

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

Public Meeting held January 15, 2026

Commissioners Present:

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

Columbia Water Company Supplement No.
133 To Tariff – Water Pa. P.U.C. No. 7

Docket No.
R-2025-3057874

ORDER

BY THE COMMISSION:

On October 8, 2025, Columbia Water Company (Columbia Water), Utility Code 210540, filed Supplement No. 133 To Tariff – Water Pa. P.U.C. No. 7 (Supplement No. 133) with the Pennsylvania Public Utility Commission (Commission) to become effective February 1, 2026. Supplement No. 133 was filed to incorporate a new Pennsylvania Infrastructure Investment Authority (PENNVEST) loan into Columbia Water’s existing PENNVEST surcharge (PVS) for Columbia Division customers and to apply the PVS to Marietta Division and East Donegal Division customers.

I. AFFECTED ENTITIES AND BACKGROUND

Columbia Water is a regulated public utility company, duly organized and existing under the laws of the Commonwealth with a mailing address of 220 Locust Street, Columbia, Pennsylvania 17512. Columbia Water provides water service to approximately 12,294 customers in West Hempfield, Rapho, East Donegal and Manor Townships and the Boroughs of Columbia, Mountville and Marietta, Lancaster County, and Hellam Township, York County, Pennsylvania. Columbia Water operates three

separate rate districts or divisions, which are referred to in this Order as the Columbia, Marietta, and East Donegal Divisions, respectively.

By Commission Order entered July 30, 2015, at Docket No. R-2014-2445660 (July 2015 Order), the Commission adopted a Recommended Decision approving a Joint Petition for Settlement (Settlement) concerning a PVS for Columbia Water's PENNVEST Loan No. 80180 (Loan 80180). The Settlement permitted Columbia Water to incorporate tariff provisions for a PVS. These tariff provisions require, *inter alia*, that Columbia Water must recalculate the PVS at the time of general rate case filings under Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1308(d) (relating to general rate increases), and in a Section 1308 filing within 60 days of a material change. 66 Pa.C.S. §§ 1308(b) and (d). Pursuant to the terms of the Settlement, a material change is a term defined as a change in annual principal and interest payments (PI) and/or the number of Columbia Water equivalent dwelling units (EDUs) that results in a cumulative increase or decrease in the currently approved PVS of 1.5% or more.¹

Columbia Water's effective tariff contains the PVS formula, which defines that PVS is equal to PI divided by EDUs divided by 12 months. The value for PI is determined pursuant to the amortization schedule for PENNVEST loan obligations, and the value for EDUs is determined by applying meter equivalency ratios to the size and number of water meters for Columbia Division customers. The PVS is an EDU surcharge uniformly applied to all Columbia Division customer classes, excluding public fire protection customers, for service rendered. Marietta and East Donegal Division customers currently are not charged Columbia Water's PVS and are not included in the PVS formula calculation.²

¹ See, *material change* definition in the Settlement, at Settlement Term 22, page 6 of the Recommended Decision, which was adopted by the July 2015 Order.

² The Marietta Division is excluded from the PVS pursuant to the Commission Order entered March 1, 2018, at Docket No. R-2017-2598203. The East Donegal Division is excluded from the PVS pursuant to the Commission Order entered February 3, 2022, at Docket No. A-2021-3027134.

By Commission Order entered May 23, 2019, at Docket Nos. R-2019-3008417 and P-2019-3008853 (May 2019 Order), the Commission directed Columbia Water to begin providing its customers with a customer notice that includes certain information whenever Columbia Water files a tariff supplement that proposes to increase its PVS outside of a general rate increase filing.³ Pursuant to 52 Pa. Code §§ 53.45(g)-(h) (relating to notice of new tariffs and tariff changes), Columbia Water must provide notice as directed by the Commission and file an affidavit with the Commission confirming that notice requirements have been met.

By Commission Order entered May 20, 2021, at Docket No. S-2021-3025718, the Commission granted registration of an abbreviated securities certificate for the issuance of a promissory note to PENNVEST in an amount no greater than \$4,500,000. By a letter dated June 14, 2021, filed at Docket No. S-2021-3025718, Columbia Water notified the Commission that the loan subject to this abbreviated securities certificate was issued. This loan is identified as PENNVEST Loan No. 85182 (Loan 85182).

By Commission Order entered February 9, 2023, at Docket No. R-2022-3036936, the Commission permitted Columbia Water's current PVS of \$9.69 per EDU to become effective, including Loans 80180 and 85182. At that time, Columbia Water reported PI and EDU values of \$1,308,122.04 and 11,248 EDUs, respectively.

By Secretarial Letter dated February 13, 2025, at Docket No. S-2025-3053062, the Commission granted registration of an abbreviated securities certificate for the issuance of a promissory note to PENNVEST in an amount no greater than \$1,992,058. In its materials filed in support of Supplement No. 133 (Supporting Data), Columbia Water notified the Commission that the loan subject to this abbreviated securities certificate was issued as PENNVEST Loan No. 12823 (Loan 12823). Loan 12823 is discussed in Section II, below.

³ See, May 2019 Order at Ordering Paragraph 3.

Columbia Water submitted proof of service of Supplement No. 133 on the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement and two Columbia Water customers that filed complaints in Columbia Water's most recent base rate case at Docket No. R-2023-3040258. In supplemental information filed with the Commission, Columbia Water provided a copy of its updated notice of proposed rate increase and verified that it mailed this updated notice to all its customers. No complaints were filed, and no hearings were held.

