

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

Public Meeting held December 4, 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 for approval of the right to
offer, render, furnish or supply water
service to the public in an additional portion
of Jackson Township, Butler County,
Pennsylvania

Docket No.
A-2025-3055966

ORDER

BY THE COMMISSION:

By the application (Application) filed with the Pennsylvania Public Utility Commission (Commission) on June 26, 2025, Pennsylvania-American Water Company (PAWC), Utility Code 212285, 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's right to offer, render, furnish or supply water service to the public in an additional portion of Jackson Township, Butler County, Pennsylvania.

I. AFFECTED ENTITIES AND BACKGROUND

PAWC is a regulated public utility company, duly organized and existing under the laws of the Commonwealth with a mailing address of 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055. PAWC provides water service to approximately 690,000 customers throughout Pennsylvania, including portions of Jackson Township,

Butler County, and is a wholly owned subsidiary of American Water Works Company, Inc. PAWC also provides wastewater service throughout Pennsylvania through its wastewater division, Pennsylvania-American Water Company – Wastewater Division, Utility Code 230073.

PAWC identified Seneca Trails, LLC (Developer) as the developer requesting public water service to a proposed residential development, Seneca Trails (Development). The Development will consist of approximately 319 residential units in two non-contiguous phases of the Development, as explained below.

Specifically, Phase 1B will consist of 47 townhomes and Phase 5 will consist of 66 single-family homes. The Application’s Exhibits C-1 and C-2 included copies of letters for each phase from the Developer, dated June 2024, requesting that PAWC provide water service to the Development. PAWC confirmed that it is not affiliated with the Developer. Additionally, the Application’s Exhibit G included an unexecuted copy of a public fire hydrant service application to install public fire hydrants in the Development.

In supplemental information filed with the Commission, PAWC clarified that its requested territory also included the remaining areas of the Development’s Phases 3 and 4 that have not been certificated to PAWC, which will collectively consist of approximately 206 additional residential units. Specifically, Phase 3 will consist of 52 townhomes and 45 single-family homes, and Phase 4 will consist of 49 townhomes and 60 single-family homes. In addition, PAWC provided executed copies of an application for public fire hydrant service signed by Jackson Township for five public fire hydrants in Phases 1B and 5 and evidence of Jackson Township’s subdivision plan approval for Phases 3 and 4, which include seven public fire hydrants. PAWC indicated that the Development receives wastewater service from Western Butler County Authority. In supplemental information filed with the Commission, PAWC indicated that the requested territory area outside of the Development relies on on-lot septic systems.

PAWC submitted proofs of publication and service to the appropriate entities. Notice of the Application was published in the *Pennsylvania Bulletin*, 55 Pa.B. 4780, on Saturday, July 12, 2025. The protest period ended July 28, 2025. No protests were filed, and no hearings were held.

II. LOCATION AND DESCRIPTION OF REQUESTED TERRITORY

A map depicting PAWC's requested water service territories and a written description of each territory's boundaries by bearing angles and distances, defining an area of approximately 130 acres of land, were provided as the Application's Exhibits B-1 and B-2, respectively. The two requested service territories, Areas 1 and 2, are situated in the western portion of Jackson Township. Area 1 includes Phase 1B, consists of approximately 10.4 acres, and extends north from PAWC's northern border of its existing territory near the intersection of Shanleigh Drive and Sarjean Way to just south of Jackson Township's border with Zelenople Borough. Area 2, which includes Phase 5, consists of approximately 119.2 acres abutting the southern border of PAWC's existing territory along Gudenkunst Road. PAWC further indicated that Jackson Township does not have a mandatory connection ordinance for water service.

In supplemental information filed with the Commission, PAWC averred that Area 2 includes approximately 78.6 acres outside of Phase 5, including the remaining areas of the Development's Phases 3 and 4 that have not been certificated to PAWC and an area that is within approximately 1,000 feet of proposed facilities on Gudenkunst Road (the Gudenkunst Waterline). According to PAWC, it is necessary or proper for PAWC to be certificated to serve this additional area because the Development's Phases 3 and 4 require public water service and other properties may request public water service from PAWC as needed.

