299.35	83.61	28	384.00	(1.04)	0
06-448-10115 WO06 CONTROLLER	479.96	(1.32)	0.00	478.64	<a href="#">SS. 920</a>	277.66	200.98	72	480.00	(1.36)	0
06-448-10121 WO06 CITY MANAGER	30,782.44	145.30	0.00	30,927.74	<a href="#">SS. 920</a>	17,329.94	13,597.80	78	30,783.00	144.74	0
06-448-10122 WO06 ASSISTANT MANAGER	0.00	0.00	0.00	0.00		0.00	0.00	0	26,425.00	(26,425.00)	(100)
06-448-10124 WO06 DIRECTOR OF PUBLIC WOF	23,044.44	(56.22)	0.00	22,988.22	<a href="#">SS. 920</a>	22,715.10	273.12	1	23,578.00	(589.78)	(3)
06-448-10134 WO06 FOREMAN	28,933.52	877.58	0.00	29,811.10	<a href="#">SS. 920</a>	37,912.90	(8,101.80)	(21)	39,470.00	(9,658.90)	(24)
06-448-10140 WO06 STENOGRAPHER	527.85	(1.40)	0.00	526.45	<a href="#">SS. 920</a>	557.18	(30.73)	(6)	508.00	18.45	4
06-448-10141 WO06 FULL TIME PERSONNEL	190,201.32	(2,964.70)	0.00	187,236.62	<a href="#">SS. 920</a>	207,233.65	(19,997.03)	(10)	222,550.00	(35,313.38)	(16)
06-448-10142 WO06 CLERICAL STAFF	76,879.88	4.01	0.00	76,883.89	<a href="#">SS. 920</a>	73,665.71	3,218.18	4	95,092.00	(18,208.11)	(19)
06-448-10144 WO06 PART TIME PERSONNEL	3,341.38	0.00	0.00	3,341.38	<a href="#">SS. 920</a>	1,115.13	2,226.25	200	7,567.00	(4,225.62)	(56)
06-448-10147 WO06 METER READER	20,675.21	73.46	0.00	20,748.67	<a href="#">SS. 920</a>	21,706.78	(958.11)	(4)	21,437.00	(688.33)	(3)
06-448-10149 WO06 INTERN	0.00	0.00	0.00	0.00	<a href="#">SS. 920</a>	0.00	0.00	0	1,513.00	(1,513.00)	(100)
06-448-10160 WO06 OVERTIME WAGES	29,552.49	168.82	0.00	29,721.31	<a href="#">SS. 920</a>	22,005.02	7,716.29	35	15,632.00	14,089.31	90
06-448-10165 WO06 SHIFT DIFFERENTIAL	0.00	0.00	0.00	0.00	<a href="#">SS. 920</a>	13.50	(13.50)	(100)	50.00	(50.00)	(100)
06-448-10174 WO06 MECHANIC	19,146.81	(31.50)	0.00	19,115.31	<a href="#">SS. 920</a>	18,254.63	860.68	5	20,093.00	(977.69)	(5)
06-448-11156 WO06 HEALTH INSURANCE	210,218.43	0.00	(38,958.20)	171,260.23	<a href="#">SS. 920</a>	169,600.28	1,659.95	1	263,252.00	(91,991.77)	(35)
06-448-11157 WO06 HRA DEDUCTIBLE	14,121.12	0.00	0.00	14,121.12	<a href="#">SS. 920</a>	17,199.30	(3,078.18)	(18)	3,870.00	10,251.12	265
06-448-11158 WO06 DENTAL INSURANCE	5,732.53	0.00	0.00	5,732.53	<a href="#">SS. 920</a>	5,610.96	121.57	2	7,373.00	(1,640.47)	(22)
06-448-11161 WO06 FICA (SS & Medicare)	30,760.19	(167.71)	0.00	30,592.48	<a href="#">SS. 920</a>	39,094.59	(8,502.11)	(22)	39,140.00	(8,547.52)	(22)
06-448-11162 WO06 CERF REIMBURSEMENT	5,155.00	17,968.30	0.00	23,123.30	<a href="#">SS. 920A</a>	(58,319.00)	81,442.30	(140)	0.00	23,123.30	0
06-448-11168 WO06 PRESCRIPTION REIMB.	2,961.00	0.00	0.00	2,961.00	<a href="#">SS. 920</a>	4,351.96	(1,390.96)	(32)	3,870.00	(909.00)	(23)
06-448-11170 WO06 WORKERS COMP INSURAN	15,117.38	0.00	0.00	15,117.38	<a href="#">SS. 920</a>	29,025.89	(13,908.51)	(48)	15,990.00	(872.62)	(5)
06-448-11172 WO06 SPECIAL COMPENSATION	1,235.50	0.00	0.00	1,235.50	<a href="#">SS. 920</a>	681.74	553.76	81	600.00	635.50	106
06-448-11580 WO06 LIFE INSURANCE	2,636.18	0.00	0.00	2,636.18	<a href="#">SS. 920</a>	2,695.84	(59.66)	(2)	2,924.00	(287.82)	(10)
06-448-31120 WO06 BANK FEES	1,233.92	0.00	0.00	1,233.92		505.19	728.73	144	500.00	733.92	147
06-448-40322 WO06 CODIFICATION EXPENSES	1,808.60	0.00	0.00	1,808.60		262.90	1,545.70	588	337.00	1,471.60	437
06-449-10132 WO06 FOREMAN	0.00	0.00	0.00	0.00		0.00	0.00	0	10,982.00	(10,982.00)	(100)
06-449-10134 WO06 FOREMAN	14,817.72	56.83	0.00	14,874.55	<a href="#">SS. 920</a>	37,041.39	(22,166.84)	(60)	0.00	14,874.55	0

