



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

IN REPLY PLEASE
REFER TO OUR FILE

July 3, 2024

Docket Nos. A-2024-3049587
& A-2024-3049591

Utility Codes 230106
& 2127226

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RE: Joint Application of Deer Haven, L.L.C. and PL Utilities, LLC for approval of: (1) PL Utilities, LLC's acquisition of certain wastewater system assets of the Deer Haven, LLC; (2) the abandonment by Deer Haven, L.L.C. of wastewater service to the public in Palmyra Township, Pike County Pennsylvania; and (3) PL Utilities, LLC to offer, render, furnish and supply wastewater service to the public in portions of Palmyra Township, Pike County, Pennsylvania at Docket Nos. A-2024-3049587 and A-2024-3049591

Dear Attorneys Bakare and Shaw:

On June 17, 2024, Deer Haven, L.L.C. (Deer Haven) and PL Utilities, LLC (PLU) filed the above-captioned document (Joint Application) with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, please respond with the information requested in the attached document.

Please forward the information to the Secretary of the Commission at the address listed below **within ten (10) business days** from the date of this letter. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

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

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

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

I, [print name of appropriate company representative], hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature _____
Title _____
Date _____

Please contact the below staff person if any problems should arise that prevent a full response within ten business days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the review, please send a copy of the response to Clinton McKinley in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at cmckinley@pa.gov. Please also direct any questions to Clinton McKinley at telephone number (717) 783-6161. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta
Secretary

Enclosure: TUS Data Request Set 1

cc: Patrick Cicero, Office of Consumer Advocate (w/enclosure), ra-oca@paoca.org
Christine Hoover, Office of Consumer Advocate (w/enclosure), choover@paoca.org
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
Sharon E. Webb, Office of Small Business Advocate (w/enclosure), swebb@pa.gov
Allison Kaster, Bureau of Investigation & Enforcement (w/enclosure), akaster@pa.gov

TUS Data Request Set 1

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Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

- A-1. The Application's certificate of service did not indicate that copies of the Application were served on the Pennsylvania Office of Small Business Advocate and the Commission's Bureau of Investigation and Enforcement at their current mailing and/or email addresses. Please verify that a complete copy of the Application was served on each of the following entities at their current mailing and/or email address:
- a. Office of Small Business Advocate, by mail to Forum Place, 555 Walnut Street, 1st Floor, Harrisburg, Pennsylvania 17101, and/or by email to ra-sba@pa.gov. Note that the Application's certificate of service identified an outdated mailing address.
 - b. Bureau of Investigation and Enforcement, by mail to Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement, 400 North Street, Harrisburg, Pennsylvania 17120, and/or by email to akaster@pa.gov. Note that the Application's certificate of service identified an outdated mailing address.
- A-2. The Joint Application included a verification page signed by Salah Mekkawy. Please provide evidence that this individual is an officer of Deer Haven with the authority to act on Deer Haven's behalf in this transaction.
- A-3. Please confirm that Deer Haven has filed annual financial reports with the Commission for the years 2021, 2022, and 2023 pursuant to 52 Pa. C.S. § 65.19.
- A-4. Please provide evidence Deer Haven has filed the required annual financial reports with the Commission for the years 2021, 2022, and 2023.
- A-5. It appears that Deer Haven owes \$354 for its 2023 regulatory assessment due to the Commission. Please provide evidence that Deer Haven is current with its assessments due to the Commission.
- A-6. Please provide complete copies of Deer Haven's federal tax returns for 2021, 2022, and 2023.
- A-7. Please provide evidence Deer Haven filed a Security Self-Certification with the Commission.
- A-8. Please provide a current copy of an organizational chart for Deer Haven that depicts Deer Haven's parent, subsidiary and affiliate companies.
- A-9. Please provide a current copy of an organizational chart for PLU that depicts PLU's parent, subsidiary and affiliate companies.

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- A-10. In the Joint Application, Deer Haven and PLU (Applicants) indicated that in 2010, Deer Haven and Haven Development entered into a Purchase and Sale Agreement with Pocono Lakefront, LLC (Pocono) for the sale of the land on which the sewer system is located. A certificate of public convenience is required for any public utility to acquire from, or to transfer to, any person or corporation, including a municipal corporation, by any method or device whatsoever, including the sale or transfer of stock and including a consolidation, merger, sale or lease, the title to, or the possession or use of, any tangible or intangible property used or useful in the public service. Please provide evidence that the Commission approved the referenced sale of land on which the sewer system is located through the issuance of a certificate of public convenience.
- A-11. Please provide a copy of the Purchase and Sale Agreement between Deer Haven, Haven Development and Pocono Lakefront, LLC, referenced on Page 3 of the Joint Application.
- A-12. Please provide a copy of the settlement of the New Jersey lawsuit referenced on Page 4, Paragraph 7 of the Joint Application.
- A-13. The plan set titled "Water Quality Management Permit", provided in the Joint Application's Attachment L, appears to be missing several sheets. Please provide a complete copy of this plan set in vector graphic file format.
- A-14. The Joint Application's Attachment M consisted of an unexecuted copy of a Sanitary Sewer System Easement agreement (Easement Agreement) between PLU and Pocono. However, the exhibits of the Easement Agreement, that were to depict the properties subject to the agreement, consisted of blank pages. Please provide a complete copy of the Easement Agreement that includes the referenced exhibits.
- A-15. The Joint Application's Attachment O consisted of a map of the requested service territory that contained a bearing angles and distances table for the requested service territory's boundary description. However, the bearing angles and distances provided are illegible. Please provide a legible copy of the bearing angles and distances for the requested service territory's boundary description.
- A-16. The map provided as the Joint Application's Exhibit O does not appear to quantify the total area of the requested service territory. Please quantify the area of the requested service territory in acres.
- A-17. The Joint Application's Attachment O consisted of Sheet 1 of 4 of a plan set labeled Sewage Planning Module. Please provide a complete copy of this plan set in vector graphic file format.
- A-18. Please provide verification that the boundaries of the requested service territory, depicted in the Joint Application's Attachment O, match the boundaries of Deer Haven's existing certificated service territory.