III. DESCRIPTION OF FACILITIES FOR FURNISHING SERVICE

According to the Application, the Developer will fund and install a water main extension (Main Extension) for both Phase 1B and Phase 5. The water main for Phase 1B will be extended from PAWC's water main in Shanleigh Drive and will consist of approximately 1,480 linear feet (LF) of eight-inch-diameter ductile iron (DI) pipe, 47 copper service lines, two fire hydrants, and related appurtenances. The water main for Phase 5 will be extended from PAWC's water main in Rivulet Place along Gudenkenst Road to Leah Street in Phase 5, and then along Leah Street and Diorio Street in Phase 5. The facilities for Phase 5, including the Gudenkenst Waterline, consist of approximately 2,750 LF of 12-inch-diameter DI pipe, 3,320 LF of eight-inch-diameter DI pipe, three fire hydrants, 66 copper service lines, and related appurtenances.

PAWC identified its proposed facilities for the Development's Phases 3 and 4 in supplemental information filed with the Commission. Phase 3 included 250 LF of 12-inch-diameter DI pipe, 1,720 LF of eight-inch-diameter DI pipe, 270 LF of six-inch-diameter DI pipe, five fire hydrants, 97 copper service lines, and related appurtenances. Phase 4 included 3,005 LF of eight-inch-diameter DI pipe, 145 LF of six-inch-diameter DI pipe, two fire hydrants, 109 water service lines, and related appurtenances.

In supplemental information filed with the Commission, PAWC identified 47 one-inch water meters for Phase 1B and 66 5/8-inch water meters for Phase 5. PAWC also identified 45 5/8-inch and 52 one-inch water meters for Phase 3, while Phase 4 totaled 60 5/8-inch and 49 one-inch water meters. Finally, PAWC clarified that Phase 3 is in progress, the Gudenkunst Waterline will be completed by January 2026, Phase 5 will be completed by May 2026, Phase 1B will be completed by July 2026, and Phase 4 will be completed by September 2026.

PAWC's Ellwood Water Treatment Plant (WTP) will furnish water service to the requested service territory. The Ellwood WTP has a maximum treatment capacity of 8

million gallons per day (MGD), and from 2024 to the date of the Application the average system delivery was 3.310 MGD. In the Application, PAWC indicated that the Development will be in its Franklin Township pressure gradient which is supplied by a 317,000-gallon storage tank known as the Franklin Township Tank. To determine if the Development could be adequately supplied by PAWC's existing facilities, PAWC indicated that it assumed a total estimated daily demand from residential customers of approximately 16,950 gallons per day (GPD). In supplemental information filed with the Commission, PAWC identified an additional average daily demand for Phases 3 and 4 of 30,900 GPD.

In the Application, PAWC indicated that it conducted a 96-hour average day extended flow simulation, steady state fire flow, and water age analysis to determine the effect of the proposed extension on existing and proposed customers. PAWC averred that simulation results indicated the pressures in the Development will vary from 46 to 142 pounds per square inch depending on elevation and that a minimum of 750 gallons per minute of fire flow will be available. According to PAWC, there is adequate water supply, treatment, storage and distribution capacity to meet present and future demands in the requested territory.

IV. ADDITIONAL CAPITAL REQUIREMENTS

In the Application, PAWC indicated that the Developer will be financially responsible for the costs of the Main Extension for each phase and indicated that the Developer intends to execute Water Facilities Line Extension Agreements (Extension Agreements) with PAWC for each phase upon Application approval. PAWC's standard form of this Extension Agreement was provided as the Application's Exhibit E. PAWC provided itemized breakdowns of the estimated cost of the Main Extension by phase in the Application's Exhibits F-1 and F-2. PAWC indicated that the cost for the Main Extension is estimated at \$1,047,140, including \$228,800 for Phase 1B, \$400,860 for the Gudenkenst Waterline, and \$417,480 for Phase 5. PAWC clarified in supplemental

information that the Developer will fund the Gudenkenst Waterline and facilities for Phases 3 and 4, and that the estimated costs for the facilities for Phases 3 and 4, excluding meter costs, are approximately \$588,797 and \$506,759, respectively.

In supplemental material filed with the Commission, PAWC averred that it will be responsible for the installation of water meters in the requested service territory and estimated the cost to be approximately \$7,766 for 47 one-inch meters for Phase 1B, \$6,062 for 66 5/8-inch meters for Phase 5, \$4,363 for 45 5/8-inch meters and \$9,950 for 52 one-inch meters for Phase 3, and \$5,817 for 60 5/8-inch meters and \$9,376 for 49 one-inch meters for Phase 4, resulting in a total cost at full buildout of \$43,334. PAWC indicated that Phases 1B and 5 will be funded by either short-term debt or internally generated funds and that the meter installations in Phases 3 and 4 were funded with short-term debt.