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-6

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg %Chg	Budget 12/22	Amount Chg %Chg
06-449-10141 WO06 FULL TIME PERSONNEL	18,554.23	(529.96)	0.00	18,024.27	<a href="#">SS. 920</a>	29,929.00	(11,904.73) (40)	31,439.00	(13,414.73) (43)
06-449-10144 WO06 PART TIME PERSONNEL	1,036.91	(59.10)	0.00	977.81	<a href="#">SS. 920</a>	4,613.37	(3,635.56) (79)	2,838.00	(1,860.19) (66)
06-449-10160 WO06 OVERTIME WAGES	106.44	0.00	0.00	106.44	<a href="#">SS. 920</a>	63.25	43.19 68	4,045.00	(3,938.56) (97)
06-449-10165 WO06 SHIFT DIFFERENTIAL	0.00	0.00	0.00	0.00	<a href="#">SS. 920</a>	12.13	(12.13) (100)	0.00	0.00 0
06-449-11156 WO06 HEALTH INSURANCE	34,394.23	0.00	(6,374.03)	28,020.20	<a href="#">SS. 920</a>	43,435.68	(15,415.48) (35)	25,779.00	2,241.20 9
06-449-11157 WO06 HRA DEDUCTIBLE	3,173.88	0.00	0.00	3,173.88	<a href="#">SS. 920</a>	2,061.11	1,112.77 54	469.00	2,704.88 577
06-449-11158 WO06 DENTAL INSURANCE	1,061.43	0.00	0.00	1,061.43	<a href="#">SS. 920</a>	1,317.77	(256.34) (19)	704.00	357.43 51
06-449-11161 WO06 FICA (SS & Medicare)	2,496.72	(44.34)	0.00	2,452.38	<a href="#">SS. 920</a>	5,509.84	(3,057.46) (55)	3,772.00	(1,319.62) (35)
06-449-11162 WO06 CERF REIMBURSEMENT	562.00	0.00	0.00	562.00		0.00	562.00 0	0.00	562.00 0
06-449-11168 WO06 PRESCRIPTION REIMB.	244.69	0.00	0.00	244.69	<a href="#">SS. 920</a>	695.15	(450.46) (65)	469.00	(224.31) (48)
06-449-11170 WO06 WORKERS COMP INSURAN	5,282.10	0.00	0.00	5,282.10	<a href="#">SS. 920</a>	6,628.05	(1,345.95) (20)	7,125.00	(1,842.90) (26)
06-449-11172 WO06 SPECIAL COMPENSATION	72.00	0.00	0.00	72.00		0.00	72.00 0	0.00	72.00 0
06-449-11401 WO06 COVID-19: FMLA	0.00	0.00	0.00	0.00	<a href="#">SS. 920</a>	268.99	(268.99) (100)	0.00	0.00 0
06-449-11580 WO06 LIFE INSURANCE	323.18	0.00	0.00	323.18	<a href="#">SS. 920</a>	446.71	(123.53) (28)	347.00	(23.82) (7)
06-459-11161 WO06 FICA (SS & MEDICARE)	0.00	0.00	0.00	0.00	<a href="#">SS. 920</a>	25.45	(25.45) (100)	0.00	0.00 0
06-459-11401 WO06 COVID 19 FMLA	0.00	0.00	0.00	0.00	<a href="#">SS. 920</a>	(188.27)	188.27 (100)	0.00	0.00 0
<b>10.53000.29210 Materials, supplies and maintena</b>	<b>86,610.01</b>	<b>(14,937.82)</b>	<b>0.00</b>	<b>71,672.19</b>		<b>123,720.74</b>	<b>(52,048.55) (42)</b>	<b>123,826.00</b>	<b>(52,153.81) (42)</b>
06-448-25200 WO06 SYSTEM MAINTENANCE	42,105.20	0.00	0.00	42,105.20		74,813.86	(32,708.66) (44)	50,000.00	(7,894.80) (16)
06-448-25220 WO06 STREET PERMIT FEES	1,945.35	0.00	0.00	1,945.35		7,302.25	(5,356.90) (73)	3,000.00	(1,054.65) (35)
