

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

Public Meeting held September 11, 2025

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 West Caln Township, Chester County, Pennsylvania

Docket No.  
A-2025-3054374

**Public Version**

**ORDER**

**BY THE COMMISSION:**

By the application (Application) filed with the Pennsylvania Public Utility Commission (Commission) on April 1, 2025, 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 West Caln Township, Chester 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. PAWC-WD provides wastewater service to approximately 115,119 customers throughout Pennsylvania, including portions

of West Caln Township, Chester 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.

PAWC-WD filed this Application for Commission approval to expand its certificated service territory to provide wastewater service to two commercial customers and one residential customer located on Chester County Tax Parcels UPI 28-9-191, UPI 28-9-83, and UPI 28-9-96 (Properties).<sup>1</sup> KT Investment Holdings, LLC owns Chester County Tax Parcels UPI 28-9-191 and UPI 28-9-83, which contain a restaurant, and Church Street, LLC, owns Chester County Tax Parcel UPI 28-9-96, which contains a laundromat and dog groomer sharing a building and a residential property (together, Property Owners). Copies of letters from the Property Owners to PAWC-WD that requested wastewater service and indicated that the on-lot septic systems currently serving the Properties are failing and will not be suitable for future use were included in the Application as Exhibit F. Water service within the requested service territory is provided by PAWC.

PAWC-WD submitted proofs of publication and service to the appropriate entities. Notice of the Application was published in the *Pennsylvania Bulletin*, 55 Pa.B. 2840, on April 12, 2025. The protest period ended April 28, 2025. No protests were filed, and no hearings were held.

## **II. LOCATION AND DESCRIPTION OF REQUESTED TERRITORY**

The requested service territory is situated in the southeast portion of West Caln Township in the west central portion of Chester County and includes 3.25 acres of land generally between West Kings Highway's (State Route 340) intersection with Mount Airy Road and West Kings Highway's intersection with Evergreen Drive. The western portion

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Chester County Tax Parcels UPI 28-9-291 and 28-9-83 have three addresses attached (313, 315 and 317 West Kings Highway) and. Chester County Tax Parcel UPI 28-9-96 has two addresses attached (309 and 311 West Kings Highway).

of the requested territory abuts PAWC-WD's existing service territory near the West Kings Highway's intersection with Mount Airy Road.

The Application's Confidential Exhibit B-1 consisted of a map depicting the boundaries of the requested service territory, while Exhibit B-2 provided a written description of the requested service territory by metes and bounds. In addition, the Application's Exhibit C included a legal description of Chester County Tax Parcel UPIs 28-9-96, 28-9-83 and 28-9-191, identified above.

### **III. DESCRIPTION OF FACILITIES FOR FURNISHING SERVICE**

PAWC-WD identified the facilities required to provide wastewater service to the requested service territory will include 440 linear feet (LF) of two-inch-diameter force main (Main Extension). The Main Extension will front all three Properties and terminate at PAWC-WD's pump station located on Mt. Airy Road. In supplemental information filed with the Commission, PAWC-WD indicated that the material of the force main will be high density polyethylene pipe.

Separately, the Property Owners will be responsible for installing the piping from the structures to the property line and the ejector pumps (together, Customer-Owned Facilities) that will pump wastewater from the Properties into the proposed force main. Additionally, the Property Owners will be entirely responsible for the abandonment of the existing on-lot septic systems. PAWC-WD indicated that it could have the Main Extension installed within three weeks of Commission approval of the Application, but that the actual date on which service would commence is dependent upon the completion of the Customer-Owned Facilities by the Property Owners.

