

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
HARRISBURG, PA 17120**

Public Meeting held December 19, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Application of Pennsylvania-American Water Company - Wastewater Division for approval of the right to offer, render, furnish or supply wastewater service to the public in an additional portion of Fairview Township, York County, Pennsylvania

Docket No.
A-2024-3050785

ORDER

BY THE COMMISSION:

By the application (Application) filed with the Pennsylvania Public Utility Commission (Commission) on August 16, 2024, Pennsylvania-American Water Company – Wastewater Division (PAWC-WD), Utility Code 230073, seeks a certificate of public convenience pursuant to Section 1102(a)(1)(i) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1102(a)(1)(i), evidencing Commission approval of PAWC-WD’s right to offer, render, furnish or supply wastewater service to the public in an additional portion of Fairview Township, York County, Pennsylvania.

I. AFFECTED ENTITIES AND BACKGROUND

PAWC-WD is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania with a mailing address of 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055. As of June 30, 2024, PAWC-WD provided wastewater service to approximately 98,047 customers throughout Pennsylvania, including portions of Fairview Township, York County. PAWC-WD is a

division of Pennsylvania-American Water Company (PAWC), Utility Code 212285. PAWC provides water service throughout the Commonwealth and is a wholly owned subsidiary of American Water Works Company, Inc.

In the Application, PAWC-WD identified Sienna Fee Simple, LLC as the developer (Developer) requesting that PAWC-WD provide wastewater service to a proposed residential development in Fairview Township, York County (Sienna Development). A copy of the Developer's letter to PAWC-WD requesting wastewater service was provided in the Application as Exhibit E. The Sienna Development will include 655 single-family and single-family-attached residential units and a commercial community center. The Sienna Development will be constructed in two phases, with 356 units and the community center constructed in the first phase (Phase 1) and 299 units constructed in the second phase (Phase 2).

PAWC-WD also identified five properties to the south of the Sienna Development, two commercial and three residential, that may be required to connect to the Sienna Development collection system, subject to Fairview Township's mandatory use of public sewer ordinance.¹ Additionally, two properties to the north of the Sienna Development (Parcel ID Nos. 27-000-RE-0029.00-00000 and 27-000-RE-0029.E0-00000) will connect to the Sienna Development collection system through a proposed privately owned force main and utility easement negotiated with the Developer, as discussed in Sections III and VI of this Order. Together, the five properties to the south and the two properties to the north will be referred to as the Outside Development Properties.

PAWC-WD stated in the Application that water service to the requested service territory will be provided by PAWC.² In supplemental information filed with the

¹ A copy of Fairview Township Code Chapter 232, Article II, §232-9 (A) was provided in the Application's Exhibit G.

² In supplemental information filed with the Commission, PAWC-WD provided a history of corporate mergers and acquisitions that it averred evidence PAWC's right to provide water service within the requested service territory.

Commission, PAWC-WD indicated that the Outside Development Properties currently receive water from on-lot wells and wastewater service through on-lot septic systems.

PAWC-WD submitted proofs of publication and service to the appropriate entities. Notice of the Application was published in the *Pennsylvania Bulletin*, 54 Pa.B. 5597, on August 31, 2024. The protest period ended September 16, 2024. No protests were filed, and no hearings were held.

II. LOCATION AND DESCRIPTION OF REQUESTED TERRITORY

The requested service territory is located between the Yellow Breeches Creek and the Pennsylvania Turnpike corridor near the northern boundary of Fairview Township, York County, along the northwest and southwest corners of Limekiln Road's intersection with Spanglers Mill Road (State Route 4027). The requested service territory consists of two areas separated by Limekiln Road, depicted as Parcel 1 and Parcel 2 on the revised map provided as A-22_Attachment in supplemental information filed with the Commission. Parcel 1 consists of 18.7 acres of land and encompasses five of the Outside Development Properties situated along the southern side of Limekiln Road. Parcel 2 consists of 132.4 acres of land along the northern side of Limekiln Road and encompasses the Sienna Development and two of the Outside Development Properties. Combined, the requested service territory is comprised of approximately 151 acres of land. In supplemental information filed with the Commission, PAWC-WD provided a revised map and written description of the requested service territory by bearing angles and distances as Revised Exhibits B-1 and B-2, respectively. PAWC-WD's existing service territory in Fairview Township abuts the requested territory along the eastern boundaries of the requested service territory.³

³ See, *Application of the Pennsylvania-American Water Company - Wastewater Division (PAWC-WD) for approval of (1) the transfer, by sale, of substantially all of the wastewater system assets and rights of Fairview Township to PAWC-WD, and (2) the right of PAWC-WD to furnish wastewater service to the public in a portion of Fairview Township, York County, Pennsylvania*, Order Entered December 17, 2015, at Docket No. A-2015-2486532.

