

1 A. I have a Bachelor of Science degree in Civil Engineering from the University of
2 Vermont, Burlington, VT and a Master's Degree in Business Administration from
3 York College of Pennsylvania, York, Pennsylvania. I am also a graduate of the US
4 Army's Command and General Staff College and Department of Defense's
5 Defense Language Institute.

6

7 Q. Are you a member of any professional societies or trade associations?

8 A. Yes, I am currently a member of the American Water Works Association
9 ("AWWA"), the Waterworks Operators Association of Pennsylvania and the
10 National Association of Water Companies ("NAWC"). I currently serve on the
11 Board of Directors of NAWC and the Pennsylvania Chapter of NAWC, serving
12 twice as Chairman from 2013-2014 and 2021-2023. I am the Vice-Chair of the PA
13 Section AWWA Water Utility Council and a member of the Small Water Systems
14 Technical Assistance Center Board. I was an inaugural member and served one
15 term on the PA Public Utility Commission's Damage Prevention Committee.

16

17 Q. What has been your other business experience?

18 A. In my last assignment on Active Duty with the United States Army, I served as the
19 Deputy Commander and Deputy District Engineer for the Baltimore District, US
20 Army Corps of Engineers ("USACE"). Immediately prior to joining the Company,
21 I was Chief, Navigation Branch, Baltimore District, USACE. I served on Active
22 Duty as an Engineer Officer in the United States Army Corps of Engineers for
23 approximately 22 years.

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Q. Have you previously testified before a regulatory commission?

A. Yes, I testified in the Company's last four base rate proceedings.

Q. Will you list the exhibits you are sponsoring in this proceeding?

A. I am sponsoring the following exhibits prepared by me or under my direction and supervision:

Exhibit Nos. HXII-1 and HXII-2 relating to quality of service;

Exhibit Nos. HXI-5 and FXI-5 relating to unaccounted for water;

Exhibit Nos. HXI-6 and FXI-6 relating to corporate history;

Exhibit Nos. HIII-22 and FIII-22 relating to the incentive program; and

Exhibit Nos. HV-12, FV-12, FV-12-1, FV-12-1W, FV-12-2, FV-12-2W, FV-12-3, FV-12-3W, FV-12-4, FV-12-4W, FV-12-5, FV-12-5W, FV-12-6, and FV-12-6W relating to plant additions and retirements.

Q. Please explain the history of the Company.

A. As explained in Exhibit No. FXI-6, York Water is the oldest investor-owned public utility in the country, having been formed in 1816. The Company is engaged in the

1 business of furnishing water and wastewater service to nearly 80,000 customers
2 pursuant to certificates of public convenience and necessity issued by the
3 Commission. York Water provides direct water service in the City of York, in the
4 Boroughs of East Prospect, Glen Rock, Hallam, Jacobus, Jefferson, Loganville,
5 Manchester, Mount Wolf, New Freedom, New Salem, North York, Railroad, Seven
6 Valleys, Shrewsbury, Spring Grove, West York, York Haven and Yorkana in York
7 County, Pennsylvania, in the Townships of Codorus, Conewago, East Manchester,
8 Hellam, Hopewell, Jackson, Lower Windsor, Manchester, Newberry, North
9 Codorus, North Hopewell, Paradise, Shrewsbury, Springettsbury, Springfield,
10 Spring Garden, Washington, West Manchester, West Manheim, Windsor and York
11 in York County, Pennsylvania, in the Boroughs of Abbottstown and Carroll Valley
12 in Adams County, Pennsylvania, in the Townships of Berwick, Cumberland,
13 Oxford, Hamilton, Reading, Mount Pleasant, Union, and Straban in Adams County,
14 Pennsylvania, in the Townships of Greene, Hamilton, and Letterkenny in Franklin
15 County, Pennsylvania, and in the Townships of Salisbury and West Donegal in
16 Lancaster County, Pennsylvania. The Company also provides wholesale service to
17 the Boroughs of Glen Rock, New Freedom, and Stewartstown and to Dover
18 Township, all in York County.

19 In addition, York Water provides wastewater service in the Boroughs of
20 East Prospect, Felton, Jacobus, West York, and York Haven in York County,
21 Pennsylvania, in the Townships of East Manchester, Lower Windsor, Monaghan,
22 Newberry, Springfield, Shrewsbury, Washington, and West Manheim in York
23 County, Pennsylvania, in the Townships of Greene, Hamilton, and Letterkenny in

1 Franklin County, Pennsylvania, in the Township of Straban in Adams County,
2 Pennsylvania, and in the Township of West Donegal in Lancaster County,
3 Pennsylvania.

4
5 Q. What are the goals of the Company?

6 A. York Water is committed to providing its customers with safe, dependable, high-
7 quality drinking water and wastewater services that meet or exceed their
8 expectations and to providing these services at a cost to customers that allows the
9 Company to provide a reasonable rate of return on investment to its shareholders.
10 The Company employs 127 highly skilled and dedicated employees who are
11 focused on providing optimal water and wastewater service to York Water's
12 customers and communities every day. Their dedication is foundational to York
13 Water's success, because satisfied customers drive business success and motivate
14 the Company's team to perform at the highest levels, resulting in growth
15 opportunities and increasing net revenue. York Water's Customer Service and our
16 Operations teams lead the way, but the whole company is committed to superior
17 customer service.

18
19 Q. Has the Company accomplished these goals?

20 A. Yes. As a great example of the Company's success in achieving its goals, not a
21 single formal customer complaint was filed against York Water in all of 2024. To
22 achieve such an impressive result, the team completed over 11,600 in-person
23 transactions and received over 75,000 in-bound phone calls, of which 96% were

1 addressed in 30 seconds or less. These two metrics reinforce the Company's
2 confidence that York Water is providing its customers with the service and value
3 proposition that they both expect and deserve.

4 Other successes can be seen in the results of the Company's 2024
5 customer satisfaction survey. Specifically, in 2024, the Company partnered with a
6 professional survey company to conduct a customer satisfaction survey. 2024 was
7 the appropriate year in which to conduct the survey to gather representational
8 survey results. The survey revealed that 89% of those customers surveyed are
9 satisfied York Water utility customers. 89% of those customers surveyed also
10 stated that the Company's redesigned, customer-facing website (December 2023) –
11 www.yorkwater.com – is easy to use. These findings, along with many other
12 metrics in that survey, will help inform the Company's decision-making and
13 business processes as York Water continues to focus on creating a positive
14 customer experience.

15 Further, while the Customer Service team is often the face or voice of
16 York Water, it is the Operations team that helps ensure that the Company provides
17 high quality water ("That good York water") and wastewater services throughout
18 its service territories. This team is essential, as they oversee the design,
19 construction, operation, and maintenance of the Company's resilient, reliable, and
20 redundant systems for peak performance and actualized reliability. Although there
21 are several examples that demonstrate the Operations Team's professional acumen,
22 one specific example is the team's planning, preparation, execution, and
23 commitment to ensuring customers' drinking water needs are met even if the face

1 of natural or man-made environmental challenges. For example, the PA
2 Department of Environmental Protection (“DEP”) Drought Task Force has had a
3 drought watch in effect for the Company’s entire service territory across four
4 counties for more than a year. With the Lake Williams Dam out of service for its
5 spillway rehabilitation during all of calendar year 2023, the Company was
6 restricted to just one of its two reservoirs in service. Recognizing the importance of
7 historic, spring rainfall trends, the Operations Team managed the construction
8 contract and expedited construction so that the rehabilitated dam could impound
9 water in January 2024 to take advantage of winter thaw, runoff, and spring
10 showers. Working through the December 2023 holidays and January 2024, the
11 Company received approval from PA DEP Dam Safety to refill the reservoir in
12 accordance with a deliberate, engineering-informed plan. In February 2024, York
13 Water began refilling the once empty Lake Williams Reservoir following the nearly
14 two-year rehabilitation of the 100+ year old Lake Williams Dam. Following a
15 precisely monitored refilling plan, and with nearly 8” of rain in the months of
16 March and April, the team completed the slow and methodical refilling of the 1.1-
17 billion-gallon storage reservoir by May 2024. With below average rainfall in May,
18 June, and July 2024 (a paltry 1.21” in July) and above average ambient
19 temperatures, the Company’s attention to historic trends and fastidious focus on
20 managing its water resources proved their worth.