The Extension Agreement's Section 14 indicated that PAWC agreed to refund to Developer, during a period of ten years from the execution date of the Extension Agreement, a per customer refund amount for each additional customer that directly connects to the Development water facilities. PAWC also indicated in supplemental information that the refund per residential customer will be \$2,840.04, which represents a maximum potential refund to the Developer of approximately \$320,925 ($\$2,840.04/\text{customer} \times 113 \text{ customers} = \$320,924.52$). PAWC's refund per residential customer for Phases 3 and 4 is \$2,041.92, which represents a maximum potential refund of approximately \$420,636 ($\$2,041.92/\text{customer} \times 206 \text{ customers} = \$420,635.52$).

V. PROPOSED RATES

PAWC will charge its existing Rate Zone 1 rates within the requested territory as set forth in its effective water tariff. In supplemental information filed with the Commission, PAWC provided a revised copy of its estimated revenue and expenses for Phases 1B, 3, 4 and 5 of the Development. The revised estimate indicated that PAWC is

anticipating approximately \$305,283 in annual revenue and \$61,545 in annual operating expenses resulting in an annual net income of approximately \$243,738 for providing water service to the 319 residential customers and 12 public fire hydrants. This revenue is based on an anticipated average monthly usage for residential customers of 3,201 gallons.

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

In supplemental information filed with the Commission, PAWC indicated that a National Pollutant Discharge Elimination System permit for the overall development project was obtained and paid for by the Developer, at a cost of \$5,220 for Phase 1B and \$8,860 for Phase 5. PAWC also indicated that no easements will be required to provide water service to the requested service territory.

VII. LAND-USE PLANNING COMPLIANCE

The Application included copies of letters from Jackson Township, dated July 31, 2024, and October 23, 2024, as Exhibit L, indicating that the Township approved subdivision plan applications for Seneca Trails Phases 3, 4, 5, and 1B. In supplemental information filed with the Commission as TUS-A-12_Attachment, PAWC provided copies of land use compliance verification letters from Jackson Township, dated May 22, 2025, and from the Butler County Planning Commission, dated August 13, 2025, affirming that the Application is consistent with the municipal and county comprehensive plans, respectively.

VIII. OTHER CONSIDERATIONS

PAWC averred that to the best of its knowledge, no corporation, partnership or individual is currently furnishing or has corporate or franchise rights to furnish service like that to be rendered by PAWC within the requested territory and, therefore, no competitive condition will be created. In supplemental information filed with the

Commission, PAWC also indicated that approval of the Application will result in more customers being connected to PAWC's water system without significant upfront capital costs required by PAWC. Correspondingly, an increase in customers will allow PAWC to divide the operating costs among more customers and keep rates lower for all PAWC customers. PAWC further stated it is in the public interest for it to provide water service in the requested territory because it is financially and technically capable of providing service.

PAWC has no outstanding fines or assessments due to the Commission is current with the Commission's reporting requirements. In Commission correspondence with the Pennsylvania Department of Environmental Protection's (DEP's) Northwest Regional Office, DEP advised Commission staff that it did not have any pending actions or outstanding complaints against PAWC's water system associated with the Application's requested territory.

IX. CONCLUSION

Based upon the facts that there is a need to make public water service available within the requested territory; that PAWC will expand its service territory to new customers in compliance with Commission regulations; that the economies of scale of an expanded customer base will have a beneficial effect on existing customers; and that PAWC is fit to provide service, the Commission finds that granting approval of PAWC'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 at Docket No. A-2025-3055966, is hereby approved, consistent with this Order.

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 to begin to offer, render, furnish or supply water service to the public in an additional portion of Jackson Township, Butler County, Pennsylvania, consistent with this Order.

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

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

5. That the proceeding at Docket No. A-2025-3055966 be closed after a Certificate of Public Convenience is issued in accordance with Ordering Paragraph 2.

BY THE COMMISSION,

A handwritten signature in black ink that reads "Matthew L. Homsher". The signature is written in a cursive style with a large initial "M".

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: December 4, 2025

ORDER ENTERED: December 4, 2025