



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

October 29, 2025

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v.
The York Water Company
Docket Nos. R-2025-3053442 & R-2025-3053573
I&E Main Brief

Dear Secretary Homsher:

Enclosed for electronic filing please find the Main Brief of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Carrie B. Wright'.

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cc: Administrative Law Judge John M. Coogan (*via email* – jcoogan@pa.gov)
Administrative Law Judge Emily A. Farren (*via email* – efarren@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2025-3053442
	:	R-2025-3053573
The York Water Company	:	

**MAIN BRIEF
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

Carrie B. Wright
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Dated: October 29, 2025

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I. INTRODUCTION AND OVERVIEW

A. Description of the Bureau of Investigation and Enforcement

Through its bureaus and offices, the Pennsylvania Public Utility Commission (PUC or Commission) has the authority to take appropriate enforcement actions that are necessary to ensure compliance with the Public Utility Code and Commission regulations and orders.¹

The Commission established the Bureau of Investigation and Enforcement (I&E) to serve as the prosecutory bureau to represent the public interest in ratemaking and utility service matters, and to enforce compliance with the Public Utility Code.² By representing the public interest in rate proceedings before the Commission, I&E works to balance the interest of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.³

As part of its duty to represent the public interest in base rate case, I&E has reviewed the base rate filing of the York Water Company (York or Company). York Water serves approximately 73,100 water customers and 6,700 wastewater customers. The Company provides water service and wastewater service in parts of York, Adams, Franklin, and Lancaster Counties, Pennsylvania.

B. Procedural History

On May 30, 2025, York Water filed with the Commission Supplement No. 165 to Tariff Water – Pa. P.U.C. No. 14 (Supplement No. 165) and Supplement No. 26 to Tariff Wastewater – Pa. P.U.C. No. 1 (Supplement No. 26) to become effective August 1, 2025. York Water

¹ Act 129 of 2008, 66 Pa. C.S. § 308.2 (a)(J 1); 66 Pa. C.S. §§ 101 *et seq.*; 52 Pa. Code §§ 1.1 *et seq.*

² *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

³ *See* 66 Pa. C.S. §§ 1301, 1304.

proposed a general increase in water rates of approximately \$20.3 million and wastewater rates of approximately \$3.8 million.

On June 5, 2025, I&E filed a Notice of Appearance. The Office of Consumer Advocate (OCA) filed a Notice of Appearance, Complaint and Public Statement on June 11, 2025.

The Office of Small Business Advocate (OSBA) filed a Notice of Appearance, Complaint and Public Statement on June 18, 2025.

On July 10, 2025, the Commission issued separate Orders suspending York Water's water and wastewater filing by operation of law until March 1, 2026.

On July 14, 2025, Administrative Law Judges John Coogan and Emily Farren (the ALJs) issued a Prehearing Conference Order scheduling a telephonic prehearing conference on July 22, 2025.

At the prehearing conference, a procedural schedule and discovery modifications were addressed among other matters. On July 23, 2025, the ALJs issued a Prehearing Order setting forth the procedural schedule, discovery modifications and consolidating the water and wastewater proceedings.

Two Public Input Hearings were scheduled to take place on August 26, 2025 at 1:00 p.m. and 6:00 p.m.

Pursuant to the procedural schedule set forth by the ALJ's Prehearing Order, the parties exchanged direct, rebuttal, surrebuttal and written rejoinder testimony. I&E served the following statements of testimony and exhibits:

- I&E Statement No. 1, I&E Exhibit No. 1, and I&E Statement No. 1-SR, the prepared direct and surrebuttal testimony and exhibits of I&E witness Christopher Keller, who addressed the Company's operating and maintenance expenses and overall revenue requirement;

- I&E Statement No. 2, I&E Exhibit No. 2, and I&E Statement No. 2-SR, the prepared direct and surrebuttal testimony of I&E witness Drew Breuning, who addressed the Company’s rate of return request; and
- I&E Statement No. 3, I&E Exhibit No. 3, I&E Statement No. 3-SR, and I&E Exhibit No. 3-SR, the prepared direct and surrebuttal testimony of I&E witness Ethan H. Cline, who addressed the Company’s rate base and rate structure requests.

An evidentiary hearing took place on October 14, 2025. The parties attended the telephonic evidentiary hearing to enter evidence into the record. All cross-examination was waived by the parties. On October 23, 2025, the parties advised the ALJs that a settlement in principle of all issues except water revenue allocation had been reached. I&E now files this Main Brief to address the remaining issue of water revenue allocation.