21 Fast forward to spring of 2025 and the drought watch continues for much
22 of Pennsylvania, with a 27” precipitation deficit from January 2023 through April
23 2025. Through York Water’s focus on its water resources, the customers of York

1 Water have a lower exposure to drought/supply than customers of other water
2 providers in the surrounding four counties. York Water's strategic planning and
3 keen focus on weather trends going back to 1888, results in precisely managed
4 water resources. Despite 27 months of extended drought, the Company effectively
5 captured every drop of water across its watershed, resulting in two full reservoirs in
6 York County and one full reservoir in Franklin County. York Water's customers
7 have a resilient supply of safe, dependable, high-quality drinking water where
8 many of the surrounding providers are or will be placing their customers on water
9 use warnings and restrictions as we enter into the summer months.

10 Moreover, the Company's rates are among the lowest of the Class A water
11 utilities regulated by the Commission, as shown on Exhibit No. HXII-1. The
12 Company has provided a comparison of the annual average base rate charges under
13 existing rates for the Company and presently effective base rate charges of Veolia
14 Water Pennsylvania, Columbia Water Company, Pennsylvania-American Water
15 Company, and Aqua Pennsylvania, Inc. The annual average residential base rates
16 are based on monthly consumption of 3,900 gallons (York Water's average
17 residential usage). Average annual residential base rate charges for the Company
18 are \$625. The average annual residential base rate charges for Veolia Water
19 Pennsylvania, Columbia Water Company, Pennsylvania-American Water
20 Company, and Aqua Pennsylvania, Inc. are \$747, \$628, \$1,104, and \$1,097,
21 respectively. Thus, the Company's annual average residential base rate charges are
22 more affordable than the Pennsylvania Class A water utilities that serve the
23 majority of Pennsylvania customers.

1 One of the primary drivers of why the Company's rates are so low is
2 financial and operational efficiencies. The Company maintains lower rates by
3 managing expenses across all business functions. Another reason York Water's
4 rates are low compared to peers is the Company's disciplined acquisition practice.
5 Following acquisition and certification from the Commission, the Company
6 prioritizes and invests prudently in capital improvements and operation and
7 maintenance expenditures to help ensure that the Company's newest customers
8 receive the same level of reliable services at the same reasonable cost to customers.

9 Lastly, the Company's effectiveness in meeting its goals can be seen in the
10 most recent Management and Operations Audit performed by the Commission's
11 Bureau of Audits. After an extensive, in-depth audit from November 10, 2020
12 through March 5, 2021 of the Company's Executive Management and
13 Organizational Structure, Corporate Governance, Financial Management, Water
14 and Wastewater Operations, Emergency Preparedness, Purchasing and Materials
15 Management, Customer Services, and Human Resources and Diversity, the final
16 report noted only seven areas for minor improvement and was unable to assign any
17 monetary savings that would accrue from the Company's implementation plan.

18
19 Q. Does the Company have a program to assist low-income customers?

20 A. Yes. While the Company's rates are among the most affordable rates of the Class
21 A water utilities regulated by the Commission, York Water recognizes that not all
22 customers can easily pay a monthly water bill. To assist those payment troubled
23 customers and those customers experiencing a significant change in financial

1 capacity, the Company established a Pilot Low Income Customer Assistance
2 Program in 2005. This program grew to serve a high of 68 customers in 2008 and
3 is no longer known as a “pilot” program.

4 The Company’s Low Income Customer Assistance Program is designed to
5 aid low-income, payment troubled customers in reducing water consumption and
6 arrearage amounts. The Company’s Low Income Customer Assistance Program
7 includes the following features: (1) it is targeted to low income payment troubled
8 customers (150% of federal poverty level); (2) it includes a water usage reduction
9 component with plumbing repairs and the installation of water conservation
10 devices; (3) it includes a requirement of monthly payments to reduce arrearages;
11 and (4) customers earn immediate forgiveness of up to \$120 by meeting payment
12 obligations.

13 The Company’s Low Income Customer Assistance Program was expanded
14 as part of the Settlement approved by the Commission Order entered January 17,
15 2019, in York Water’s 2018 base rate case at Docket Nos. R-2018-3000019, *et al.*
16 Under that Settlement, the Low Income Customer Assistance Program’s annual
17 budget was expanded to \$20,000 on a pilot basis until the Company’s next base rate
18 case. Subsequently, under the Settlement approved by Commission Order entered
19 January 12, 2023, in York Water’s 2022 base rate case at Docket Nos. R-2022-
20 3031340, the annual budget was expanded to \$40,000. The program has been a
21 success in helping low-income customers pay their water and wastewater bills to
22 avoid shut off, especially during and following the COVID-19 pandemic. The
23 Company is requesting further expansion of the funding level to \$60,000 annually

1 because: (1) the \$40,000 annual budget has been fully expended each year; and (2)
2 the Company's customer base and service territory continues to grow.

3 Furthermore, under the Settlement approved in York Water's 2022 base
4 rate case, the Company was required to propose a pilot low-income bill discount
5 program for residential water and wastewater service in its next base rate
6 proceeding. As such, York Water proposes that up to 200 low-income customers
7 not be billed the fixed residential customer charge, which would save those
8 customers at least \$200 each year. The low-income customers can reduce the
9 consumption-based portion of their bill through conservation, so the focus of the
10 pilot low-income bill discount program is on the fixed charge.

11
12 Q. How does the Company recover the costs associated with the Low Income
13 Customer Assistance Program?

14 A. Because the program helps residential customers only, the Company includes the
15 costs associated with the program, including plumbing repairs and bad debt
16 forgiveness, in the cost of service for residential customers.

17
18 Q. Has the Company taken any other measures to assist low-income, payment-
19 troubled customers?

20 A. Yes. York Water does not require a deposit as a condition of service, nor does the
21 Company propose implementing such a policy at this time. York Water also
22 adheres to the applicable rules and regulations governing termination of service.

1 Further, the Company will negotiate second or subsequent payment agreements in
2 good faith to help low-income customers pay down their balances in arrears.

3
4 Q. Is there any demonstration that customers view the Company's service favorably?

5 A. The Company's superior level of customer service can be demonstrated by
6 reviewing the frequency of customer complaints filed with the Commission's
7 Bureau of Consumer Services. Exhibit No. HXII-2, pages 1 through 6 provide a
8 comparison of the Company's 2023, 2022, and 2021 residential complaint rates and
9 justified residential complaint rates to the 2023, 2022, and 2021 residential
10 complaint rates and justified residential complaint rates of Aqua Pennsylvania, Inc.,
11 Pennsylvania-American Water Company and the industry as a whole. The
12 residential complaint rates and justified residential complaint rates for Aqua
13 Pennsylvania, Inc., Pennsylvania-American Water Company, and the industry as a
14 whole are published by the Commission's Bureau of Consumer Services. 2023 is
15 the latest information available. York Water's 2023, 2022, and 2021 residential
16 complaint rates and justified residential complaint rates are significantly lower than
17 the residential complaint rates and justified residential complaint rates of Aqua
18 Pennsylvania, Inc., Pennsylvania-American Water Company and the industry as a
19 whole.

