



Eckert Seamans Cherin & Mellott, LLC  
213 Market Street  
8<sup>th</sup> Floor  
Harrisburg, PA 17101

TEL: 717 237 6000  
FAX: 717 237 6019

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

May 24, 2024

R-2024-3049248 &  
R-2024-3049249- jbs

**Via Electronic Filing**

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

Re: PA Public Utility Commission v. City of Lock Haven Water Department  
Docket No. R-2024-\_\_\_\_\_

Petition of the City of Lock Haven Water Department For Authorization to Implement a  
PENNVEST Surcharge -Docket No. P-2024-

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Dear Secretary Chiavetta:

Enclosed for electronic filing please find the City of Lock Haven Water Department's Motion to Consolidate Proceedings regarding the above-referenced matters. Copies to be served in accordance with the attached Certificate of Service.

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 Motion to Consolidate 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*

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Sarah C. Stoner, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|   |   |                         |
|---|---|-------------------------|
| Pennsylvania Public Utility Commission    | : |                         |
|   | : |                         |
| v.  | : | Docket No. R-2024-_____ |
|   | : |                         |
| City of Lock Haven Water Department       | : |                         |
|   | : |                         |
|   | : |                         |
| Petition of City of Lock Haven Water      | : | Docket No. P-2024-_____ |
| Department for Authorization to Implement | : |                         |
| a PENNVEST Surcharge                      | : |                         |

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**MOTION OF THE  
CITY OF LOCK HAVEN WATER DEPARTMENT  
TO CONSOLIDATE PROCEEDINGS**

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Pursuant to Sections 5.81 and 5.103 of the Pennsylvania Public Utility Commission’s (the “Commission” or “PUC”) regulations, 52 Pa. Code §§ 5.81 and 5.103, the City of Lock Haven Water Department (“Lock Haven” or “the City”) respectfully submits this Motion requesting consolidation of the above referenced proceedings regarding Lock Haven’s 2024 base rate filing and its Petition for Authorization to Implement a PENNVEST Surcharge (“PVS”), which were simultaneously filed on May 24, 2024. Consolidation of these proceedings is reasonable because the filings are closely related and involve many of the same issues. As such, consolidation will promote the efficient use of the time and resources of the City, the Commission and any parties to this proceeding, and will enable the timely disposition of the issues in these proceedings. In support of this Motion, Lock Haven states as follows:

**I. BACKGROUND**

1. Lock Haven, Pennsylvania is a City of the Third Class under the Clark Act of June 27, 1913, P.L. 568, which Act granted the City the exclusive right to supply the public with water within its corporate limits.

2. The City of Lock Haven Water Department serves residents and occupants of the City 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.

3. On May 24, 2024, Lock Haven filed a base rate case with the Commission pursuant to Section 1308(d) of the Public Utility Code. 66 Pa. C.S. § 1308(d). Lock Haven is proposing an overall rate increase of approximately \$990,432 per year from all customers. Of this amount, the City is specifically seeking Commission approval to increase rates for customers outside of the City by \$559,485.

4. Also on May 24, 2024, Lock Haven filed a 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 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. Specifically, the PVS would provide a mechanism for Lock Haven to recover the debt service (interest expense and principal) associated with its existing 2022 PENNVEST loan and anticipated PENNVEST loans – none of which has been previously included in Lock Haven’s prior revenue requirement claims, and also are not included in the proposed base rate increase. The total proposed increase to be recovered from the PENNVEST Surcharge, to be put in place at the same time as the base rate increase goes into effect, is \$334,396; the amount of the

PENNVEST Surcharge that will be recovered from PUC-jurisdictional customers (customers outside the City) is \$106,048.

## **II. REQUEST FOR CONSOLIDATION OF PROCEEDINGS**

5. For the reasons set forth herein, Lock Haven requests that the above-captioned proceedings be formally consolidated into a single proceeding.