C. Legal Standards and Burden of Proof

The Company carries the burden of proof to show its rate proposal is just and reasonable.⁴ York Water must satisfy its burden of proof by presenting a preponderance of evidence.⁵ A preponderance of the evidence is evidence that is more convincing, by even the smallest amount, than that presented by another party.⁶ In base rate cases, the Commission has affirmed the utility’s burden to establish the justness and reasonableness of every component of its rate request.⁷ The burden of proof does not shift to parties challenging a requested rate increase.⁸ Additionally, the Company must produce substantial evidence to satisfy its burden.⁹ Substantial evidence is “such relevant and competent evidence having a rational probative force

⁴ See 66 Pa. C.S. § 315(a); *Irwin A. Popowsky v. Pa. P.U.C.*, 674 A.2d 1149 (Pa. Cmwlth. 1996).

⁵ *Samuel J. Lansberry, Inc. v. Pa. P.U.C.*, 578 A.2d 600 (Pa. Cmwlth. 1990).

⁶ *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).

⁷ See, e.g., *Pa. P.U.C. v. PPL Electric Utilities Corporation*, 2012 WL 6758304 (Pa. P.U.C. 2012); *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, 2004 WL 2314523 (Pa. P.U.C. 2004).

⁸ *Id.*

⁹ See *Brockaway Glass v. Pa. P.U.C.*, 437 A.2d 1067 (Pa. Cmwlth. 1981); *Lower Frederick Township v. Pa. P.U.C.*, 409 A.2d 505 (Pa. Cmwlth. 1980).

which a reasonable mind might accept as adequate to support a conclusion.”¹⁰ Thus, York Water must affirmatively prove the justness and reasonableness of each element of each of its claims.

II. SUMMARY OF ARGUMENT

Most issues in this base rate case have been settled and I&E requests the ALJ’s recommend and the Commission approve the Joint Petition for settlement. The remaining issue for litigation relates to York Water’s water revenue allocation. As explained more fully below, I&E recommended in testimony that, if less than the full increase is granted, all customer charges and usage rates that have been proposed an increase should be scaled back proportionately based on the allocated cost of service study that is ultimately approved by the Commission. While the parties have agreed to a residential water customer, charge which is contained in the settlement, I&E stands behind the balance of this recommendation.

III. ARGUMENT

A. Overall Position on Rate Increase

As explained in the I&E Statement in Support of the Joint Petition for Settlement in this matter, it is I&E’s position that the Settlement should be approved by the Commission. In the event the Settlement is not approved, I&E recommends a revenue requirement for the Company’s water operations of \$83,214,263. This recommended revenue requirement represents an increase of \$14,908,953.¹¹ Additionally, in the event the Settlement is not approved for wastewater operations, I&E’s recommended revenue requirement for the Company’s wastewater operations is \$11,438,338. This recommended revenue requirement represents an increase of \$2,767,804.¹²

¹⁰ *Dutchland Tours, Inc. v. Pa. P.U.C.*, 337 A.2d 922, 925 (Pa. Cmwlth. 1975).

¹¹ I&E St. 1-SR, p. 6.

¹² I&E St. 1-SR, p. 7.

B. Water Revenue Allocation

1. Introduction

Revenue allocation is described as the allocation of revenue responsibility between rate classes.¹³ It is routinely accepted that for class revenue allocation purposes, cost of service is the “polestar.”¹⁴

Generally, I&E did not make any recommended changes to York Water’s requested revenue allocation. I&E’s recommendation, as discussed below, simply related to how rates should be scaled back if less than the requested revenue increase is granted. As York Water has agreed to a lower water revenue requirement in Settlement, than was requested in the filings, I&E recommends water customer classes be scaled back proportionately based on the class cost of service study approved by the Commission.

2. Water Revenue Class Cost of Service Study

The Company provided two customer cost analyses for the FPFTY in York Water Exhibit FVIII, RS1-j Attachment. The results of the first cost analysis, shown on page 1 of 9 of the attachment, includes all costs being allocated to the customer cost function and results in a unit cost of \$35.49 per month. Additionally, the Company provided a second customer cost analysis that relies on the allocation of costs more directly applicable to customers. The result of the more direct customer cost analysis is \$24.85 per month per customer in the FPFTY.¹⁵

Additionally, OCA performed its own water class cost of service study.¹⁶ As I&E witness Cline explains, I&E neither supports nor opposes the OCA’s proposed COSS, and thus recommends that any scale back of rates should be proportional based on the COSS ultimately

¹³ *A Guide to Public Utility Ratemaking*, p. 138.

¹⁴ *Lloyd v. Pa. P.U.C.*, 904 A.2d 1010 (Pa. Commw. 2006).

¹⁵ York Water Ex. FVIII, RS1-j, Attachment, p. 1 of 9.

¹⁶ OCA St. 4, Sch. JDM-2.

approved by the Commission in the instant proceeding whether it be one proposed by the Company or one proposed by OCA¹⁷.

3. Revenue Allocation

As noted above, while not necessarily suggesting a change in revenue allocation, I&E recommended in testimony that, if less than the full increase is granted, all customer charges and usage rates that have been proposed an increase are scaled back proportionately based on the allocated cost of service study that is ultimately approved by the Commission. Having agreed to a residential 5/8" by 3/4" customer charge of \$19.75 per month that will not be subject to scale back in settlement, I&E files this brief in support of the balance of its recommendation that the remaining customer charges and revenue allocations be scaled back proportionately based on the increase agreed to in settlement and the allocated cost of service study agreed to by the Commission.