Wastewater from the requested service territory will be conveyed through PAWC-WD's existing collection system in West Caln Township and will be treated at its Coatesville Wastewater Treatment Plant (Coatesville WWTP). PAWC-WD identified the permitted design hydraulic capacity of the Coatesville WWTP to be seven million gallons per day (MGD) and the current average daily flow to be approximately four MGD. In

supplemental information filed with the Commission, PAWC-WD averred that it has enough capacity at the Coatesville WWTP and through the conveyance system to provide service to the Properties. PAWC-WD also clarified that the projected demand for the Properties is approximately 5,849 GPD and that no upgrades to the existing collection system are necessary. A copy of a Chapter 94 Municipal Wasteload Management Report for the Coatesville WWTP was provided as the Application's Confidential Exhibit G.

**[BEGIN CONFIDENTIAL]**

**[END CONFIDENTIAL]**

#### **IV. ADDITIONAL CAPITAL REQUIREMENTS**

In the Application, PAWC-WD estimated the total cost of the Main Extension to be \$75,102, including excavating, labor, paving costs, and a state permit. PAWC-WD provided a line-item breakdown of the estimated cost and stated that that the Main Extension will initially be funded by short-term debt and be converted into long-term debt and equity in the future. In supplemental information filed with the Commission, PAWC-WD noted that a Water Quality Management (WQM) permit will be required to construct the Main Extension and estimated the cost of that permit to be \$5,000.

Of note, PAWC-WD averred that it is reasonable for it to cover the cost of the Main Extension under Section H, Rule 7, of its effective wastewater tariff which permits

PAWC-WD to enter offsite development marketing contracts which may depart from the standard terms of a “Sewer Main Extension Agreement” or “Sewer Main Extension Deposit Agreement” when the company determines it is prudent, reasonable, and in the public interest. In supplemental information filed with the Commission, PAWC-WD provided a revised *pro forma* Offsite Development Marketing Agreement (ODMA) and averred that the ODMA is prudent, reasonable, and in the public interest because it will facilitate connection to PAWC-WD’s facilities in an expeditious manner and will allow the Property Owners to stop using failing on-lot septic systems. PAWC-WD further stated that replacement of these septic systems and connection to public wastewater would be cost prohibitive for the Property Owners and explained that it has existing contracts with vendors which allow it to achieve more favorable pricing and complete the work necessary for the Main Extension more quickly than the Property Owners.

Additionally, Section H, Rule 7, of PAWC-WD’s effective tariff permits ODMA’s to become effective 30 days after the Company has filed a copy thereof with the Commission, or if the Commission institutes an investigation, at such time as the Commission grants its approval thereof. As such, PAWC-WD will be required to file with the Commission an executed copy of any ODMA entered into with the Property Owners within ten (10) days of the execution.<sup>2</sup>

## **V. PROPOSED RATES**

In the application, PAWC-WD asserted that it will charge its existing Rate Zone 1 metered rates as set forth in its effective wastewater tariff. Under the tariff, residential customers pay a monthly service charge of \$15.00 and a usage charge per 100 gallons of \$2.9539, while commercial customers pay a monthly service charge of \$36.70 and a usage charge per 100 gallons of \$2.1986. An excerpt from PAWC-WD’s effective wastewater tariff describing these rates was provided in the Application’s Exhibit K. Exhibit L of the Application identified that PAWC-WD calculated estimated annual revenues to be approximately \$31,481 and expenses to be approximately \$6,498,

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<sup>2</sup> See, Ordering Paragraph 3.

resulting in an estimated annual net income of \$24,983 for providing wastewater service within the requested service territory. In supplemental information provided, PAWC-WD clarified that the expenses identified were estimated using the ratio of expenses to revenue from its most recent rate case, multiplied by estimated revenue of the additional customers. Separately, PAWC-WD verified that the Property Owners will also be charged capacity reservation fees according to PAWC-WD's wastewater tariff.

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

As noted above in Section IV, a state road-opening permit and a WQM permit will be required for the construction of the Main Extension. In supplemental information filed with the Commission, PAWC-WD estimated that the cost of the PennDOT highway occupancy permit to be between \$95 and \$200 and provided a copy of the current WQM permit for the existing pump station as Attachment A-7. PAWC-WD indicated that it will not be required to obtain any easements to serve the requested service territory because the Main Extension will be constructed within the right-of-way of the public road.