20 To maintain this exceptionally high level of customer satisfaction, the
21 Company has a policy and procedures for responding and tracking customer
22 inquiries and complaints. In particular, all customer inquiries are tracked for action
23 taken prior to being closed. If an inquiry requires action by someone outside the

1 customer service area, a customer work order will be created to track the activity
2 until completion. Additionally, the President and Chief Executive Officer is copied
3 on all customer inquiries. The VP of Customer Service also monitors the activity
4 of all inquiries to determine that the customer has received satisfaction or a
5 satisfactory response to the customer's concern. Moreover, all inquiries requiring
6 some action on the part of the Company are logged into the Company's customer
7 information system as part of the customer history file.

8 York Water also conducts Customer Attitude Surveys to measure the level
9 of its customers' satisfaction and to anticipate and respond to changes in its
10 customers' expectations. The Company has conducted independent Customer
11 Attitude Surveys in 1989, 1992, 1996, 2000, 2004, 2009, 2015, 2020, and 2024.
12 The surveys measured customer satisfaction as it relates to water quality and
13 service. The customer opinions of both quality and service were uniformly
14 excellent. I have previously discussed the results of the most recent survey.

15 In sum, the data demonstrates that the Company, due to its efforts, delivers
16 to its customers' exceptional customer service and exceptional value.

17
18 Q. Does the Company promote the continuation of superior and affordable service to
19 its customers in other ways?

20 A. Yes. To help York Water continue providing superior and affordable service, the
21 Company established a Cash Incentive Plan approved by the Company's
22 Compensation and Human Capital Committee and Board of Directors on January
23 26, 2003. The Company's Cash Incentive Plan is designed to motivate and reward

1 participants who provide superior service, contribute to the achievement of
2 Company goals, and promote the creation of value for customers. The Company
3 establishes a number of performance objectives for the calendar year, each of
4 which provides a direct benefit to its customers. The Company's Cash Incentive
5 Plan also provides for a business criterion upon which annual incentive awards are
6 conditioned. The business criterion is not a performance objective and is not the
7 objective for the incentive plan. However, the business criterion is established to
8 ensure that cash incentives are paid only when the Company's financial profile
9 warrants such a payout.

10 In addition, the Company established a Long-Term Incentive Plan
11 approved by the Company's stockholders on May 2, 2016, to help York Water
12 continue providing superior and affordable service. The Company's Long-Term
13 Incentive Plan is designed to advance the long-term success of the Company by
14 providing the incentive of long-term stock-based awards to officers, directors, and
15 key employees. The Long-Term Incentive Plan helps ensure that the compensation
16 practices of the Company are competitive in the industry and helps assist with the
17 attraction and retention of directors and key employees that are vital to providing
18 superior and affordable service to York Water's customers.

19
20 Q. Is the Company making substantial expenditures to provide for the water supply
21 and wastewater service needs of its customers?

22 A. Yes. For the Company to continue providing its high-quality water service and
23 exceptional customer service, it is necessary to invest in replacements,

1 improvements, and additions to the Company's facilities. As explained in Exhibit
2 Nos. FV-12-1, FV-12-2, FV-12-4 and FV-12-5, York Water has projected to place
3 in service \$41,708,860 in new or replacement facilities during 2025 and
4 \$44,606,360 in 2026 and the first two months of 2027. The Company's projection
5 of new facilities includes: (1) standpipe, booster station, and pumping equipment
6 upgrades; (2) improvements to the Company's water treatment facilities that will
7 make them more efficient; (3) the replacement or relining of aging mains; and (4)
8 the replacement of other infrastructure. Projected additions also include the cost of
9 new services, hydrants, and mains resulting from organic growth within York
10 Water's service territory as well as upgraded meter reading equipment and
11 electronics to make the Company's operations more efficient.

12 For the Company to continue providing its high-quality wastewater
13 service, it is necessary to invest in replacements, improvements, and additions to
14 the Company's facilities. As explained in Exhibit Nos. FV-12-1W, FV-12-2W,
15 FV-12-4W and FV-12-5W, York Water has projected to place in service
16 \$6,581,359 in new or replacement facilities during 2025 and \$6,418,667 in 2026
17 and the first two months of 2027. The Company's projection of new facilities
18 includes improvements to the Company's wastewater treatment facilities that will
19 make them more efficient as well as the replacement and rehabilitation of aging
20 mains, manholes, and other infrastructure. Projected additions also include the cost
21 of upgraded equipment and electronics to make the Company's operations more
22 efficient.

1 Q. Has the Company also projected retirements and removed them from rate base?

2 A. Yes. As shown in Exhibit Nos. FV-12-3 and FV-12-6, the Company plans to retire
3 approximately \$3,197,285 from utility plant in service during 2025 and
4 \$13,774,015 during 2026 and the first two months of 2027. As shown in Exhibit
5 Nos. FV-12-3W and FV-12-6W, the Company plans to retire approximately
6 \$39,357 from wastewater utility plant in service during 2025 and \$27,575 during
7 2026.

8

9 Q. How is the Company financing its capital requirements?

10 A. The Company is financing its capital requirements through internally generated
11 funds, proceeds from the issuance of common stock under its dividend
12 reinvestment and direct stock purchase plan and employee stock purchase plans,
13 customer advances, issuances of equity and long-term debt, and temporary
14 borrowings under its lines of credit.

15 In addition, I note that the Company has implemented a variety of
16 financing methods in the Company's efforts to produce interest cost savings for its
17 customers. The Company's long-term goal for permanent capital is to maintain a
18 capital structure between 50% and 55% equity, which will assist the Company in
19 maintaining an investment grade credit rating that will allow the Company to
20 obtain financing at the lowest cost possible which benefits our customers.

21

22 Q. Can you describe the Company's recent acquisition activity?

1 A. The following is a summary of York Water’s recent acquisition activity. York
2 Water supports the Commission’s objectives of promoting regionalization and
3 strengthening water and wastewater system viability. These acquisitions will
4 improve the overall capability of the Commonwealth’s water and wastewater
5 industry, maintain and improve the quality of water and wastewater service to
6 customers, advance the communities’ economic development, and protect the
7 environment.

8
9 **Country View Manor (Water purchase)**

10 On August 11, 2022, the Company completed the acquisition of the water assets of
11 Country View Manor Community, LLC (“CVM”) in York County, Pennsylvania.
12 The Company began operating the existing water facilities on August 15, 2022.
13 CVM served approximately 50 water customers.

14 With a change in community ownership, the new owner did not have the
15 expertise or wish to continue to provide water service to its residents due to
16 increasing costs and the challenges of meeting regulatory oversight and reporting
17 requirements. CVM determined that it was in the best interests of its current
18 customers to sell its water facilities to a company that has sufficient water
19 operations and maintenance experience to meet the water demands of the public
20 and has more experience dealing with utility service and regulatory requirements
21 associated with providing such service. CVM concluded that its investment in
22 maintaining the water facilities in the future would be insufficient to provide safe
23 and reliable water service.