In the recent Pennsylvania American Water Company base rate case, the Commission noted:

...we agree with I&E that customer charges are based upon direct customer costs, meaning any reduction in any of the ratemaking inputs would reduce the inputs used in the customer cost analysis that was used to determine the monthly customer charge.

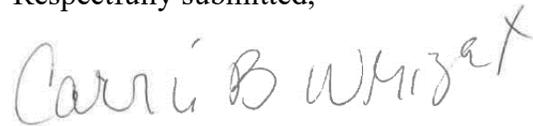
Therefore, as a result, and as explained above, I&E recommends thus recommends that any scale back of rates should be proportional based on the COSS ultimately approved by the Commission in the instant proceeding whether it be one proposed by the Company or one proposed by OCA. Further the scale back should include the customer charges, apart from the residential 5/8" and 3/4" customer charges, consistent with the Commission's decision above.

¹⁷ I&E St. 3-SR, p. 9.

IV. CONCLUSION

Ultimately, I&E recommends the Commission approve the Joint Petition for settlement of this rate investigation. I&E recommends the Commission approve York Waters second customer cost analysis that relies on the allocation of costs more directly applicable to customers and base the scale back of rates of York Water customers (with the exception of the residential water customer charge agreed to in settlement) on this analysis proportionately to the increase agreed to in the settlement.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carrie B. Wright".

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Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
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Harrisburg, PA 17120

Dated: October 29, 2025

PROPOSED FINDINGS OF FACT

REVENUE ALLOCATION

1. I&E neither supports nor opposes the OCA's proposed COSS. I&E St. 3-SR, p. 9.
2. Any scale back of rates should be proportional based on the COSS ultimately approved by the Commission in the instant proceeding whether it be one proposed by the Company or one proposed by OCA. I&E St. 3-SR, p. 9.
3. Water customer charges, with the exception of the residential 5/8" and 3/4" customer charges, should be included in any scale back.

PROPOSED CONCLUSIONS OF LAW

1. The Company carries the burden of proof to show its rate proposal is just and reasonable. 66 Pa.C.S. § 315(a); *Irwin A. Popowsky v. Pa. P.U.C.*, 674 A.2d 1149 (Pa. Cmwlth. 1996).
2. York Water must satisfy its burden of proof by presenting a preponderance of evidence. *Samuel J. Lansberry, Inc. v. Pennsylvania Public Utility Commission*, 578 A.2d 600 (Pa. Cmwlth. 1990).
3. A preponderance of the evidence is evidence that is more convincing, by even the smallest amount, than that presented by another party. *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).
4. In base rate cases, the Commission has affirmed the utility's burden to establish the justness and reasonableness of every component of its rate request. *Pa. P.U.C. v. PPL Electric Utilities Corporation*, 2012 WL 6758304 (Pa. P.U.C. 2012); *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, 2004 WL 2314523 (Pa. P.U.C. 2004).
5. The burden of proof does not shift to parties challenging a requested rate increase. *Pa. P.U.C. v. PPL Electric Utilities Corporation*, 2012 WL 6758304 (Pa. P.U.C. 2012); *Pa. P.U.C. v. Aqua Pennsylvania, Inc.*, 2004 WL 2314523 (Pa. P.U.C. 2004).
6. The Company must produce substantial evidence to satisfy its burden of proof. *Brockaway Glass v. Pa. P.U.C.*, 437 A.2d 1067 (Pa. Cmwlth. 1981); *Lower Frederick Township v. Pa. P.U.C.*, 409 A.2d 505 (Pa. Cmwlth. 1980).
7. Substantial evidence is "such relevant and competent evidence having a rational probative force which a reasonable mind might accept as adequate to support a conclusion." *Dutchland Tours, Inc. v. Pa. P.U.C.*, 337 A.2d 922, 925 (Pa. Cmwlth. 1975).

Revenue Allocation

8. Revenue allocation is described as the allocation of revenue responsibility between rate classes. (*A Guide to Public Utility Ratemaking*, p. 138).
9. It is routinely accepted that for class revenue allocation purposes, cost of service is the "polestar." (*Lloyd v. Pa. P.U.C.*, 904 A.2d 1010 (Pa. Commw. 2006).

PROPOSED ORDERING PARAGRAPHS

THEREFORE, IT IS RECOMMENDED:

1. That any scale back of rates should be proportional based on the COSS ultimately approved by the Commission in the instant proceeding.
2. That water customer charges, apart from 5/8" and 3/4", are include in the scale back of rates.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2025-3053442
	:	R-2025-3053573
The York Water Company	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Main Brief** dated October 29, 2025,
in the manner and upon the persons listed below:

Served via Electronic Mail Only

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