



COMMONWEALTH OF PENNSYLVANIA

November 15, 2024

E-FILED

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

Re: Pennsylvania Public Utility Commission v. Audubon Water Company / Docket No. R-2024-3051816

Dear Secretary Chiavetta:

Enclosed please find the Complaint, Public Statement, and Verification on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Kevin Higgins
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission : **Docket No. R-2024-3051816**
:
v. :
:
Audubon Water Company :

**COMPLAINT OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

1. The Complainant is:

NazAarah Sabree
Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

2. The name and address of the Complainant's attorney is:

Rebecca Lyttle Esq.
Assistant Small Business Advocate
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
(717) 783-2525 / (717) 783-2831 (fax)
relyttle@pa.gov

3. The respondent utility is:

Audubon Water Company
Valley Forge Corporate Center
2650 Eisenhower Avenue
P.O. Box 7337
Audubon, PA 19407

4. The Complainant is authorized and directed by the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50, to represent the interests of small business

consumers of utility services in matters before the Pennsylvania Public Utility Commission (“Commission”).

5. This Complaint is filed against the rates, terms, and other provisions of Supplement No. 7 to Tariff Water - Pa. P.U.C. No. 4 (“Supplement No. 7”), which was filed on October 25, 2024, by the Audubon Water Company (“Company”). The proposed tariff supplement, if approved by the Commission, would increase the overall revenues by \$999,975 or 35.31% over current rates.

6. Under the proposed increase of \$999,975 it would produce a pro forma net operating profit of \$28,214 for an overall positive rate of return of 1.05% on the total pro forma rate base (net utility plant, inventory, and cash working capital allowances) of \$2,689,455 (See Schedule F-1 of Company’s Supplement 7).

7. Complainant believes, and therefore avers that Supplement No. 7 materials may be insufficient to justify the rate increase requested, and that the Company’s present and proposed rates, rules, and conditions of service may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law, particularly as they pertain to small business customers.

8. Complainant believes, and therefore avers, that the Company’s requested return on common equity will provide an excessive return on the Company’s investments and is unjust, unreasonable, and contrary to law.

9. Complainant believes, and therefore avers, that the Company’s present and proposed rates, rate design and cost and revenue allocation are or may be unjust, unreasonable, and unlawfully discriminatory in violation of, *inter alia*, Sections 1301 and 1304 of the Public

Utility Code, 66 Pa. C.S. §§1301 and 1304, and contrary to appropriate public policy and sound ratemaking considerations and may not be supported by the materials filed by the Company.

WHEREFORE, in view of the foregoing, the Small Business Advocate respectfully requests that the Pennsylvania Public Utility Commission:

- A. Suspend and investigate the operation of proposed Supplement No. 7;
- B. At the conclusion of said investigation, reject the proposed new rates and other tariff changes in Supplement No. 7 to the extent required to ensure that the Company's rates are lawful, just, reasonable, and not unduly discriminatory to any class of customers, including small business consumers; and
- C. Grant such other relief as may be necessary or appropriate.

Respectfully submitted,

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

For: NazAarah Sabree
Small Business Advocate

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

DATE: November 15, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2024-3051816
	:	
v.	:	
	:	
Audubon Water Company	:	

**PUBLIC STATEMENT OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“Act”). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by initiation of or intervention in any proceeding involving those interests before the Public Utility Commission or any other agency or court.

This public statement relates to the filing today by the Small Business Advocate of a Complaint against Audubon Water Company’s proposed Supplement No. 7 to Tariff Water - Pa. P.U.C. No. 4 (“Supplement No. 7”) that was filed on September 25, 2024. The proposed tariff supplement, if approved by the Commission, would increase the overall revenues by \$999,975 or 35.31% over current rates.

Under the proposed increase of \$999,975 it would produce a pro forma net operating profit of \$28,214 for an overall positive rate of return of 1.05% on the total pro forma rate base

(net utility plant, inventory, and cash working capital allowances) of \$2,689,455 (See Schedule F-1 of Company's Supplement 7).

The Small Business Advocate filed a formal complaint against the Company's proposed rate increase to protect the interests of the utility's small business customers. A preliminary review of the data filed by the Company in support of its request for a rate increase indicates that the costs claimed by the utility for ratemaking purposes may be excessive.

A thorough inquiry by the Public Utility Commission into all the elements of the Company's request for such a rate increase is necessary to ensure that the utility's rates, including any new rates that may be set in this proceeding, are just and reasonable.


In view of the foregoing, the Small Business Advocate will participate in proceedings before the Public Utility Commission to investigate the reasonableness of the proposed rates in the Company's proposed Supplement No. 7. The Small Business Advocate will ask the Commission to deny any proposed rate increase or other changes in the Company's present tariffs that apply to small business customers that are not proven by the Company to be lawful, just, reasonable and non-discriminatory to all of its customer classes.

Dated: November 15, 2024

VERIFICATION

I, NazAarah Sabree, hereby state that the facts set forth herein above 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: November 15, 2024



(Signature)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2024-3051816
	:	
v.	:	
	:	
Audubon Water Company	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charles E. Rainey Jr.
Chief Administrative Law Judge
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
crainey@pa.gov

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
sgranger@pa.gov

Harrison W. Breitman, Esquire
Katie Kennedy, Esquire
Ryan Morden, Esquire
Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101
HBreitman@paoca.org
KKennedy@paoca.org
RMorden@paoca.org

Whitney E. Snyder, Esquire
Thomas J. Sniscak, Esquire
Aaron D. Rosengarten, Esquire
Hawke McKeon & Sniscak LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
wesnyder@hmslegal.com
tjsniscak@hmslegal.com
adrosengarten@hmslegal.com

DATE: November 15, 2024

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney I.D. No. 201399