



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120
September 13, 2024

IN REPLY PLEASE
REFER TO OUR FILE

Docket No. A-2024-3050786
Utility Code 2327359

WHITNEY E SNYDER ESQUIRE
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RE: Application of Mainlines, Manholes & Wastewater Treatment, Inc. for approval, *nunc pro tunc*, of the right to begin to offer, render, furnish, and supply wastewater service to the public in portions of Girard and Waterford Townships, Erie County, Pennsylvania at Docket No. A-2024-3050786

Dear Attorneys Snyder and Rosengarten:

On August 16, 2024, Mainlines, Manholes & Wastewater Treatment, Inc. (Mainlines) filed the above-captioned document (Application) with the Pennsylvania Public Utility Commission (Commission). On August 28, 2024, the Application was amended since Mainlines mistakenly listed Fairview Township instead of Waterford Township and Mainlines is not seeking to serve in Fairview Township. 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 Paul Zander, in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at pzander@pa.gov. Please also direct any questions to Paul Zander at telephone number (717) 783-1372. 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
Rebecca Lyttle, Office of Small Business Advocate (w/enclosure), relyttle@pa.gov
Allison Kaster, Bureau of Investigation & Enforcement (w/enclosure), akaster@pa.gov

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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 requests Commission approval, *nunc pro tunc*, for Mainlines to provide wastewater service in portions of Girard Township (Girard) and Waterford Township (Waterford), Erie County, including the Imperial Point Mobile Home Park (Imperial Point MHP), the Waypoint Mobile Home Park (Waypoint MHP, and together with the Imperial Point MHP, the Affiliated MHPs), and the related service territories that include the Affiliated MHPs (individually, the Imperial Point Territory and the Waypoint Territory, and collectively, the Requested Territory). The map provided as the Application's Exhibit A is not legible, does not clearly depict the boundaries of each portion of the Requested Territory, and does not depict the location or route of Mainlines' wastewater facilities in the Imperial Point Territory (Imperial Point Wastewater System) and the Waypoint Territory (Waypoint Wastewater System, and together with the Imperial Point Wastewater System, the Mainlines Wastewater Systems). Please provide a legible map with a suitable scale that depicts the boundaries of each portion of the Requested Territory and that depicts the location or route of all wastewater facilities owned or operated by Mainlines.
- A-2. In the Application's Section 7, Mainlines stated that the attached Exhibit A was a map showing the boundaries of most of the Requested Territory and that a metes and bounds description and a map of the Waypoint Territory would be filed as a supplement to the Application. However, Exhibit A did not include a metes and bounds description of the boundaries the Requested Territory and the identified supplement has not been filed with the Commission. Please provide a metes and bounds description by bearing angles and distances for each portion of the Requested Territory. This description must also quantify the area of each portion of the Requested Territory in acres.
- A-3. Please quantify Mainlines' current number of customers by class, current estimated annual wastewater usage by class, and the number of future connections anticipated for the next 10 years, broken down by each year and for each Mainlines Wastewater System.
- A-4. For each Affiliated MHP and for the Elk Valley Manor Apartment, please specify the current number of connections (e.g., trailers, apartment units, etc.) served.
- A-5. The Application's Exhibit D included a copy of an Agreement made on January 13, 1981 (the 1981 Agreement), by and between Patrick Luciano and Paul Luciano as tenants in Partnership (the Luciano Partnership) and Girard. Also, in the Application's Section 19, Mainlines indicated that it entered into the 1981 Agreement with Girard. However, the Form 1120-S income tax returns included in the Application's Exhibit B indicated that Mainlines was incorporated in 2007, or approximately 26 years after the Luciano Partnership and Girard entered into the 1981 Agreement. Please explain how operational

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control of the Imperial Point Wastewater System was transferred to Mainlines. This response must include the following:

- a. A chronology identifying each transfer of control of wastewater facilities to any person or corporation, including any estate, and the approximate month and year of each transfer;
- b. Copies of applicable agreements that transferred control of wastewater facilities between each entity, including any agreement by Mainlines or an affiliated interest to accept Luciano Partnership responsibilities under the 1981 Agreement after Mainlines was incorporated in 2007, and any deeds, leases, and other agreements affecting the possession and use of real property where wastewater facilities are located; and
- c. A statement confirming whether Mainlines owns and operates these wastewater facilities or identifying the current owners and operators.