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- A-19. Please verify that, following the close of this transaction, PLU will keep a copy of all maps, plans, and records at an office located in the territory served by it, open for examination by the Commission or representative of the Commission.
- A-20. Please provide a copy of PLU's business plan required by the Department of Environmental Protection (DEP) in 25 Pa. Code § 109.503(a)(3) (relating to public water system construction permits).
- A-21. In Section 27 of the Joint Application, it is stated that Deer Haven currently collects approximately \$34,000 per year from customers and PLU estimates annual expenses to operate the existing treatment plant are approximately \$50,000 per year. Please provide a detailed description of how PLU will subsidize the estimated operating losses to provide adequate wastewater service.
- A-22. Please provide a one, five, and 10-year estimate of operating revenue, operation and maintenance expenses, and annual depreciation and taxes.
- A-23. Please identify the estimated number of customer connections, by class, for the first, fifth and tenth years of operations under PLU as well as the estimated gallons of wastewater treated in each of those years.
- A-24. In the Joint Application, the Applicants indicated that in 2015 DEP issued Water Quality Management (WQM) Permit No. 5215401, and that the PLU wastewater treatment plant (WWTP) was substantially completed in 2023 and tested in early 2024. Please provide a copy of the signed and stamped WQM Post Construction Certification sheet for the facilities constructed under WQM Permit No. 5215401.
- A-25. Please provide a copy of National Pollutant Discharge Elimination System (NPDES) Permit No. PA0041912.
- A-26. In Paragraph 8 of the Joint Application, the Applicants indicated that they are working with DEP and the Delaware River Basin Commission to obtain the necessary wastewater discharge permits. Please provide an update on the status of obtaining the necessary discharge permits and the transfer of any existing permits from Deer Haven to PLU.
- A-27. In the Joint Application the Applicants request approval of this Joint application to allow for the decommissioning of the existing WWTP. Please quantify the estimated cost of decommissioning the existing WWTP and identify the entity responsible for this expense.

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- A-28. The Joint Application's Attachment N included a table that identified a depreciation expense of \$27,480. Please provide a detailed explanation as to how this total expense was calculated, including the determination of the service life assigned to each account.
- A-29. The table in the Joint Application's Attachment N also referenced a document labelled WP-1.0-PIS for several entries. Please provide a copy of WP-1.0-PIS.
- A-30. The Joint Application's Attachment N identified the original cost of the Deer Haven wastewater system assets to be \$594,697. Please identify the method of valuation used to determine this value and indicate if PLU intends to complete an original cost study after the acquisition.
- A-31. Please provide a detailed breakdown, by plant account, of the amounts identified as plant additions on the table provided in the Joint Application's Exhibit N. The description should identify the material type, size, unit cost and quantity of the assets included in the amounts identified for each account.
- A-32. In the Joint Application, the Applicants indicated that the only remaining construction work to be done is to make the final connections to the existing WWTP. Please quantify the estimated cost and time required to complete the referenced remaining work.
- A-33. Please clarify if the estimated cost of the remaining work to connect the existing WWTP is included in the values identified as plant additions in the Joint Application's Exhibit N.
- A-34. Please provide evidence that the Joint Application complies with the DEP-approved Act 537 Sewerage Facilities Official Plan for Palmyra Township, Pike County (Palmyra Township's Act 537 Plan), including any related revisions (i.e., special studies, planning modules, etc.) and exemptions.
- A-35. Please provide a copy of Palmyra Township's DEP approved Act 537 Plan, including any related revisions (i.e., special studies, planning modules, etc.) and exemptions.
- A-36. Please describe Deer Haven's DEP compliance history for the five-year period preceding the filing date of the Joint Application, including an explanation of each violation.
- A-37. Please provide copies of any DEP Notices of Violation or Consent Order and Agreement applicable to wastewater service within the requested service territory for the five-year period prior to the filing date of the Joint Application.
- A-38. The Joint Application's Attachment P consisted of a *pro forma* initial tariff for PLU (Tariff). The Tariff included a table of contents that contained redline edits and identified sections in the Tariff that are not included in the body of the Tariff. Specifically, the table of contents identified Sections F, I, and J that are not included in the Tariff. Please provide a copy of the Tariff that contains a corrected table of contents.

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- A-39. The Purchase Agreement dated December 16, 2014, provided as Attachment 3, included the water system assets of Deer Haven, L.L.C. – Water Division (Deer Haven – Water). Please identify any anticipated filings with the Commission for approval of the sale of Deer Haven – Water's assets and the estimated date of filing.
- A-40. Please clarify if PLU and Deer Haven are affiliated.
- A-41. Please clarify that this transaction was conducted at arm's length.