1 The Company acquired CVM’s source of supply and its water treatment
2 and distribution system, including all the physical plant, property, and equipment.
3 In the process of conducting its due diligence, the Company noted elevated arsenic
4 levels that were close to but had not exceeded the Maximum Contaminant Level
5 (“MCL”). Following acquisition and certification by the Commission, the
6 Company conducted initial baseline sampling and identified arsenic contamination
7 in the wells above the MCL. The Company notified all customers and quickly
8 designed, permitted, and installed a dual arsenic filtration system. The Company
9 also identified and repaired a significant leak that had been ongoing prior to
10 acquisition. The Company improved the system by installing meters and an
11 automated meter reading system, so customers would pay for their own usage. The
12 Company also installed Supervisory Control and Data Acquisition (“SCADA”)
13 equipment along with backup power generation to the well house. Prior to the
14 Company’s acquisition and priority investment in reliability, the booster pumps
15 were connected to a single source of power and were subject frequent power
16 outages resulting in loss of water supply to residents.

17 On March 9, 2023, the Company submitted to the Commission an original
18 cost plant-in-service valuation of the CVM water system. The Company paid
19 approximately the depreciated original cost of the acquired system. York Water
20 has included in rate base the depreciated original cost of the acquired system. No
21 amortization of pass-through of the difference between the acquisition cost and the
22 depreciated original cost is appropriate because this acquisition involves a matter of
23 substantial public interest.

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County View Manor (Wastewater purchase)

On August 11, 2022, the Company completed the acquisition of the wastewater assets of Country View Manor Community, LLC (“CVM”) in York County, Pennsylvania. The Company began operating the existing wastewater collection and treatment facilities on August 15, 2022. CVM served approximately 50 wastewater customers.

As with the water system, with a change in community ownership, the new owner did not have the expertise or wish to continue to provide wastewater service to its residents due to increasing costs and the challenges of meeting regulatory oversight and reporting requirements. CVM determined that it was in the best interests of its current customers to sell its wastewater collection and treatment system to a company that has sufficient wastewater operations and maintenance experience to meet the wastewater demands of the public and has more experience dealing with utility service and regulatory requirements associated with providing such service. CVM concluded that its investment in maintaining the collection and treatment system in the future would be insufficient to provide safe and reliable wastewater collection and treatment services.

The Company acquired CVM’s wastewater collection and treatment system, including all the physical plant, property, and equipment. Upon taking over the CVM wastewater collection and treatment system, the Company installed SCADA equipment and backup power generation to improve the reliability of service. During the diligence process, the Company noted safety concerns at the

1 treatment plant that would expose a sole operator to a dangerous fall hazard. Most
2 of the necessary safety grating above and across the tankage was missing or
3 inadequately supported. Additionally, the Company determined that the critically
4 important comminutor was inoperable, there were no spare parts, motors, or
5 blowers, the exhaust fan did not work, there was an air leak in the final aeration
6 tank, and most alarmingly, the sewer lateral connecting the treatment plant to the
7 collection system was separated and seeping raw sewage. All these deficiencies
8 have been rectified by York Water. To reduce inflow and infiltration (“I&I”), the
9 Company will regrade the driveway to allow excessive rain and runoff to flow
10 away from the plant and not into the equalization tank, which was jeopardizing the
11 plant’s hydraulic capacity.

12 On March 9, 2023, the Company submitted to the Commission an original
13 cost plant-in-service valuation of the CVM wastewater system. The Company paid
14 less than depreciated original cost of the acquired system. York Water has included
15 in rate base the depreciated original cost of the acquired system. No amortization
16 of pass-through of the difference between the acquisition cost and the depreciated
17 original cost is appropriate because this acquisition involves a matter of substantial
18 public interest.

19
20 **LIDA/FCGA (Water purchase)**

21 On August 25, 2022, the Company completed the acquisition of the water assets of
22 the Letterkenny Industrial Development Authority and Franklin County General
23 Authority (“LIDA/FCGA”) in Franklin County, Pennsylvania. The Company

1 began operating the existing water facilities on August 29, 2022. LIDA/FCGA
2 served approximately 90 water customers, including the Letterkenny Army Depot,
3 a nationally strategic logistics center.

4 LIDA/FCGA was formed in response to the 2005 Base Realignment and
5 Closure Act (“BRAC”), with the sole purpose of realigning facilities in accordance
6 with BRAC directives. LIDA/FCGA did not wish to continue to provide water
7 service to its residents due to increasing costs and the challenges of meeting
8 regulatory oversight and reporting requirements. LIDA/FCGA did not have the
9 expertise to provide planning support to the military commands operating on
10 Letterkenny Army Depot, nor support the long-term strategic direction of the
11 installation. LIDA/FCGA determined that it was in the best interests of its current
12 customers to sell its water facilities to a company that has sufficient water
13 operations and maintenance experience to meet the water demands of the public
14 and has more experience dealing with planning and projecting utility service and
15 the regulatory requirements associated with providing such service. LIDA/FCGA
16 concluded that its investment in maintaining the water facilities in the future would
17 be insufficient to provide safe and reliable water service.

18 The Company acquired the LIDA/FCGA water treatment and distribution
19 system, including all the physical, property, and equipment. Prior to acquisition,
20 the most recent filter plant performance evaluation identified 24 deficiencies,
21 including several that had been repeated through multiple inspections without
22 change or improvement. Upon taking over the LIDA/FCGA water facilities, the
23 Company installed monitoring equipment and backup power generation.

1 LIDA/FCGA was willing to accept the risk of power outage by filling its one
2 finished water storage tank and allowing the system to ride on gravity if the system
3 lost power. In York Water's assessment, this created excessive and unallowable
4 risk in the event of a power outage. After several months of investigation in
5 accordance with the Company's leak detection program, the Company identified a
6 significant leak in the floor of one of the finished water basins. Without proper
7 controls, LIDA/FCGA had no way to monitor the water supply system. Once York
8 Water installed metering diagnostics throughout the treatment and collection
9 network, the Company could quantify that over 100,000 gallons per day were
10 leaking from the finished water basin. The Company replaced the failed valves,
11 isolated the basin, and then repaired the significant leak that had been ongoing well
12 prior to the acquisition. As a result, unaccounted for water has been reduced by
13 nearly 15%.

14 Also, in reviewing historic reports and logs, the Company determined that
15 the previous operator was not properly reporting monthly usage data to the DEP.
16 Reporting accuracy is critical to both the Company and the DEP and has been
17 improved significantly. While reviewing staffing logs and reports the Company
18 also determined that the previous owner had not properly staffed the facility to
19 meet drinking water regulations, nor had the contract certified operators completed
20 the necessary training.

21 In addition, public fire protection is a priority on military installations, and
22 even more so at Letterkenny Army Depot because it is a national munitions center.
23 As a federal installation that did not charge for fire hydrants, the public fire

1 protection network had ballooned to 327 fire hydrants. The Company inspected all
2 327 fire hydrants to verify they are in proper working order and incorporated them
3 into the Company's hydraulic model to ensure they can be relied upon if needed.
4 Following inspection and modelling, the Company determined 48 of the hydrants,
5 or roughly 15%, were inoperable or were hydraulically obsolete. The Company
6 tagged the hydrants out of service and isolated them from the distribution system,
7 thereby improving overall system capacity.