III. DESCRIPTION OF FACILITIES FOR FURNISHING SERVICE

In the Application, PAWC-WD indicated that Phase 1 of the Sienna Development will include 10,000 linear feet (LF) of eight-inch-diameter SDR-35 and SDR-26 polyvinyl chloride (PVC) gravity main, 2,170 LF of six-inch-diameter SDR-21 PVC force main, 74 manholes, and one pump station. In supplemental information filed with the Commission, PAWC-WD indicated Phase 2 facilities will include 4,900 LF of eight-inch-diameter SDR-35 PVC gravity main, 40 manholes, and 149 six-inch-diameter SDR-35 and SDR-26 PVC service laterals, and clarified that Phase 1 will include 194 SDR-35 and SDR-26 PVC service laterals (together, Sienna Development Facilities).⁴

The Sienna Development Facilities will tie-into PAWC-WD's existing eight-inch-diameter PVC force main near the intersection of Pin Oak Drive and Buttonwood Court. In supplemental information filed with the Commission, PAWC-WD provided a copy of an Act 537 Plan Special Study titled "Report for Act 537 Special Study for the Lower Allen Township Authority Wastewater Treatment Plant (LATA WWTP), Fairview Township Service Area Alternatives" (2024 Special Study) that identified five sections of PAWC-WD's existing collection system in Fairview Township that will need to be upgraded to accommodate the wastewater flow from the Sienna Development. More specifically, approximately 1,300 LF of eight-inch-diameter pipe will be replaced with ten-inch-diameter SDR-35 PVC pipe within the Green Lane Manor and Green Lane Farms developments. The cost of this pipe replacement is discussed in Section IV, below.

In the Application, PAWC-WD indicated that the Developer requested 694 equivalent dwelling units (EDUs) with an estimated average wastewater flow of 117,500 gallons per day (gpd), including approximately 655 EDUs for the Sienna Development residential properties, one EDU for the Community Center, five EDUs for existing Outside Development Properties to the south of Limekiln Road, and 33 EDUs for the

⁴ PAWC-WD indicated that all service laterals are individual connections, except that three 72-unit and four 24-unit apartment buildings will each have one service lateral per building.

Outside Development Properties to the north of the Sienna Development. Of note, a 32-unit development may be constructed on Parcel ID No. 27-000-RE-0029.E0-00000 at some point in the future. As such, the potential flow from this development was considered during the Sierra Development planning. In supplemental information filed with the Commission, PAWC-WD indicated that the projected organic load of the requested service territory will be approximately 250 pounds per day.

As discussed above, wastewater will be conveyed through a portion of PAWC-WD's existing collection system in Fairview Township and ultimately treated at the LATA WWTP. PAWC-WD identified the permitted design hydraulic capacity of the LATA WWTP to be 13.5 million gallons per day (MGD) and its 2023 actual average month flow to be 4.9 MGD. A copy of LATA's 2023 Chapter 94 Municipal Wasteload Management Report (2023 Chapter 94 Report) was provided in supplemental information filed with the Commission. The 2023 Chapter 94 Report identified the Sienna Development as a planned development and indicated that the LATA WWTP is not projected to be hydraulically or organically overloaded within the next five years. As such, PAWC-WD averred that it has sufficient collection, conveyance, and reserved treatment capacity in the LATA WWTP to serve the requested service territory.

IV. ADDITIONAL CAPITAL REQUIREMENTS

In the Application, PAWC-WD stated that the Developer will pay for the cost of the Sienna Development Facilities through an agreement with PAWC-WD, and provided an unexecuted copy of its standard Sewer Main Extension Agreement as Exhibit H. PAWC-WD also noted that if the Outside Development Properties request service prior to PAWC-WD obtaining a Certificate of Public Convenience (CPC) to provide wastewater service within the requested service territory, connections will be funded by the customer and that after a CPC is granted, PAWC-WD will contribute to a portion of any bona fide customer's connection costs consistent with its wastewater tariff. In supplemental information filed with the Commission, PAWC-WD provided a cost breakdown of the

Sienna Development Facilities that quantified the estimated cost of construction of Phases 1 and 2 to be \$2,646,736 and \$662,400, respectively, which would result in an estimated total construction cost of \$3,309,136 for the Sienna Development Facilities.

In addition to the Sienna Development Facilities, the Developer will incur a cost of approximately \$162,500 to complete the required upgrades to PAWC-WD's existing collection system. A breakdown of this estimated cost was provided as Attachment 10 to the 2024 Special Study. The Developer will also defray an estimated \$2,810,700 in capacity reservation and connection fees in accordance with PAWC-WD's tariff and the Sewer Main Extension Agreement. PAWC-WD indicated that it will book these fees as contributions in aid of construction.

V. PROPOSED RATES

PAWC-WD indicated that it will charge its existing Rate Zone 1 rates for wastewater service in the requested service territory, as set forth in its effective wastewater tariff. In supplemental information filed with the Commission, PAWC-WD revised its estimated annual revenue to be \$863,318 and estimated annual expenses to be \$178,189 which would result in an estimated annual net income of approximately \$685,129 for providing wastewater service within the requested service territory.