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

In the Application, PAWC-WD indicated that a Sewage Facilities Plan Special Study for 309-317 Kings Highway Sewer Extension (Special Study), was sent to DEP and was approved. A copy of the approval letter from DEP, dated March 15, 2024, was provided in the Application as Exhibit P. **[BEGIN CONFIDENTIAL]**

**[END]**

**CONFIDENTIAL]**

Additionally, PAWC-WD provided copies of letters that were sent to PAWC-WD by West Caln Township and Valley Township as Exhibits M and N, respectively. West Caln and Valley Townships asserted they had no objections to the sewer main extension. In the Application's Exhibit O, PAWC-WD provided a copy of an email from the Chester County Health Department approving the proposed extension. In supplemental information filed with the Commission, PAWC-WD indicated that as part of the Sewage Facilities Planning Module Application, a copy of the Special Study was sent to the Chester County Planning Commission and that Chester County neither protested nor responded to PAWC-WD regarding the Main Extension. The DEP approval letter, referenced above, verifies PAWC-WD's averment as it included instructions for parties to appeal approval of the Special Study and indicated that the Chester County Planning Commission was provided with a copy of the DEP approval letter.

### **VIII. OTHER CONSIDERATIONS**

In the Application, PAWC-WD averred that allowing it to provide wastewater service in the requested service territory is in the public interest because it is financially and technically capable of providing service and that new customers will benefit from enhanced customer service including, extended customer service and call center hours, customer information and education programs, and PAWC-WD's customer assistance program. Additionally, PAWC-WD claimed that the public, including its existing customers, will benefit from a decreased potential for contamination from old on-lot septic systems. Further, PAWC-WD asserted that, to the best of its knowledge, no corporation, partnership or individual 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 it is current with Commission reporting requirements. In Commission correspondence with DEP's Southeast Regional Office, DEP indicated it has no pending actions or outstanding complaints to report regarding PAWC-WD.

## IX. CONCLUSION

Based upon the facts that there is a need to make public wastewater service available within the requested service 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 has the technical, managerial and financial fitness to provide wastewater 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:**

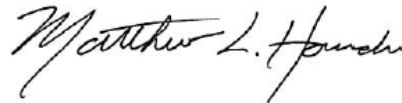
1. That the Application of Pennsylvania-American Water Company – Wastewater Division at Docket No. A-2025-3054374, is hereby approved.
2. That a Certificate of Public Convenience shall be issued pursuant to Section 1102(a)(1)(i) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1102(a)(1)(i), authorizing Pennsylvania-American Water Company – Wastewater Division to begin to offer, render, furnish, or supply wastewater service to the public in an additional portion of West Caln Township, Chester County, Pennsylvania, consistent with Confidential Exhibit B-1 and Exhibit B-2 of the Application.
3. That Pennsylvania-American Water Company – Wastewater Division shall file with the Commission's Secretary's Bureau, referencing Docket No. A-2025-3054374, an executed copy of any Offsite Development Marketing Contract executed to construct the facilities necessary to provide wastewater service within the wastewater service territory requested by this Application within ten (10) days of execution of said contract.
4. 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.

5. 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 West Caln Township Board of Supervisors, the West Caln Township Planning Commission, the Chester County Commissioners, the Chester County Planning Commission, and the Department of Environmental Protection – Southeast Regional Office and its Bureau of Regulatory Counsel.

6. That upon the issuance of the Certificate of Public Convenience in accordance with Ordering Paragraph 2, the proceeding at Docket No. A-2025-3054374 be closed.

**BY THE COMMISSION,**



Matthew L. Homsher  
Secretary

(SEAL)

ORDER ADOPTED: September 11, 2025

ORDER ENTERED: September 11, 2025