8 Further, during the diligence process prior to closing, the Company
9 investigated each commercial and industrial connection. Because Letterkenny
10 Army Depot was a military installation and not subject to local ordinances, none of
11 the domestic water lines had backflow protection, creating a cross-connection risk
12 to the Company's customers. The Company notified all customers of mandatory
13 backflow prevention and began the process to ensure compliance as a condition of
14 service. Again, because Letterkenny Army Depot was a military installation and
15 not subject to local ordinances, fire and domestic services were in a common,
16 single line, without proper backflow protection, and without appropriate metering
17 to account for usage. The Company inspected all fire and domestic service
18 connections and notified all customers of mandatory separation of lines to ensure
19 compliance as a condition of service.

20 Upon acquisition the Company also noted that there was no meter
21 inspection or exchange policy for commercial and industrial meters. There were no
22 records indicating when meters were inspected or replaced. All meters are now

1 included in the Company's meter replacement program and inspected in accordance
2 with regulations based upon the size of the meter.

3 And, while the list of improvements is extensive, the Company paid
4 particular attention to physical security of its important water treatment and storage
5 assets. The Company has installed gates, fencing, monitors, cameras and controls
6 at the primary water treatment facility to monitor and control access to this critical
7 infrastructure.

8 On March 9, 2023, the Company submitted to the Commission an original
9 cost plant-in-service valuation of the LIDA/FCGA water system. The Company
10 paid less than the depreciated original cost of the acquired system. York Water has
11 included in rate base the depreciated original cost of the acquired system. No
12 amortization of pass-through of the difference between the acquisition cost and the
13 depreciated original cost is appropriate because this acquisition involves a matter of
14 substantial public interest.

15
16 **LIDA/FCGA (Wastewater purchase)**

17 On August 25, 2022, the Company completed the acquisition of the wastewater
18 assets of LIDA/FCGA in Franklin County, Pennsylvania. The Company began
19 operating the existing wastewater collection and treatment facilities on August 29,
20 2022. LIDA/FCGA served approximately 90 wastewater customers.

21 As with the water system, LIDA/FCGA was formed in response to the
22 2005 BRAC, with the sole purpose of realigning facilities in accordance with
23 BRAC directives. LIDA/FCGA did not wish to continue providing wastewater

1 service to its residents due to increasing costs and the challenges of meeting
2 regulatory oversight and reporting requirements. LIDA/FCGA did not have the
3 expertise to provide planning support to the military commands operating on
4 Letterkenny Army Depot, nor support the long-term strategic direction of the
5 installation. LIDA/FCGA determined that it was in the best interests of its current
6 customers to sell its wastewater collection and treatment facilities to a company
7 that has sufficient wastewater operations and maintenance experience to meet the
8 wastewater demands of the public and has more experience dealing with planning
9 and projecting utility service and the regulatory requirements associated with
10 providing such service. LIDA/FCGA concluded that its investment in maintaining
11 the wastewater facilities in the future would be insufficient to provide safe and
12 reliable wastewater service.

13 The Company acquired LIDA/FCGA's wastewater collection and
14 treatment system, including all the physical plant, property, and equipment. Upon
15 taking over the LIDA/FCGA's wastewater collection and treatment system, the
16 Company installed monitoring equipment and backup power generation to improve
17 the reliability of service. LIDA/FCGA was willing to accept the risk of power
18 outage by allowing its tanks to serve as buffers and storing untreated waste until
19 power would return. In York Water's assessment, this created an excessive and
20 unallowable risk of an overflow or illegal discharge in the event of a power outage.
21 Regular, ongoing maintenance and replacement of infrastructure for the collection
22 system was not being done. And, while the list of improvements is extensive, the
23 Company paid particular attention to the physical security of its important

1 wastewater treatment assets. The Company has installed monitors, cameras and
2 controls at the primary wastewater treatment facility to monitor and control access
3 to this critical infrastructure.

4 On March 9, 2023, the Company submitted to the Commission an original
5 cost plant-in-service valuation of the LIDA/FCGA wastewater system. The
6 Company paid less than the depreciated original cost of the acquired system. York
7 Water has included in rate base the depreciated original cost of the acquired system.
8 No amortization or pass-through of the difference between the acquisition cost and
9 the depreciated original cost is appropriate because this acquisition involves a
10 matter of substantial public interest.

11
12 **Albright Trailer Park (Water purchase)**

13 On October 28, 2022, the Company completed the acquisition of the water assets of
14 Albright Trailer Park of R.T. Barclay, Inc. (“Albright”) in York County,
15 Pennsylvania. The Company began operating the existing water facilities on
16 October 31, 2022. Albright served approximately 60 water customers.

17 Albright did not wish to continue to provide water service to its residents
18 due to increasing costs and the challenges of meeting regulatory oversight and
19 reporting requirements. Prior to the acquisition, Albright was served by York
20 Water through a single point connection. The water distribution system that
21 extended from the meter vault through the community was severely compromised,
22 as demonstrated through extremely high water meter readings (average of 220
23 gallons per unit per day for a mobile home unit). Albright determined that it was in

1 the best interests of its current customers to sell its water facilities to a company
2 that has sufficient water operations and maintenance experience to meet the water
3 demands of the public and has more experience dealing with utility service and
4 regulatory requirements associated with providing such service. Albright
5 concluded that its investment in maintaining the water facilities in the future would
6 be insufficient to provide safe and reliable water service and determined that it
7 would be more beneficial for the owner to focus on managing the mobile home
8 park and not managing a water system.

9 The Company acquired the Albright water distribution system including
10 all the physical, property, and equipment. The Company improved the system by
11 installing individual meters and an automated meter reading system so customers
12 would pay for their own usage. The Company spent considerable effort with its
13 leak detection team identifying and then making repairs to the leaking distribution
14 system up to the point of connection with the customer.

15 On March 9, 2023, the Company submitted to the Commission an original
16 cost plant-in-service valuation of the Albright water system. The Company paid
17 less than the depreciated original cost of the acquired system. York Water has
18 included in rate base the depreciated original cost of the acquired system. No
19 amortization of pass-through of the difference between the acquisition cost and the
20 depreciated original cost is appropriate because this acquisition involves a matter of
21 substantial public interest.
22

1 **Scott Water Company (Water purchase)**

2 On November 5, 2022, the Company completed the acquisition of the water assets
3 of Scott Water Company (“Scott”) in Franklin County, Pennsylvania. The
4 Company began operating the existing water facilities November 18, 2022. Scott
5 served approximately 25 water customers.

6 Scott did not wish to continue providing water service to its residents due
7 to increasing costs and the challenges of meeting regulatory oversight and reporting
8 requirements. Scott developed the water system along with the development of the
9 25-lot subdivision and operated the system ever since. Scott determined that it was
10 in the best interests of its current customers to sell its water facilities to a company
11 that has sufficient water operations and maintenance experience to meet the water
12 demands of the public and has more experience dealing with utility service and
13 regulatory requirements associated with providing such service. Scott concluded
14 that its investment in maintaining the water facilities in the future would be
15 insufficient to provide safe and reliable water service.

16 The Company acquired Scott’s water distribution system but none of its
17 wells, well houses, water treatment building, water tank, or associated equipment.
18 York Water abandoned the existing well, lessening the drain on the aquifer. York
19 Water interconnected Scott’s distribution system with the Company’s existing and
20 recently acquired LIDA system, providing the residents of Scott with a more
21 reliable and plentiful supply of water. Of particular concern to DEP and Scott was
22 a recent report from U.S. Environmental Protection Agency (“EPA”) and the
23 Letterkenny Army Depot, which described per- and polyfluoroalkyl substances

1 (“PFAS”) migration from the military installation down hydraulic gradient in the
2 direction of the Scott Water System. Disconnecting the system from its
3 groundwater source and connecting it to York Water’s surface water source
4 eliminated the risk of PFAS contamination and/or necessary remediation. In
5 addition, York Water improved the system by installing meters and an automated
6 meter reading system so customers would pay for their own usage.