A-6. Please explain how operational control of the Waypoint Wastewater System was transferred to Mainlines. This response must include the following:

- a. A chronology identifying each transfer of control of wastewater facilities to any person or corporation, including any estate, and the approximate month and year of each transfer;
- b. Copies of applicable agreements that transferred control of wastewater facilities between each entity, including any deeds, leases, and other agreements affecting the possession and use of real property where wastewater facilities are located; and
- c. A statement confirming whether Mainlines owns and operates these wastewater facilities or identifying the current owners and operators.

A-7. Please explain how properties in each portion of the Requested Territory receive water service (i.e., private wells, public water system, etc.).

A-8. Please identify the name and address of each public water system in the Requested Territory.

A-9. According to the *Pennsylvania Bulletin*, 47 Pa.B. 5232, on August 15, 2017, the Pennsylvania Department of Environmental Protection (DEP) issued Mainlines “d/b/a Hickory Hill Country Village Mobile Home Park” Operation Permit No. 2503502-T1 for a change in ownership for a water system in Waterford Township, Erie County. Please explain how ownership and/or operational control of this water system was transferred to Mainlines. This response must include the following:

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- a. A chronology identifying each transfer of control of water facilities to any person or corporation, including any estate, and the approximate month and year of each transfer;
 - b. Copies of applicable agreements that transferred control of water facilities between each entity, including any deeds, leases, and other agreements affecting the possession and use of real property where water facilities are located; and
 - c. A statement confirming whether Mainlines owns and operates these water facilities or identifying the current owners and operators.
- A-10. Please confirm whether Mainlines requires a Certificate of Public Convenience pursuant to Section 1101 or 1102(a)(1) of the Pennsylvania Public Utility Code, 66 Pa.C.S. §§ 1101 or 1102(a)(1), to own and/or operate water system facilities, including facilities identified in DEP Operation Permit No. 2503501-T1. If so, please specify when Mainlines will file this Application with the Commission. If not, please explain how Mainlines' services related to these facilities are not subject to Commission jurisdiction and provide the accounting procedures and agreements that define service terms, conditions, cost allocations, and cost recovery methods.
- A-11. The Application did not provide a breakdown of assets for each Mainlines Wastewater System. Please provide a detailed breakdown, by plant account, of the used and useful plant in service for each Mainlines Wastewater System. The breakdown should fully describe each asset and identify the size, type, material, unit quantity, lengths, and year of installation. Also, this breakdown must separately identify pipe sizes, material types, and lengths for wastewater mains and for wastewater service laterals.
- A-12. Please specify the design peak, design average day, permitted peak, and permitted average day capacities for flow and organic loading for each Mainlines Wastewater System.
- A-13. Please provide the peak day and the average daily effluent discharge rate by month for the 2023 calendar year for each Mainlines Wastewater System.
- A-14. Please provide copies of the monthly DEP Discharge Monitoring Reports for the 2023 calendar year for each Mainlines Wastewater System.
- A-15. Please specify whether each Mainlines Wastewater System is required to file a DEP Chapter 94 Municipal Wasteload Management Report and provide a copy of the most recent report for each applicable Mainlines Wastewater System.
- A-16. Please verify that each Mainlines Wastewater System has adequate collection, conveyance, and treatment capacity to meet present and future customer demands.

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- A-17. Please provide a 5-year compliance history with DEP for each utility owned or operated by Mainlines or any prior owner/operator, with an explanation of each violation.
- A-18. Please provide a 5-year compliance history with any applicable local, state, or federal regulatory agencies of each utility owned or operated by Mainlines or any prior owner/operator. This response must also provide a compliance history for any affiliated entities (i.e., any corporation that directly or indirectly controls, is controlled by, or is under common control of Mainlines or any prior owner/operator) that rendered utility service.
- A-19. The Application did not provide the original cost of each Mainlines Wastewater System. Please provide the original cost, by year and plant account, of used and useful plant in service for each Mainlines Wastewater System, and provide related accrued depreciation, accrued amortization, and net book value calculations.
- A-20. The Application did not provide the costs of any improvements, replacements, repairs, retirements, etc. related to each Mainlines Wastewater System. Please provide the costs, by year and plant account, of any improvements, replacements, repairs, retirements, etc. to each Mainlines Wastewater System, and provide related accrued depreciation, accrued amortization, and net book value calculations.
- A-21. The Application did not provide a breakdown of the sources of funds (i.e., debt, equity, contributions in aid of construction (CIAC), etc.) that Mainlines used to finance each Mainlines Wastewater System. Please provide a breakdown of the sources of funds that Mainlines used to finance each Mainlines Wastewater System.
- A-22. Please provide Mainlines tentative journal entries, by plant account, for booking assets for each Mainlines Wastewater System in accordance with the National Association of Regulatory Utility Commissioners Uniform System of Accounts applicable to Mainlines.
- A-23. Please provide a copy of Mainlines' 2023 balance sheet.
- A-24. Please provide a description, estimated timeline and projected costs of anticipated improvements to each Mainlines Wastewater System over the next five (5) years.
- A-25. Please provide an estimate of Mainlines anticipated annual revenue and expenses under present rates.
- A-26. Please specify the number of equivalent dwelling units (EDUs) or other billing determinants that Mainlines assigned to each customer to calculate annual revenue.
- A-27. 52 Pa. Code § 3.501(a)(4)(ii) requires Mainlines to notify its customers of the filing of the Application and the rates filed. Please provide evidence that Mainlines customers