06-448-26100 WO06 PURCHASE MINOR EQUIPN	1,660.35	0.00	0.00	1,660.35		10,819.79	(9,159.44) (85)	6,000.00	(4,339.65) (72)
06-448-36120 WO06 ELECTRIC/CASTANEA PUM	9,271.82	0.00	0.00	9,271.82		6,450.46	2,821.36 44	7,875.00	1,396.82 18
06-448-36610 WO06 HYDRANT EXPENSES	775.00	0.00	0.00	775.00		1,132.62	(357.62) (32)	1,200.00	(425.00) (35)
06-448-37310 WO06 BUILDING MAINTENANCE	0.00	0.00	0.00	0.00		18.22	(18.22) (100)	0.00	0.00 0
06-448-46111 WO06 UTILITY REFUND	0.00	0.00	0.00	0.00		13.02	(13.02) (100)	17.00	(17.00) (100)
06-448-46112 WO06 UTILITY REFUND	9.51	0.00	0.00	9.51		0.00	9.51 0	0.00	9.51 0
06-448-75330 WO06 FORD F150 5-YEAR LEASE	16,223.31	(14,937.82)	0.00	1,285.49	<a href="#">KK. 105</a>	1,813.80	(528.31) (29)	41,856.00	(40,570.51) (97)
06-449-31300 WO06 ENGINEERING SERVICES	14,619.47	0.00	0.00	14,619.47		20,036.14	(5,416.67) (27)	13,878.00	741.47 5
06-449-75601 WO06 2018 WATER WELLS	0.00	0.00	0.00	0.00		1,320.58	(1,320.58) (100)	0.00	0.00 0
<b>10.53000.29230 Utilities</b>	<b>866,347.19</b>	<b>107,582.03</b>	<b>0.00</b>	<b>973,929.22</b>		<b>595,217.71</b>	<b>378,711.51 64</b>	<b>884,848.00</b>	<b>89,081.22 10</b>
06-401-23100 WO06 OPERATING SUPPLIES	1,985.28	0.00	0.00	1,985.28		0.00	1,985.28 0	0.00	1,985.28 0
06-448-21100 WO06 OFFICE SUPPLIES	2,064.37	0.00	0.00	2,064.37		1,572.79	491.58 31	2,000.00	64.37 3
06-448-21200 WO06 COMPUTER REPAIR	2,652.22	0.00	0.00	2,652.22		4,248.08	(1,595.86) (38)	350.00	2,302.22 658
06-448-22500 WO06 WATER ANALYSIS	113,387.03	0.00	0.00	113,387.03		4,995.00	108,392.032170	5,153.00	108,234.032100
06-448-22600 WO06 CCCWFA WATER	660,639.87	107,582.03	0.00	768,221.90	<a href="#">SS. 921</a>	536,389.66	231,832.24 43	640,718.00	127,503.90 20
06-448-23100 WO06 OPERATING SUPPLIES	13,644.83	0.00	0.00	13,644.83		4,095.37	9,549.46 233	4,670.00	8,974.83 192
06-448-23710 WO06 GARAGE SUPPLIES	1,092.79	0.00	0.00	1,092.79		486.46	606.33 125	526.00	566.79 108
06-448-23800 WO06 CLOTHING SUPPLIES	2,487.58	0.00	0.00	2,487.58		3,309.36	(821.78) (25)	2,621.00	(133.42) (5)
06-448-36100 WO06 ELECTRIC SERVICE	0.00	0.00	0.00	0.00		296.85	(296.85) (100)	0.00	0.00 0
06-448-37110 WO06 OFFICE EQUIPMENT MNTC	0.00	0.00	0.00	0.00		0.00	0.00 0	100.00	(100.00) (100)
06-448-37160 WO06 OTHER STRUCTURES/MAIN	214.97	0.00	0.00	214.97		0.00	214.97 0	0.00	214.97 0
06-448-37200 WO06 CUMMINGS PUMP MAINT	960.00	0.00	0.00	960.00		0.00	960.00 0	15,000.00	(14,040.00) (94)
06-448-37220 WO06 CASTANEA PUMP MAINT	300.00	0.00	0.00	300.00		4,475.97	(4,175.97) (93)	15,000.00	(14,700.00) (98)