6. 52 Pa. Code § 5.81(a) provides that: “The Commission or presiding officer, with or without motion, may order proceedings involving common questions of law or fact to be consolidated. The Commission or presiding officer may make orders concerning the conduct of the proceeding as may avoid unnecessary costs or delay.”<sup>1</sup>

7. Among the considerations for consolidation are: (a) whether additional issues exist that could cloud the determination of common issues; (b) whether consolidation will reduce litigation costs and decision-making for the parties and the Commission; (c) whether the issues in one proceeding go to the heart of an issue in the other proceeding; (d) whether consolidation will unduly protect a hearing or produce a disorderly or unwieldy record; (e) whether different statutory and legal issues are involved; (f) whether the party with the burden of proof differs in the proceedings; (7) whether consolidation will unduly delay the resolution of one of the proceedings; and (8) whether supporting data in both proceedings will be repetitive.<sup>2</sup> As the Commission has previously determined, no single consideration, nor group of these

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<sup>1</sup> See, e.g., numerous cases that have been consolidated, including for adjudication, *Re Middletown Taxi Co.*, 50 Pa. PUC 263 (1976); for hearing, *City of York v. York Telephone and Telegraph Co.*, 43 Pa. PUC 240 (1967); for briefing, *Clepper Farms, Inc. v. Grantham Water Co.*, 41 Pa. PUC 749 (1965); or for all purposes, *Commonwealth of Pennsylvania et al. v. Respond Power LLC*, Docket No. C-2014-2427659 and *Pa. PUC v. Respond Power LLC*, Docket No. C-2014-2438640 (Interim Order dated Oct. 28, 2014).

<sup>2</sup> See *Pa. Pub. Util. Comm'n v. City of Lancaster Sewer Fund*, Docket No. R-2012-2310366, at 3-4 (Second Prehearing Order Nov. 26, 2012) (“*Lancaster Sewer Fund Prehearing Order*”).

considerations, is dispositive of consolidation. Rather, all factors must be evaluated, and a balancing of those favoring and disfavoring consolidation is required.<sup>3</sup>

8. The above-captioned proceedings are interrelated and raise common issues of law and fact. Lock Haven is seeking a rate increase to meet rising operational costs and fund various system improvements, which are necessary to update aging infrastructure and continue providing safe and adequate service to customers. Similarly, the PENNVEST Petition seeks approval to implement a separate but closely related mechanism to allow Lock Haven to recover the costs of debt service for certain low-interest PENNVEST loans between base rate cases. These PENNVEST loans and related debt service are also essential to provide funding for projects that are either mandated by the Pennsylvania Department of Environmental Protection (“DEP”) or necessary to support DEP-mandated projects, all of which are crucially necessary to be able to provide safe, adequate and reliable service to customers.

9. Formal consolidation of the above-captioned proceedings for all purposes is warranted and in the public interest, the interest of the parties and the interest of the Commission. Consolidation of the above-captioned proceedings will promote the efficient use of the time and resources of the parties and the Commission and will not delay the resolution of the proceedings. Further, consolidation will advance administrative economy. For example, consolidation for purposes of discovery and hearing will streamline resolution of both proceedings given that they are closely interrelated. Similarly for purposes of briefing and adjudication, consolidation will avoid the need for separate briefs to be filed, separate initial decisions to be served and separate

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<sup>3</sup> *Id.* at 3.

Commission orders to be entered. Thus, consolidation of the above-captioned proceedings will avoid unnecessary costs or delay and is plainly in the public interest.

**III. CONCLUSION**

**WHEREFORE**, the City of Lock Haven respectfully requests that the Commission consolidate the above-captioned proceedings into a single proceeding and grant any other relief the Commission determines would be in the public interest.

Respectfully submitted,

*Sarah C. Stoner*

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Daniel Clearfield, Esq.  
(PA Attorney ID # 26183)  
Sarah C. Stoner Esq.  
(PA Attorney ID # 313793)  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8th Floor  
Harrisburg, PA 17101  
717.237.6000  
[dclearfield@eckertseamans.com](mailto:dclearfield@eckertseamans.com)  
[sstoner@eckertseamans.com](mailto:sstoner@eckertseamans.com)

Lauren M. Burge, Esq.  
(PA Attorney ID # 311570)  
Eckert Seamans Cherin & Mellott, LLC  
600 Grant Street, 44<sup>th</sup> Floor  
Pittsburgh, PA 15219  
412.566.6000  
[lburge@eckertseamans.com](mailto:lburge@eckertseamans.com)

Dated: May 24, 2024

Counsel for  
The City of Lock Haven

**VERIFICATION**

I, Gregory J. Wilson, hereby state that: (1) I am Manager for the City of Lock Haven; (2) the facts set forth in the foregoing Motion to Consolidate are true and correct to the best of my knowledge, information and belief; and (3) 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).

May 21, 2024

Dated

  
\_\_\_\_\_  
Gregory J. Wilson, Manager  
The City of Lock Haven