VI. PERMITS, EASEMENTS, AND RIGHTS-OF-WAY REQUIRED

The proposed upgrades to PAWC-WD's existing facilities and the Sienna Development Facilities will be located within public rights of way and any easements within the Sienna Development will be obtained from the Developer at the Developer's expense. A draft copy of a Deed of Easement and Right of Way Agreement between PAWC-WD and the Developer was provided as part of the Application's Exhibit H.

In supplemental information filed the Commission, PAWC-WD provided a copy of its Water Quality Management (WQM) Permit No. 6723407 that authorized the construction of the Sienna Development collection system, pump station, and the

modification to PAWC-WD's existing collection system to handle the additional wastewater flow. In addition, PAWC-WD provided a copy of a Sewage Facilities Planning Module for the Sienna Development labelled as A-4_Attachment that indicated that a second WQM Permit will be needed for the future development of 32 units on Parcel ID No. 27-000-RE-0029.E0-00000, once approved.

Finally, in supplemental information filed with the Commission, PAWC-WD provided a copy of an agreement between the Developer and the owner of Parcel ID No. 27-000-RE-0029.E0-00000, the Outside Development Property directly north of the Sienna Development. Through the agreement the property owner relinquished a previously held access easement across the Sienna Development parcel in exchange for a utility easement from a point of connection into the proposed Sienna Development collection system to the property owner's parcel, along with monetary compensation.

VII. ACT 537 OFFICIAL SEWAGE FACILITIES PLAN AND LAND USE PLANNING COMPLIANCE

In supplemental information filed with the Commission, PAWC-WD provided a copy of the Sewage Facilities Planning Module that was completed for the Sienna Development and approved by DEP letter dated September 14, 2022 (DEP Approval Letter). The DEP Approval Letter verified that the requested service territory will include 694 dwelling units of various types and the estimated wastewater flow of 117,150 gpd.

Exhibit N of the Application consisted of a copy of a land use planning compliance form letter completed by the Fairview Township Planning Commission on August 1, 2024. This letter indicated that the Application is consistent with the Fairview Township's comprehensive plan and or zoning ordinances adopted by Fairview Township. Similarly, Exhibit O of the Application consisted of a copy of a county land use letter, dated August 2, 2024, from the York County Planning Commission that indicated the Application is consistent with the county's comprehensive plan.

VIII. OTHER CONSIDERATIONS

In the Application, PAWC-WD averred that providing wastewater service in the requested territory will have no adverse effect on service furnished or the rates charged to its existing customers. PAWC-WD further stated that it is financially and technically capable of providing wastewater service and that future customers will benefit from receiving service from PAWC-WD. Additionally, PAWC-WD asserted that, to the best of its knowledge, no corporation or entity is currently furnishing wastewater service in the requested territory and no competitive condition will be created by approval of the Application.

Finally, PAWC-WD has no outstanding fines or assessments due to the Commission and is current with Commission reporting requirements. In Commission correspondence with DEP's Southcentral Regional Office, DEP indicated it has no issues to report regarding the Application.

IX. CONCLUSION

Based upon the facts that there is a need to make public wastewater service available within the requested territory; that PAWC-WD will expand its service territory to new customers in compliance with Commission regulations; that PAWC-WD will be meeting the needs of new customers without detriment to its existing customers; and that PAWC-WD is fit to provide service; the Commission finds that granting approval of PAWC-WD's Application is necessary or proper for the service, accommodation, convenience or safety of the public and is in the public interest; **THEREFORE,**

IT IS ORDERED:

1. That the Application of Pennsylvania-American Water Company – Wastewater Division at Docket No. A-2024-3050785, is hereby approved.

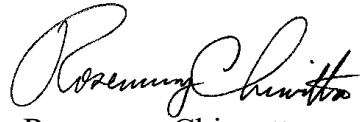
2. That a Certificate of Public Convenience shall be issued pursuant to Section 1102(a)(1)(i) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1102(a)(1)(i), authorizing Pennsylvania-American Water Company – Wastewater Division to begin to offer, render, furnish, and supply wastewater service to the public in an additional portion of Fairview Township, York County, consistent with revised Exhibits B-1 and B-2 of the Application.

3. That nothing herein shall be construed as an approval or determination of costs or expenses for the purposes of just or reasonable rates or to exempt Pennsylvania-American Water Company – Wastewater Division from obtaining all necessary permits, licenses, and approvals from other federal, state, and local government agencies having jurisdiction.

4. That a copy of this Order be served upon Pennsylvania-American Water Company – Wastewater Division, the Commission’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Fairview Township Board of Supervisors, the Fairview Township Planning Commission, the York County Commissioners, the York County Planning Commission, and the Department of Environmental Protection – Southcentral Regional Office and its Bureau of Regulatory Counsel.

5. That the proceeding at Docket No. A-2024-3050785 be closed upon the Commission's issuance of a Certificate of Public Convenience in accordance with Ordering Paragraph 2.

BY THE COMMISSION,



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: December 19, 2024

ORDER ENTERED: December 19, 2024