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-7

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg %Chg	Budget 12/22	Amount Chg %Chg
06-448-37400 WO06 VEHICLE PARTS	3,508.88	0.00	0.00	3,508.88		2,189.81	1,319.07 60	1,801.00	1,707.88 95
06-448-37430 WO06 ACCIDENT REPAIRS	0.00	0.00	0.00	0.00		2,950.50	(2,950.50) (100)	3,782.00	(3,782.00) (100)
06-448-37500 WO06 TIRES	498.00	0.00	0.00	498.00		998.00	(500.00) (50)	577.00	(79.00) (14)
06-448-37600 WO06 OIL & GREASE	628.94	0.00	0.00	628.94		678.38	(49.44) (7)	674.00	(45.06) (7)
06-448-37601 WO06 VEHICLE FUEL	13,022.92	0.00	0.00	13,022.92		7,371.14	5,651.78 77	7,677.00	5,345.92 70
06-448-37720 WO06 CUSTOMER METER MAINT	6,982.64	0.00	0.00	6,982.64		6,803.91	178.73 3	8,722.00	(1,739.36) (20)
06-448-37820 WO06 REGULATING VALVE MAINT	3,900.00	0.00	0.00	3,900.00		15,055.00	(11,155.00) (74)	16,113.00	(12,213.00) (76)
06-448-38300 WO06 OFFICE RENTAL	0.00	0.00	0.00	0.00		0.00	0.00 0	2,400.00	(2,400.00) (100)
06-448-45200 WO06 EQUIPMENT REPAIRS	2,812.91	0.00	0.00	2,812.91		5,111.42	(2,298.51) (45)	5,664.00	(2,851.09) (50)
06-448-45210 WO06 SOFTWARE FEES	33,486.93	0.00	0.00	33,486.93		30,060.30	3,426.63 11	31,842.00	1,644.93 5
06-448-45300 WO06 EQUIPMENT RENTAL	200.20	0.00	0.00	200.20		1,120.71	(920.51) (82)	1,437.00	(1,236.80) (86)
06-448-45400 WO06 CONTRACT SERVICES	111.03	0.00	0.00	111.03		7,306.81	(7,195.78) (98)	9,343.00	(9,231.97) (99)
06-448-72100 WO06 LINE IMPROVEMENTS	0.00	0.00	0.00	0.00		(44,809.60)	44,809.60 (100)	77,678.00	(77,678.00) (100)
06-449-23800 WO06 CLOTHING SUPPLIES	0.00	0.00	0.00	0.00		40.00	(40.00) (100)	0.00	0.00 0
06-449-23900 WO06 COLLECTION SUPPLIES	0.00	0.00	0.00	0.00		0.00	0.00 0	1,000.00	(1,000.00) (100)
06-449-31210 WO06 CONSULTANT FEES	0.00	0.00	0.00	0.00		0.00	0.00 0	5,000.00	(5,000.00) (100)
06-449-37130 WO06 MCELHATTAN HOUSE MAINT	0.00	0.00	0.00	0.00		0.00	0.00 0	12,000.00	(12,000.00) (100)
06-449-37160 WO06 OTHER MAINT	1,117.22	0.00	0.00	1,117.22		234.31	882.91 377	5,000.00	(3,882.78) (78)
06-449-37170 WO06 SIGN/FENCING MATERIAL	55.00	0.00	0.00	55.00		0.00	55.00 0	5,000.00	(4,945.00) (99)
06-449-37730 WO06 EQUIPMENT REPAIRS	440.58	0.00	0.00	440.58		0.00	440.58 0	1,500.00	(1,059.42) (71)
06-449-37740 WO06 INTAKE MAINTENANCE	0.00	0.00	0.00	0.00		0.00	0.00 0	1,500.00	(1,500.00) (100)