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have received notice of Mainlines' proposed rates for service, including Waypoint Property Management, LLC.

- A-28. Section 1(k) of the 1981 Agreement stated that the Luciano Partnership would bill all customers in accordance with Girard's Sewer Rate Resolution adopted in accordance with Section A of Girard's Ordinance No. 45, as amended. Please provide a copy of Girard's Ordinance No. 45 and a copy of Girard's latest Sewer Rate Resolution.
- A-29. Section 1(m) of the 1981 Agreement indicated that Mainlines has no right to the connection fee which Girard imposes of those desiring to connect to the wastewater system. However, Section H of Mainlines' Tariff Wastewater – Pa. P.U.C. No. 1 (Pro Forma Tariff), included in the Application's Exhibit E, states that Mainlines would assess a \$350 charge to the owner of an improved property to cover the costs incidental to the processing of a connection point application and the inspection of the building service line following installation. Please state whether the 1981 Agreement was terminated between the Luciano Partnership or other heir, successor, administrator or assign to the 1981 Agreement, or otherwise has not been assigned to or is not binding upon Mainlines.
- A-30. The 1981 Agreement included an incomplete copy of Page 8. Please provide a copy of the 1981 Agreement's Page 8.
- A-31. The 1981 Agreement referenced attached Exhibits A through D. However, these exhibits were not attached to the Application. Please provide copies of the 1981 Agreement's Exhibits A through D.
- A-32. Please state whether, upon Application approval, the 1981 Agreement will be a contract or agreement in effect between Mainlines and a municipal corporation pursuant to Section 507 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 507, and whether Mainlines is requesting a certificate of filing for the assumption of Luciano Partnership responsibilities under the 1981 Agreement.
- A-33. The Pro Forma Tariff, Section A specified a proposed wastewater service charge rate by EDU or by Large Consumer of \$119/EDU. However, the billing frequency (i.e., "per month", "per quarter", etc.) of this rate is unclear. Please provide a revised Pro Forma Tariff that specifies the proposed billing frequency of the \$119/EDU rate.
- A-34. Please explain how Mainlines proposed flat rate of \$3,000 per month for wastewater service to the Waypoint MHP was determined (e.g., cost of service study, the proposed flat rate results in similar revenues compared with proposed EDU-based rates charged to non-affiliated interest customers, etc.).

