



# The York Water Company

July 25, 2024

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: The York Water Company's Acquisition of the David W. Smith Residuary Trust and Kelly Jo McKinsey General Partnership d/b/a Longstown Mobile Estates Water System  
Docket No. A-2023-3041860

Dear Secretary Chiavetta:

Enclosed on behalf of The York Water Company ("York Water" or the "Company") please find the original cost plant-in-service valuation of the former water system of David W. Smith Residuary Trust and Kelly Jo McKinsey General Partnership d/b/a Longstown Mobile Estates ("Longstown"). York Water is filing this original cost valuation pursuant to the Pennsylvania Public Utility Commission's ("Commission") Policy Statement at 52 Pa. Code § 69.711.

The Commission approved York Water's acquisition of Longstown's water assets by Order entered February 1, 2024 at Docket No. A-2023-3041860. On February 21, 2024, the transfer by sale of Longstown's water assets and rights to York Water was consummated. A tariff was filed effective February 16, 2024 incorporating Longstown's former customers.

The cost of the system facilities was determined from Longstown's records, project contracts and unit costs typical of other water utilities in the region. The asset inventory was priced using unit costs for each vintage year. The unit costs were developed from typical unit costs experienced by other water companies within the same region, published unit costs or experienced costs trended to the year of installation. The accrued depreciation was based on recognized methods using estimated survivor characteristics and the straight-line depreciation method. The estimated survivor curves are similar to those used by other Pennsylvania water companies. The average service life procedure was used to apply the methods of depreciation to group properties for which a survivor curve was used to recognize the existence of life dispersion. It is York Water's understanding that Longstown used no customer funds to build the facilities.

Longstown determined that it was in the best interest of its current customers to sell its water system to a company that has sufficient water operations and maintenance experience to meet the water demands of the public and has more experience in dealing with utility service and the regulatory requirements associated with providing such service. Longstown concluded that its investment in maintaining the water system in future years would be insufficient to provide reliable water treatment and distribution services.

York Water paid less than the depreciated original cost of the acquired assets and intends to include the depreciated original cost of the water assets of Longstown in its rate base claim in its next rate case. At that time, York Water will present its proposal that the acquisition adjustment should not be passed through in rates.

Sincerely,



Matthew E. Poff  
CFO and Treasurer

Enclosure

cc: Bureau of Technical Utility Services  
Office of Consumer Advocate  
Office of Small Business Advocate  
Michael Hassell, Post & Schell

THE YORK WATER COMPANY  
PURCHASE OF LONGSTOWN MOBILE ESTATES PARK WATER ASSETS AND RIGHTS  
FEBRUARY 21, 2024

Acct	Asset	Units	Unit Cost	Original Cost	Accrued Depreciation	Depreciated Original Cost
Transmission and Distribution Mains						
33148	1970 2" PVC Main	3,700	\$ 2.66	\$ 9,836.25	\$ 7,587.96	\$ 2,248.29
33148	1970 3" PVC Main	4,078	\$ 3.99	\$ 16,261.71	\$ 12,544.75	\$ 3,716.96
Services						
33340	1970 3/4" PVC Service Lines	91	\$ 163.36	\$ 14,865.41	\$ 10,291.44	\$ 4,573.97
Total Assets				\$ 40,963.37	\$ 30,424.15	\$ 10,539.22