06-449-45210 WO06 COMPUTER SOFTWARE FE	153.00	0.00	0.00	153.00		237.48	(84.48) (36)	0.00	153.00 0
<b>10.53000.29240 Property insurance</b>	<b>11,762.88</b>	<b>0.00</b>	<b>0.00</b>	<b>11,762.88</b>		<b>15,502.29</b>	<b>(3,739.41) (24)</b>	<b>8,684.00</b>	<b>3,078.88 35</b>
06-448-35303 WO06 SURETY BONDS	760.08	0.00	0.00	760.08		1,089.29	(329.21) (30)	750.00	10.08 1
06-448-35304 WO06 CYBER INSURANCE	3,068.80	0.00	0.00	3,068.80		0.00	3,068.80 0	0.00	3,068.80 0
06-449-35301 WO06 PROPERTY DAMAGE INSUR	5,941.00	0.00	0.00	5,941.00		8,510.00	(2,569.00) (30)	5,941.00	0.00 0
06-449-35302 WO06 LIABILITY INSURANCE	684.00	0.00	0.00	684.00		4,866.00	(4,182.00) (86)	684.00	0.00 0
06-449-35306 WO06 PUBLIC OFFICIALS INSURA	1,309.00	0.00	0.00	1,309.00		1,037.00	272.00 26	1,309.00	0.00 0
<b>10.53000.29260 Administrative expense</b>	<b>62,140.55</b>	<b>0.00</b>	<b>0.00</b>	<b>62,140.55</b>		<b>47,863.07</b>	<b>14,277.48 30</b>	<b>50,893.00</b>	<b>11,247.55 22</b>
06-448-31100 WO06 AUDIT EXPENSE	16,640.88	0.00	0.00	16,640.88		12,001.50	4,639.38 39	14,013.00	2,627.88 19
06-448-31300 WO06 ENGINEERING SERVICES	4,826.88	0.00	0.00	4,826.88		3,518.46	1,308.42 37	5,500.00	(673.12) (12)
06-448-31400 WO06 LEGAL EXPENSE	2,754.48	0.00	0.00	2,754.48		2,071.61	682.87 33	2,363.00	391.48 17
06-448-31600 WO06 PUC WATER SYSTEM ANNU	10,000.00	0.00	0.00	10,000.00		10,000.00	0.00 0	10,000.00	0.00 0
06-448-31700 WO06 TRAINING	7,133.81	0.00	0.00	7,133.81		3,473.21	3,660.60 105	3,202.00	3,931.81 123
06-448-32100 WO06 PHONE AND INTERNET	5,436.76	0.00	0.00	5,436.76		5,411.92	24.84 0	4,673.00	763.76 16
06-448-32101 WO06 COMPLIANCE TESTING	439.25	0.00	0.00	439.25		302.86	136.39 45	100.00	339.25 339
06-448-32500 WO06 POSTAGE	6,062.08	0.00	0.00	6,062.08		4,455.38	1,606.70 36	4,540.00	1,522.08 34
06-448-32700 WO06 RADIO MAINTENANCE	0.00	0.00	0.00	0.00		0.00	0.00 0	250.00	(250.00) (100)
06-448-34100 WO06 ADVERTISING	3,549.82	0.00	0.00	3,549.82		2,471.18	1,078.64 44	1,200.00	2,349.82 196
06-448-34400 WO06 COPIER EXPENSE	2,370.60	0.00	0.00	2,370.60		1,688.41	682.19 40	1,508.00	862.60 57
06-448-36110 WO06 ELECTRIC/CASTANEA	783.36	0.00	0.00	783.36		860.86	(77.50) (9)	993.00	(209.64) (21)
06-448-37205 WO06 CUMMINGS VILLAGE TANK	811.63	0.00	0.00	811.63		85.43	726.20 850	0.00	811.63 0