7 On March 9, 2023, the Company submitted to the Commission an original
8 cost plant-in-service valuation of the acquired water assets of Scott. As noted in the
9 testimony of Mr. Coppersmith, the Company’s net cost to acquire the Scott Water
10 System assets was \$22,659 greater than the original cost of the property less
11 applicable accrued depreciation. See Exhibit No. FV-1-9.

12 The negotiations were conducted at arms-length. York Water was not
13 affiliated with Scott. The actual purchase price was reasonable. The net premium
14 is reasonable considering the projected annual revenues that the Company will
15 receive from the customers added as a result of the acquisition. The additional
16 revenue is reflected in this case.

17 Also, rates to pre-acquisition customers will not increase unreasonably due
18 to this acquisition. Annual revenues from the added customers are sufficient to
19 cover the incremental costs of the acquisition.

20 In accordance with Section 1327 of the Public Utility Code, the Company
21 requests that amortization of the \$22,659 positive acquisition adjustment be
22 permitted over a 10-year period as part of rate base.

23

1 **SYC WWTP, L.P. (Wastewater purchase)**

2 On December 1, 2022, the Company completed the acquisition of the wastewater
3 assets of SYC WWTP, L.P. and the Albright Trailer Park of R.T. Barclay (“SYC”),
4 Inc. in York County, Pennsylvania. The Company began operating the existing
5 wastewater collection and treatment facilities on December 5, 2022. SYC served
6 approximately 90 wastewater customers.

7 SYC did not wish to continue providing wastewater service to its residents
8 due to increasing costs and the challenges of meeting regulatory oversight and
9 reporting requirements. SYC determined that it was in the best interests of its
10 current customers to sell its wastewater collection and treatment system to a
11 company that has sufficient wastewater operations and maintenance experience to
12 meet the wastewater demands of the public and has more experience dealing with
13 utility service and regulatory requirements associated with providing such service.
14 SYC concluded that its investment in maintaining the collection and treatment
15 system in the future would be insufficient to provide safe and reliable wastewater
16 collection and treatment services.

17 The Company acquired SYC’s wastewater collection and treatment
18 system, including all the physical plant, property, and equipment. Upon taking
19 over SYC’s wastewater collection and treatment system, the Company installed
20 SCADA equipment and backup power generation to improve the reliability of
21 service. The Company replaced the entire ultraviolet treatment system as the
22 acquired system was out of date and there were no parts available.

1 Also, upon acquisition, the Company determined that one of the blowers
2 did not run as the internal parts were locked up and the motor on another blower
3 needed to be replaced, the sampling meters were outdated and not within
4 specifications, one of the wetland pumps failed, part of the tertiary filter membrane
5 and one of the floats in the tertiary filter had to be replaced, the controls for the
6 blowers needed to be replaced, the elevations were wrong on the wetland floats, the
7 wetland pump station had an effluent pipe that was not properly sealed and
8 allowing partially treated effluent overflow to flow into the creek, one of the
9 treatment trains was completely out of service and in significant disrepair, the
10 failed comminutor needed replacement, and the clarifier weirs needed replacement.
11 In short, the treatment plant was in dire need of overhaul and investment.

12 The Company has made the necessary repairs to bring the system into
13 compliance with all standards and regulations. With the treatment works aligned
14 with the Company's operating principles, the Company is now focused on the
15 wastewater collection system. Since the Company installed improved influent and
16 discharge monitoring, York Water has noted a significant amount of I&I entering
17 the treatment plant. The Company televised and mapped the entire collection
18 system and has prioritized repairs to eliminate I&I to the plant.

19 On July 3, 2023, the Company submitted to the Commission an original
20 cost plant-in-service valuation of SYC wastewater system. The Company paid less
21 than the depreciated original cost of the acquired system. York Water has included
22 in rate base the depreciated original cost of the acquired system. No amortization
23 of pass-through of the difference between the acquisition cost and the depreciated

1 original cost is appropriate because this acquisition involves a matter of substantial
2 public interest.

3
4 **Conewago Industrial Park (Water purchase)**

5 On October 12, 2023, the Company completed the acquisition of the water assets of
6 Conewago Industrial Park Water and Sewer Company (“CIP”) in Lancaster
7 County, Pennsylvania. The Company began operating the existing water facilities
8 October 16, 2023. CIP served approximately 30 water customers.

9 CIP did not wish to continue providing water service to its residents due to
10 increasing costs and the challenges of meeting regulatory oversight and reporting
11 requirements. CIP determined that it was in the best interests of its current
12 customers to sell its water facilities to a company that has sufficient water
13 operations and maintenance experience to meet the water demands of the public
14 and has more experience dealing with utility service and regulatory requirements
15 associated with providing such service. CIP concluded that its investment in
16 maintaining the water facilities in the future would be insufficient to provide safe
17 and reliable water service.

18 The Company acquired the CIP water treatment and distribution system
19 including all the physical, property, and equipment. Upon taking over the CIP
20 water facilities, the Company installed SCADA equipment. The Company
21 installed a valve on the fire service at a property that did not have this necessary
22 equipment before acquisition. The existing disinfectant system was inconsistent,
23 and the Company was concerned with meeting DEP regulations. Accordingly,

1 York Water permitted, designed, and installed a new chlorine injection system.
2 Further, although this is part of a water treatment process, there was no domestic
3 water supply at the treatment plant for operators and employees of the Company,
4 which compromised the health and safety of the workforce. Therefore, the
5 Company installed an internal potable water system. The Company also installed
6 new well flow meters and a new security camera system at the plant to monitor the
7 physical characteristics of the plant and the physical security at the plant. And,
8 finally, to create a more consistent pressure gradient for customers and reduce
9 fluctuations, the Company installed a new reduced pressure zone between the
10 chemical mixing and the potable water system.

11 On February 5, 2024, the Company submitted to the Commission an
12 original cost plant-in-service valuation of CIP water system. The Company paid
13 less than the depreciated original cost of the acquired system. York Water has
14 included in rate base the depreciated original cost of the acquired system. No
15 amortization or pass-through of the difference between the acquisition cost and the
16 depreciated original cost is appropriate because this acquisition involves a matter of
17 substantial public interest.

18
19 **Conewago Industrial Park (Wastewater purchase)**

20 On October 12, 2023, the Company completed the acquisition of the wastewater
21 assets of Conewago Industrial Park Water and Sewer Company (“CIP”) in
22 Lancaster County, Pennsylvania. The Company began operating the existing

1 wastewater collection and treatment facilities on October 16, 2023. CIP served
2 approximately 30 wastewater customers.

3 CIP did not wish to continue providing wastewater service to its residents
4 due to increasing costs and the challenges of meeting regulatory oversight and
5 reporting requirements. CIP determined that it was in the best interests of its
6 current customers to sell its wastewater collection and treatment system to a
7 company that has sufficient wastewater operations and maintenance experience to
8 meet the wastewater demands of the public and has more experience dealing with
9 utility service and regulatory requirements associated with providing such service.
10 CIP concluded that its investment in maintaining the collection and treatment
11 system in the future would be insufficient to provide safe and reliable wastewater
12 collection and treatment services.