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- A-35. Please explain whether it would be feasible for Mainlines to implement wastewater rates that are based on water usage, including whether Mainlines could obtain water usage data for its wastewater customers.
- A-36. In the Application's Exhibit B, Form 1120-S Two Year Comparison Worksheet Page 1 for 2021 and 2022, the tax form identified \$18,000 in net receipts for 2021, compared with \$166,452 in net receipts for 2023 in Form 1120-S for the 2023 tax year. These forms also reflect that cost of goods sold increased from \$6,000 for 2021 to \$89,504 for 2023 and total deductions increased from \$601 for 2021 to \$68,119 for 2023. Please explain the reasons for these significant increases in net receipts, cost of goods sold, and total deductions, respectively.
- A-37. Please provide a copy a recent monthly or quarterly bill for wastewater service provided to the Imperial Point MHP, the Elk Valley Manor apartment building, and any other Mainlines wastewater customer that is not an affiliated interest of Mainlines.
- A-38. In the Application's Section 19, Mainlines stated that the National Pollutant Discharge Elimination System (NPDES) permit held by Girard was transferred to and is directly held by Mainlines. Please provide a copy of each application for NPDES and/or water quality management (WQM) permit that was submitted to DEP for each Mainlines Wastewater System, along with DEP's approval letter and permit, including NPDES Permit Nos. PA0031461 and PA0037991 and WQM Permit Nos. 2501427, 2501427 T-1, 2503424, 2571411, 2587414, and 2592409. Please note that the copy of NPDES Permit No. PA0037991 included in the Application is incomplete and is missing even numbered pages.
- A-39. Please confirm that Mainlines has all necessary permits, easements and rights-of-way required to provide adequate and reasonable wastewater service.
- A-40. Please provide a copy of the valid wastewater system operator's certificate for the operator currently operating each Mainlines Wastewater System and indicate if this same certified operator will continue to operate each Mainlines Wastewater System.
- A-41. Please identify any intended operational and/or managerial changes that will be made for each Mainlines Wastewater System.
- A-42. In the Application's Section 28 and in the *pro forma* copy of the Affiliated Interest Agreement included in the Application's Appendix 1 (AIA), Mainlines stated that Springhouse Waterworks, Inc. (Springhouse) will make its "offers" [*sic*] and/or employees available as needed to conduct the day-to-day operation of and perform management and supervisory duties of Mainlines and will also provide office space and vehicles. Also, Mainlines stated it will pay Springhouse a management fee of \$6,000 for

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these services. However, the billing frequency (i.e., “per year”, “per month”, etc.) of this fee is unclear. Please specify the proposed billing frequency of this management fee.

- A-43. Please provide copies of letters issued by applicable county and municipality officials certifying that Mainlines does or does not meet all applicable requirements of officially adopted county comprehensive plans, municipal comprehensive plans, and applicable zoning designations, including any necessary amendments.
- A-44. Please provide copies of the DEP-approved Act 537 Official Sewage Facilities Plan (Act 537 Plan) for each municipality included in the Requested Territory, including any Act 537 Plan revisions (i.e., planning modules, special studies, etc.), and any related DEP approval or exemption letters for each Mainlines Wastewater System pursuant to Section 5 of the Pennsylvania Sewage Facilities Act, 35 P.S. § 750.5. This includes copies of Act 537 Plans, revisions, approvals, and exemptions in all areas included in the Requested Territory.
- A-45. Please provide evidence that Application complies with the DEP-approved Act 537 Plan for each municipality included in the Requested Territory.
- A-46. Please confirm that Mainlines has sufficient technical, managerial, and financial resources to own and operate the Mainlines Wastewater Systems and to furnish and maintain adequate, efficient, safe, and reasonable service and provide supporting documentation.
- A-47. Please explain why Application approval is necessary or proper for the service, accommodation, convenience, and safety of the public and in the public interest.
- A-48. The Application’s Exhibit B included copies of Federal Income Tax Returns for an entity named, “Mainlines & Manholes, Inc.”. Please confirm that Mainlines and “Mainlines & Manholes, Inc.” are the same legal entity, or explain the relationship between these two entities and provide copies of Mainlines two most recent federal income tax returns.
- A-49. Please verify that, pursuant to 52 Pa. Code § 3.501(f)(1), Mainlines served a complete copy of the Application with exhibits upon each city, borough, town, township, county and related planning office, which is included, in whole or in part, in the Requested Territory, as amended by Mainlines in supplemental information filed with the Commission.
- A-50. Please verify that, pursuant to 52 Pa. Code § 3.501(f)(2), Mainlines served a complete copy of the Application with exhibits upon each water or wastewater utility, municipal corporation or authority which provides wastewater collection, treatment or disposal service to the public and whose service area abuts or is within one mile of the Requested

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Territory, as amended by Mainlines in supplemental information filed with the Commission.

- A-51. Please provide a current copy of an organizational chart for Mainlines that depicts Mainlines' parent and subsidiary companies and other affiliated interests.
- A-52. The Application's Section 13 indicated that Mainlines is a sister company to several entities, including "Imperial Point Mobile Home Park". However, it appears that Imperial Point Mobile Home Park is a fictitious name, rather than a person or corporation. Also, the AIA identified a party named Imperial Point Properties, LLC. Please provide a copy of Mainlines articles of incorporation and, for each affiliated interest of Mainlines, identify the affiliated interest's legal name, explain the nature of the affiliated interest's nonutility business, and explain why Mainlines believes that it is reasonable to engage in affiliated interest transactions with that entity.