**City of Lock Haven, Pennsylvania: Water Operations (06)**

Year End: December 31, 2023

Trial balance - By map no.

Account No: 10 To 10.63000

Completed by	Reviewed by	Reviewed by	Partner Review
		AH15523 4/23/2024	

304A-8

Account	Prelim12/22	Adj's12/22	Reclass12/22	Rep 12/22	Annotation	Rep 12/21	Amount Chg %Chg	Budget 12/22	Amount Chg %Chg
06-448-42100 WO06 DUES/SUBSCRIPTIONS	780.00	0.00	0.00	780.00		837.25	(57.25) (7)	1,500.00	(720.00) (48)
06-448-45120 WO06 VEHICLE CONTRACT REPA	0.00	0.00	0.00	0.00		0.00	0.00 0	500.00	(500.00) (100)
06-449-35307 WO06 AUTOMOBILE INSURANCE	551.00	0.00	0.00	551.00		685.00	(134.00) (20)	551.00	0.00 0
<b>10.53000.29300 Miscellaneous general expenses</b>	<b>0.00</b>	<b>62,805.00</b>	<b>0.00</b>	<b>62,805.00</b>		<b>0.00</b>	<b>62,805.00 0</b>	<b>5,000.00</b>	<b>57,805.00 (1156)</b>
06-448-46100 WO06 OTHER OPERATING EXPEN	0.00	62,805.00	0.00	62,805.00		0.00	62,805.00 0	0.00	62,805.00 0
06-448-74101 WO06 CAPITAL PURCHASES FOR	0.00	0.00	0.00	0.00		0.00	0.00 0	5,000.00	(5,000.00) (100)
<b>10.58000 Debt Service</b>	<b>866,954.94</b>	<b>(776,318.44)</b>	<b>0.00</b>	<b>90,636.50</b>		<b>55,222.50</b>	<b>35,414.00 64</b>	<b>2,734,736.00</b>	<b>(2,644,099.50) (97)</b>
<b>10.58000.58200 Interest and fiscal charges</b>	<b>866,954.94</b>	<b>(776,318.44)</b>	<b>0.00</b>	<b>90,636.50</b>		<b>55,222.50</b>	<b>35,414.00 64</b>	<b>2,734,736.00</b>	<b>(2,644,099.50) (97)</b>
06-471-75301 WO06 2007 PENNVEST (ends 203E	124,426.48	(124,418.00)	0.00	8.48		0.00	8.48 0	124,418.00	(124,409.52) (100)
06-471-75318 WO06 2018C NOTE	651,900.44	(651,900.44)	0.00	0.00		0.00	0.00 0	2,500,000.00	(2,500,000.00) (100)
06-472-75301 WO06 2007 PENNVEST (ends 203E	21,629.72	0.00	0.00	21,629.72	<a href="#">KK. 910</a>	22,875.78	(1,246.06) (5)	21,638.00	(8.28) 0
06-472-75304 WO06 2022 PennVEST	450.75	0.00	0.00	450.75	<a href="#">KK. 910</a>	0.00	450.75 0	0.00	450.75 0
06-472-75318 WO06 2018C NOTE	51,270.13	0.00	0.00	51,270.13	<a href="#">KK. 910</a>	32,346.72	18,923.41 59	82,750.00	(31,479.87) (38)
06-472-75321 WO06 2021A NOTE (ends '41)	17,277.42	0.00	0.00	17,277.42	<a href="#">KK. 910</a>	0.00	17,277.42 0	5,930.00	11,347.42 191
<b>10.59200 Transfers out</b>	<b>35,360.72</b>	<b>0.00</b>	<b>0.00</b>	<b>35,360.72</b>		<b>0.00</b>	<b>35,360.72 0</b>	<b>17,447.00</b>	<b>17,913.72 103</b>
<b>10.59200.59200 Operating transfers out</b>	<b>35,360.72</b>	<b>0.00</b>	<b>0.00</b>	<b>35,360.72</b>		<b>0.00</b>	<b>35,360.72 0</b>	<b>17,447.00</b>	<b>17,913.72 103</b>
06-492-11162 WO06 CERF REIMBURSEMENT	0.00	0.00	0.00	0.00	<a href="#">SS. 920</a>	0.00	0.00 0	7,481.00	(7,481.00) (100)
06-492-26105 WO06 MAINTENANCE GARAGE RI	0.00	0.00	0.00	0.00		0.00	0.00 0	9,966.00	(9,966.00) (100)
06-492-49342 WO06 ALLOCATION TO FUND 042	22,994.72	0.00	0.00	22,994.72	<a href="#">C. 9</a>	0.00	22,994.72 0	0.00	22,994.72 0
06-492-49350 WO06 ALLOCATION TO GENERAL	12,366.00	0.00	0.00	12,366.00	<a href="#">C. 9</a>	0.00	12,366.00 0	0.00	12,366.00 0
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		<u>54,999.49</u>	<u>(54,999.49) (100)</u>	<u>(47,664.00)</u>	<u>47,664.00 (100)</u>
<b>Net Income (Loss)</b>	<b>(772,513.57)</b>			<b>(1,141,061.54)</b>		<b>552,613.39</b>	<b>(1,693,674.93) (306)</b>	<b>(675,063.00)</b>	<b>(465,998.54) 69</b>

Summary, By Detail Plan Accounts, of the Book Value of Utility Property  
as of December 31, 2023  
52 Pa. Code § 53.52(c)(3)

An estimated summary of the book value of utility property as of December 31, 2023 is provided below. Lock Haven will provide updated audited data when it becomes available.