13 The Company acquired CIP's wastewater collection and treatment system
14 including all the physical plant, property, and equipment. Upon taking over the
15 CIP wastewater collection and treatment system, the Company installed SCADA
16 equipment. Further, upon acquisition, the Company determined that the chlorine
17 injection pumps needed to be replaced, the heat trace around the outdoor piping did
18 not work, one of the blowers was not operational, the post equalization tank pump
19 needed to be replaced, the emergency backup generator needed significant repairs,
20 the water lines in the building needed to be replaced, and the effluent flow meter
21 needed to be replaced. The Company also installed a new security camera system.

22 On February 5, 2024, the Company submitted to the Commission an
23 original cost plant-in-service valuation of CIP wastewater system. The Company

1 paid less than the depreciated original cost of the acquired system. York Water has
2 included in rate base the depreciated original cost of the acquired system. No
3 amortization of pass-through of the difference between the acquisition cost and the
4 depreciated original cost is appropriate because this acquisition involves a matter of
5 substantial public interest.

6
7 **MESCO, Inc. (Wastewater purchase)**

8 On January 31, 2024, the Company completed the acquisition of the wastewater
9 assets of Memford Estates Sewerage Company, Inc., MESCO, Inc. (“MESCO”) in
10 York County, Pennsylvania. The Company began operating the existing collection
11 and treatment facilities February 1, 2024. MESCO served approximately 180
12 residential wastewater customers.

13 MESCO was operating under a DEP Consent Order and Agreement
14 (“COA”) for numerous violations and deficiencies, including illegal discharges of
15 waste, which included a civil penalty of nearly \$16,000. MESCO did not have the
16 resources, nor did it wish to continue providing wastewater service to its residents
17 due to increasing costs and the challenges of meeting regulatory oversight and
18 reporting requirements. MESCO determined that it was in the best interests of its
19 current customers to sell its wastewater collection and treatment system to a
20 company that has sufficient wastewater operations and maintenance experience to
21 meet the wastewater demands of the public and has more experience dealing with
22 utility service and regulatory requirements associated with providing such service.
23 MESCO concluded that its investment in maintaining the collection and treatment

1 system in the future would be insufficient to provide safe and reliable wastewater
2 collection and treatment services.

3 In May 2023, DEP entered into a COA with MESCO after many Notices
4 of Violation (“NOVs”) detailed significant deficiencies in operating a wastewater
5 system. MESCO was ordered to take certain corrective actions and pay a civil
6 penalty. The findings in the COA are indicative of MESCO’s difficulties with
7 operating its wastewater system.

8 The Company acquired MESCO’s wastewater collection and treatment
9 system, including all the physical plant, property, and equipment. Upon taking
10 over the MESCO wastewater collection and treatment system, the Company
11 became subject to satisfying the terms of the COA. The first step was to
12 understand system parameters, operating parameters, and discharge results. Within
13 90 days of closing and certification from the Commission, the Company had
14 installed SCADA equipment. The Company determined both equalization tank
15 pumps needed to be replaced, both pumps in a lift station needed to be replaced, the
16 effluent pipe from the clarifiers to the chlorine tablet feeder was broken
17 underground and weeping untreated waste, the weirs needed to be replaced, the
18 skimmers in the clarifiers did not work, the chlorine tablet feeder did not work, the
19 bar screen needed to be replaced, the well did not supply proper water pressure, no
20 sampler was present, and no sampling meters were present. The Company is
21 working to remedy these issues.

22 On July 25, 2024, the Company submitted to the Commission an original
23 cost plant-in-service valuation of MESCO wastewater system. The Company paid

1 less than the depreciated original cost of the acquired system. York Water has
2 included in rate base the depreciated original cost of the acquired system. No
3 amortization of pass-through of the difference between the acquisition cost and the
4 depreciated original cost is appropriate because this acquisition involves a matter of
5 substantial public interest.

6
7 **Longstown Mobile Estates (Water purchase)**

8 On February 21, 2024, the Company completed the acquisition of the water assets
9 of Longstown Mobile Estates (“Longstown”) in York County, Pennsylvania. The
10 Company began operating the existing water facilities on February 26, 2024.
11 Longstown served approximately 90 water customers.

12 Longstown did not wish to continue providing water service to its
13 residents due to increasing costs and the challenges of meeting regulatory oversight
14 and reporting requirements. Before the acquisition, Longstown was connected to
15 York Water and was a York Water customer through a single point meter
16 connection. Longstown determined that it was in the best interests of its current
17 customers to sell its water facilities to a company that has sufficient water
18 operations and maintenance experience to meet the water demands of the public
19 and has more experience dealing with utility service and regulatory requirements
20 associated with providing such service. Longstown concluded that its investment
21 in maintaining the water facilities in the future would be insufficient to provide safe
22 and reliable water service.

1 The Company acquired Longstown’s water distribution system, including
2 all the physical plant, property, and equipment. The Company improved the
3 system by installing meters and an automated meter reading system, so customers
4 would pay for their own usage. In addition, the Company installed additional
5 valves throughout Longstown to improve the distribution system with an increased
6 ability to isolate a smaller section of the community and inconvenience fewer
7 customers if a leak were to occur in the future, minimizing disruption to the total
8 system.

9 On July 25, 2024, the Company submitted to the Commission an original
10 cost plant-in-service valuation of Longstown water system. The Company paid
11 less than the depreciated original cost of the acquired system. York Water has
12 included in rate base the depreciated original cost of the acquired system. No
13 amortization of pass-through of the difference between the acquisition cost and the
14 depreciated original cost is appropriate because this acquisition involves a matter of
15 substantial public interest.

16
17 **Houston Run (Water purchase)**

18 On September 26, 2024, the Company completed the acquisition of the water assets
19 of Houston Run Community Water System, LLC (“Houston Run”) in Lancaster
20 County, Pennsylvania. The Company began operating the existing water facilities
21 October 16, 2023. Houston Run served approximately 15 commercial water
22 customers.

1 Houston Run did not wish to continue providing water service to its
2 residents due to increasing costs and the challenges of meeting regulatory oversight
3 and reporting requirements. Houston Run determined that it was in the best
4 interests of its current customers to sell its water facilities to a company that has
5 sufficient water operations and maintenance experience to meet the water demands
6 of the public and has more experience dealing with utility service and regulatory
7 requirements associated with providing such service. Houston Run concluded that
8 its investment in maintaining the water facilities in the future would be insufficient
9 to provide safe and reliable water service.

10 The Company acquired the Houston Run water system, including all the
11 physical, property, and equipment. Upon taking over the Houston Run water
12 facilities, the Company installed SCADA equipment. The Company also
13 determined that Houston Run was not complying with the 4-Log Treatment of
14 viruses for an entry point served by a groundwater source. Without sufficient
15 contact time and facilities in place, the first customer of the system was at risk of
16 contamination. Within six months of closing, the Company designed, permitted,
17 and constructed appropriate contact measures to meet Chapter 109 of the State
18 Drinking Water Act. The Company also improved system reliability and
19 redundancy by adding a backup booster pump, a new chemical mixing and dosing
20 system, and a security and camera system.

21 On February 20, 2024, the Company submitted to the Commission an
22 original cost plant-in-service valuation of the Houston Run water system. The
23 Company paid less than the depreciated original cost of the acquired system. York

1 Water has included in rate base the depreciated original cost of the acquired system.
2 No amortization of pass-through of the difference between the acquisition cost and
3 the depreciated original cost is appropriate because this acquisition involves a
4 matter of substantial public interest.

5
6 **York Haven Sewer Authority (Wastewater purchase)**

7 On December 5, 2024, the Company completed the acquisition of the wastewater
8 assets of York Haven Sewer Authority (“York Haven”) in York County,
9 Pennsylvania. The Company began operating the existing collection and treatment
10 facilities on December 9, 2024. York Haven served approximately 230 wastewater
11 customers.