**BOOK VALUE OF PROPERTY PLANT AND EQUIPMENT:**

DESCRIPTION	HISTORICAL COST	ACCUMULATED DEPRECIATION	BOOK VALUE @ 12/31/23	2023 DEPR EXP.
WATER SYSTEM	\$ 2,363,145	\$ 1,253,340	\$ 1,109,806	\$ 42,594
VEHICLES	<u>286,057</u>	<u>286,057</u>	<u>-</u>	<u>14,824</u>
Total Equipment and Vehicles	\$ 2,649,203	\$ 1,539,397	\$ 1,109,806	\$ 57,418
WATER RESERVOIR (Land/Land Impr)	\$ 7,239,529	\$ 4,647,454	\$ 2,592,075	\$ 311,481
PURIFICATION EQUIPMENT	46,278	24,923	21,355	1,000
OFFICE EQUIPMENT	385,392	354,729	30,663	2,341
DEVELOPERS FEES	<u>254,318</u>	<u>140,261</u>	<u>114,057</u>	<u>5,086</u>
Total Public Utility System	\$ 7,925,517	\$ 5,167,366	\$ 2,758,150	\$ 319,909
CONSTRUCTION IN PROGRESS	\$ 4,798,752	\$ -	\$ 4,798,752	\$ -
TOTALS	\$ 15,373,471	\$ 6,706,763	\$ 8,666,708	\$ 377,327

Depreciation Reserve as of December 31, 2023  
52 Pa. Code § 53.52(c)(4)

An estimated summary of the depreciation reserve as of December 31, 2023 is provided below. Lock Haven will provide updated audited data when it becomes available.

DESCRIPTION	2022 ACCUMULATED DEPRECIATION	2023 DEPRECIATION	2023 ACCUMULATED DEPRECIATION
WATER SYSTEM	\$ 1,210,746	\$ 42,594	\$ 1,253,340
VEHICLES	<u>271,234</u>	<u>14,824</u>	<u>286,057</u>
Total Equipment and Vehicles	\$ 1,481,979	\$ 57,418	\$ 1,539,397
WATER RESERVOIR (Land/Land Impr)	\$ 4,335,972	\$ 311,481	\$ 4,647,454
PURIFICATION EQUIPMENT	23,922	1,000	24,923
OFFICE EQUIPMENT	352,388	2,341	354,729
DEVELOPERS FEES	<u>135,175</u>	<u>5,086</u>	<u>140,261</u>
Total Public Utility System	\$ 4,847,457	\$ 319,909	\$ 5,167,366
CONSTRUCTION IN PROGRESS	\$ -	\$ -	\$ -
TOTALS	\$ 6,329,437	\$ 377,327	\$ 6,706,763

Brief Description of a Major Change in the Operating or Financial Condition of the Utility  
Occurring Between the Date of the Balance Sheet and Transmittal of the Tariff Supplement  
52 Pa. Code § 53.52(c)(6)

Not applicable.

Customer Notice

52 Pa. Code § 53.45(b)(1), (2), and (4)

The following customer notice is posted in the City of Lock Haven Water Department office and will remain posted for at least 60 days before the proposed rate increase becomes effective. Notice has also been mailed to customers in writing on or before May 23, 2024.

May 23, 2024

## **NOTICE OF PROPOSED RATE CHANGES**

### TO OUR CUSTOMERS:

The City of Lock Haven Water Department (“City” or “Water Department”) is filing a request with the Pennsylvania Public Utility Commission (“PUC” or “Commission”) to increase your water rates as of July 23, 2024. This notice describes the Water Department’s rate request, the PUC’s role, and what actions you can take.

The Water Department is proposing an overall rate increase of approximately \$990,432 per year, or 64.2%. Of this amount, the City is specifically seeking PUC approval to increase rates for customers outside of the City by \$377,823, or 71.4%.

In addition, the City is proposing to implement a PENNVEST Surcharge (“PVS”) which will allow the Water Department to recover costs for several PENNVEST low-interest loans that have and will continue to be awarded to the City to enable mandated repairs and improvements to the water system. The total proposed increase to be recovered from the PVS, to be put in place at the same time as the base rate increase goes into effect is \$334,396. Of this amount, \$106,048 will be recovered from customers outside the City. While the PUC only approves rates applicable to customers located outside the City, the Water Department will apply the same approved rate increase to all of its customers.

The City last increased water rates on January 1, 2011. While the City has maintained present rates since that time, additional revenues are now necessary to meet rising operational costs and fund various system improvements. These improvements are necessary to update aging infrastructure and continue providing safe and adequate service to customers.

If the Water Department’s entire request is approved, the total bill (including the base rate increase and PVS) for customers located inside or outside the City will increase as follows:

The total bill for a residential customer using approximately 13,500 gallons of water per quarter (148.5 gallons per day) would increase from \$100.46 to \$108.85 per quarter, or by 8.4%.