12 York Haven did not wish to continue providing wastewater service to its
13 residents due to increasing costs and the challenges of meeting regulatory oversight
14 and reporting requirements. York Haven was being managed by a volunteer board
15 of directors who were struggling with adding new members to the board. York
16 Haven determined that it was in the best interests of its current customers to sell its
17 wastewater collection and treatment system to a professional company that has
18 sufficient wastewater operations and maintenance experience to meet the
19 wastewater demands of the public and has more experience dealing with utility
20 service and regulatory requirements associated with providing such service. York
21 Haven concluded that its investment in maintaining the collection and treatment
22 system in the future would be insufficient to provide safe and reliable wastewater
23 collection and treatment services.

1 The Company acquired York Haven’s wastewater collection and treatment
2 system, including all the physical plant, property, and equipment. Prior to
3 acquiring the system, York Water was aware that the primary treatment for the
4 sanitary discharge was gaseous chlorine. Even prior to closing, and prior to
5 Commission certification, the Company designed and applied to the DEP for a
6 permit to replace the less stable and more dangerous gaseous chlorine with a tablet.
7 Within 60 days of closing, less than two reporting months to the DEP, the
8 Company installed the new system. Also, because the Company installed improved
9 SCADA programming, the Company determined that the effluent would not
10 maintain proper dissolved oxygen (“DO”). To improve discharge DO and overall
11 operating performance, the weirs need to be replaced, the pump rail systems needed
12 to be replaced to allow for proper maintenance, and one of two blowers must be
13 replaced. Equally important is the installation of a grinder pump on one of the
14 influent lines to eliminate clogging, the evaluation and correct sizing for capacitors,
15 and the installation of emergency power generation. The Company is working to
16 remedy these issues.

17 On January 2, 2025, the Company submitted to the Commission an
18 original cost plant-in-service valuation of the acquired assets of York Haven. As
19 noted in the testimony of Mr. Coppersmith, the Company’s net cost to acquire the
20 York Haven wastewater assets was \$127,481 greater than the original cost of the
21 property less applicable accrued depreciation. See Exhibit No. FV-1-3W. The
22 negotiations were conducted at arms-length. York Water was not affiliated with
23 York Haven. The actual purchase price was reasonable. The net premium is

1 reasonable considering the projected annual revenues that the Company will receive
2 from the customers added as a result of the acquisition. The additional revenue is
3 reflected in this case.

4 Rates to pre-acquisition customers will not increase unreasonably due to
5 this acquisition. Annual revenues from the added customers are sufficient to cover
6 the incremental costs of the acquisition.

7 In accordance with Section 1327 of the Public Utility Code, the Company
8 requests that amortization of the \$127,481 positive acquisition adjustment be
9 permitted over a 10-year period as part of rate base.

10
11 **Pine Run Retirement Community (Water purchase)**

12 On December 12, 2024, the Company completed the acquisition of the water assets
13 of Pine Run Retirement Community (“Pine Run”) in Adams County, Pennsylvania.
14 The Company began operating the existing water facilities December 16, 2024.
15 Pine Run served approximately 100 water customers.

16 Pine Run did not wish to continue providing water service to its residents
17 due to increasing costs and the challenges of meeting regulatory oversight and
18 reporting requirements. Pine Run was subject to a January 2023 NOV from the
19 DEP for significant deficiencies, including elevated gamma radiation exceeding the
20 MCL. Pine Run determined that it was in the best interests of its current customers
21 to sell its water facilities to a company that has sufficient water operations and
22 maintenance experience to meet the water demands of the public and has more
23 experience dealing with utility service and regulatory requirements associated with

1 providing such service. Pine Run concluded that its investment in maintaining the
2 water facilities in the future would be insufficient to provide safe and reliable water
3 service.

4 The Company acquired Pine Run's water distribution system but none of
5 its wells, well houses, water treatment building, water tank, or associated
6 equipment. York Water abandoned the existing well, reducing the drain on the
7 aquifer. York Water interconnected Pine Run's distribution system with its
8 existing system, providing the residents of Pine Run with a more reliable and
9 plentiful supply of water. By connecting to York Water's source and disconnecting
10 the existing wells that were contaminated with gamma radiation at levels above the
11 MCL limits, the Company provided the residents of Pine Run with safe drinking
12 water. In addition, York Water improved the system by installing meters and an
13 automated meter reading system so customers would pay for their own usage. The
14 Company also installed an additional blowoff to help with water quality and
15 installed a new vault and dual pressure-reducing valve system.

16 On December 20, 2024, the Company submitted to the Commission an
17 original cost plant-in-service valuation of Pine Run water system. The Company
18 paid less than the depreciated original cost of the acquired system. York Water has
19 included in rate base the depreciated original cost of the acquired system. No
20 amortization of pass-through of the difference between the acquisition cost and the
21 depreciated original cost is appropriate because this acquisition involves a matter of
22 substantial public interest.
23

1 **Brookhaven Mobile Home Park (Water purchase)**

2 On December 12, 2024, the Company completed the acquisition of the water assets
3 of Brookhaven Mobile Home Park of ATG Properties, LLC (“Brookhaven”) York
4 County, Pennsylvania. The Company began operating the existing water facilities
5 December 16, 2024. Brookhaven served approximately 150 water customers.

6 Brookhaven did not wish to continue providing water service to its
7 residents due to increasing costs and the challenges of meeting regulatory oversight
8 and reporting requirements. Brookhaven was subject to a November 2022 NOV
9 from the DEP for significant deficiencies including elevated Tetrachloroethylene,
10 also known as perchloroethylene (“PCE”), exceeding the MCL. Brookhaven
11 determined that it was in the best interests of its current customers to sell its water
12 facilities to a company that has sufficient water operations and maintenance
13 experience to meet the water demands of the public and has more experience
14 dealing with utility service and regulatory requirements associated with providing
15 such service. Brookhaven concluded that its investment in maintaining the water
16 facilities in the future would be insufficient to provide safe and reliable water
17 service.

18 The Company acquired Brookhaven’s water distribution system but none
19 of its wells, well houses, water treatment building, water tank, or associated
20 equipment. York Water abandoned the existing well, reducing the drain on the
21 aquifer. York Water interconnected Brookhaven’s distribution system with its
22 existing system, providing the residents of Brookhaven with a more reliable and
23 plentiful supply of water. By connecting to York Water’s source and disconnecting

1 the existing wells that were contaminated with PCE levels above the MCL limits,
2 the Company provided the residents of Brookhaven with safe drinking water. In
3 addition, York Water improved the system by installing meters and an automated
4 meter reading system so customers would pay for their own usage. The Company
5 also installed additional valves throughout the system and installed a new vault and
6 dual pressure reducing valve system.

7 On December 20, 2024, the Company submitted to the Commission an
8 original cost plant-in-service valuation of Brookhaven system. The Company paid
9 less than the depreciated original cost of the acquired system. York Water has
10 included in rate base the depreciated original cost of the acquired system. No
11 amortization of pass-through of the difference between the acquisition cost and the
12 depreciated original cost is

13
14 Q. What are your conclusions about the overall effectiveness of the service provided
15 by the Company?

16 A. York Water is superior in its overall effectiveness and provides exceptional
17 service to its customers at exceptional value. The Commission should recognize
18 such performance in arriving at the allowed rate of return on common equity.

19
20 Q. Does this conclude your direct testimony at this time?

21 A. Yes.