The total bill for a commercial customer using approximately 47,300 gallons per quarter (519.9 gallons per day) would increase from \$260.72 to \$400.32 per quarter, or 53.5%.

The total bill for an industrial customer using 2,330,472,500 gallons per quarter (25,609,588 gallons per day) would increase from \$3,904.79 to \$13,432.95 per quarter, or 244.0%.

The total bill for an education customer using 244,200 gallons per quarter (2,684 gallons per day) would increase from \$767.97 to \$1,646.78 per quarter, or 114.4%.

The total bill for a public health customer using 78,200 gallons per quarter (859.3 gallons per day) would increase from \$332.41 to \$558.34 per quarter, or 68.0%.

To find out your customer class or how the requested increase may affect your water bill, contact the City of Lock Haven Water Department at (570) 893-5909. The rates requested by the City may be found in Supplement No. 19 to Tariff Water – Pa. P.U.C. No. 1. You may examine the material being filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at the City of Lock Haven Water Department office, 20 East Church Street, Lock Haven, PA 17745.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The City must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the City as shown above.

**If you are a customer living outside the City of Lock Haven, i.e., in Allison, Castanea or Wayne Townships, you may challenge the rate increase request before the PUC.** There are three (3) ways to challenge the City’s request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before July 23, 2024. If no formal complaints are filed, the Commission may grant all, some, or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometime there is information in these letters that makes us aware of problems with the City’s service or management. This information can be helpful when we investigate the rate request. Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA, 17120. Complaint forms may also be accessed on the Commission’s website.
3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the City’s rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the City representatives. All testimony given “under oath” becomes part of the official rate case record. These hearings are held in the service area of the City.

Again, the PUC only has jurisdiction over the requested rate increase for customers living *outside* the City of Lock Haven’s municipal boundaries.

CITY OF LOCK HAVEN  
WATER DEPARTMENT

Press Release  
52 Pa. Code § 53.45(b)(3)

The following press release is being distributed on May 24, 2024, simultaneously with the filing of this rate case.

Gregory Wilson, City Manager  
City of Lock Haven Water Department  
Clinton County, PA  
(570) 893-5909

**PRESS RELEASE**

**(For Immediate Release)**

On May 24, 2024, the City of Lock Haven Water Department (“City” or “Water Department”) filed a new tariff with the Pennsylvania Public Utility Commission (“PUC”) for an increase in water rates. The City of Lock Haven Water Department is proposing an overall rate increase of approximately \$990,432 per year, or 64.2%. Of this amount, the City is specifically seeking PUC approval to increase rates for customers outside of the City by \$377,823, or 71.4%. In addition, the City is proposing to implement a PENNVEST Surcharge (“PVS”) which will allow the Water Department to recover costs for PENNVEST loans to make necessary repairs to the water system. The total proposed increase to be recovered from the PVS, to be put in place at the same time as the base rate increase goes into effect is \$334,396. Of this amount, \$106,048 will be recovered from customers outside the City. While the PUC only approves rates applicable to customers located outside the City, the Water Department will apply the same approved rate increase to all of its customers.

The City last increased water rates on January 1, 2011. While the City has maintained present rates since that time, additional revenues are now necessary to meet rising operational costs and fund various system improvements. These improvements are necessary to update aging infrastructure and continue providing safe and adequate service to customers. In addition, the City needs a method to collect the money required to pay back several low-interest loans that PENNVEST has awarded that have been and will continue to be used to make mandated repairs and modifications to the City’s water system.

The new water rates are scheduled to become effective on July 23, 2024. If approved, the total bill for an average residential customer using 13,500 gallons per quarter will increase from \$100.46 to \$108.85 per quarter, or by 8.4%. The total bill for an average commercial customer using approximately 47,300 gallons per quarter will increase from \$260.72 to \$400.32 per quarter, or 53.5%. The total bill for an average industrial customer using 2,330,472,500 gallons per quarter will increase from \$3,904.79 to \$13,432.95 per quarter, or 244%. While the rate increases are for customers both within and outside the City of Lock Haven, the PUC has jurisdiction to approve only the increases for customers outside the City. Questions regarding the proposed water rate increase can be directed to the Water Department at (570) 893-5909.

Affidavit re: Notice Requirements  
52 Pa. Code § 53.45(h)

The following affidavit confirms that the notice requirements contained in 52 Pa. Code § 53.45(b) have been met.



**VERIFICATION**

I, Rocky Craley, Vice President, Raftelis Financial Consultants, and Consultant to the City of Lock Haven Water Department, hereby state that the facts set forth in the foregoing rate filing 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).

Date: May 21, 2024



---

Rocky Craley  
Vice President  
Raftelis Financial Consultants