II. PENNVEST LOAN 12823

Columbia Water averred that Loan 12823 proceeds were used for repairing and improving three water tanks known as the East Donegal, Manor/Mountville, and Columbia tanks. The East Donegal tank serves the East Donegal Division only, the Manor/Mountville tank serves the Columbia Division only, and the Columbia tank serves both the Marietta and Columbia Divisions. According to Columbia Water, the proposed PVS is consistent with the Settlement discussed above. The Settlement provides that the PVS will only apply to the customers in the service area in which the assets associated with the PVS serves. The assets financed by Loan 12823 serve all Columbia Water customers. Therefore, Columbia Water proposed adding a portion of Loan 12823 to the existing PVS applicable to Columbia Division customers and implementing a PVS for the remaining portion of Loan 12823 for Marietta and East Donegal Division customers.

Columbia Water provided a copy of the amortization schedule for Loan 12823 as Appendix B of Supporting Data. According to this amortization schedule, Loan 12823 is a \$1,387,641 loan with a 20-year term. For the first five years, the interest rate is 1.743%, resulting in a monthly payment of \$6,852.20. For the remaining 15 years, the interest rate is 2.179%, resulting in a monthly payment of \$7,069.58. Columbia Water averred that the first payment for Loan 12823 is due on April 1, 2026. Thus, Columbia

Water proposed an effective date for Supplement No. 133 of February 1, 2026, to allow the required cash to be available to make its initial payment on April 1, 2026.

III. SUPPLEMENT NO. 133

Supplement No. 133 proposed adding a portion of Loan 12823 to Columbia Water's existing PVS for Columbia Division customers, thereby increasing the existing monthly PVS per EDU from \$9.69 to \$9.89 for these customers. Also, to recover the remaining portion of Loan 12823, Supplement No. 133 proposed applying the PVS to Marietta and East Donegal Division customers, resulting in a proposed monthly PVS per EDU of \$0.32 for Marietta Division customers and a proposed quarterly PVS per EDU of \$2.61 for East Donegal Division customers. According to Columbia Water, Columbia and Marietta Division customers are billed monthly, and East Donegal Division customers are billed quarterly in March, June, September, and December.

In Appendix E of Supporting Data, Columbia Water provided calculations showing how it separated out the costs paid by Loan 12823 associated with each tank and then allocated those costs pursuant to the demand of the Division or portion thereof that the tank serves. Columbia Water calculated the total annual debt service for Loan 12823 is \$82,226.40 (\$6,852.20/month x 12 months), of which \$53,301.13 is attributable to the Columbia Division, \$5,737.43 is attributable to the Marietta Division and \$23,187.84 is attributable to the East Donegal Division ($\$53,301.13 + \$5,737.43 + \$23,187.84 = \$82,226.40$).

In Appendix F of Supporting Data, Columbia Water provided calculations of each PVS using the loan costs associated with each Division. For Columbia Division customers, Columbia Water proposed PI and EDU values of \$1,359,030.69 PIs and 11,449 EDUs, which represent increases to existing PI and EDU values of \$50,908.65 PIs and 201 EDUs. For Marietta Division customers, Columbia Water proposed PI and EDU

values of \$5,737.02 PIs and 1,506 EDUs. For East Donegal Division customers, Columbia Water proposed PI and EDU values of \$23,189.37 PIs and 2,224 EDUs.

In supplemental information filed with the Commission, Columbia Water averred that EDU calculations submitted with Supplement No. 133 erred in the number of EDUs for the Columbia Division due to a software issue. According to Columbia Water, after it prepared its EDU calculations, it was discovered that one of the meter cycles had not closed correctly within the software which led to an over reporting of Columbia Division EDUs. In addition, Columbia Water noted that industrial customers were inadvertently omitted from Marietta Division EDU calculations and that private fire service connections were not included in East Donegal Division EDU calculations. Resultingly, Columbia Water provided revised PVS calculations labeled as amended Appendix F, *pro forma* tariff supplement pages (Pro Forma Tariff) with updated PVS rates, and an amended customer notice to address updated PVS rates.

In amended Appendix F, Columbia Water proposed an updated Columbia Division EDU value of 11,407 EDUs, and calculated a monthly PVS per EDU of \$9.92 in the Pro Forma Tariff, or \$0.03 more than the rate in Supplement No. 133.⁴ Columbia Water also proposed an updated Marietta Division EDU value of 1,564 EDUs, resulting in a monthly PVS per EDU of \$0.31 in the Pro Forma Tariff, or \$0.01 less than the rate in Supplement No. 133.⁵ Finally, Columbia Water proposed an updated East Donegal Division EDU value of 2,238 EDUs, resulting in a quarterly PVS per EDU of \$2.59 in the Pro Forma Tariff, or \$0.02 less than the rate in Supplement No. 133.⁶ These supplemental calculations appear to indicate that Supplement No. 133 rates for the Marietta and East Donegal Divisions may be more than the amounts allowed by the PVS formula and that the PVS formula may allow a greater rate for the Columbia Division than proposed in

⁴ $\$1,359,030.69 \text{ PIs} \div 11,407 \text{ EDUs} \div 12 \text{ months} = \$9.92 / \text{EDU} / \text{month}.$

⁵ $\$5,737.02 \div 1,564 \text{ EDUs} \div 12 \text{ months} = \$0.31 / \text{EDU} / \text{month}.$

⁶ $\$23,189.37 \div 2,238 \text{ EDUs} \div 4 \text{ quarters} = \$2.59 / \text{EDU} / \text{month}.$

Supplement No. 133. However, Pro Forma Tariff rates do not appear to be more than the amounts allowed by the PVS formula.

Columbia Water averred that Supplement No. 133 will increase its annual revenues by \$82,226.40. According to Columbia Water, this represents an increase in revenues of 0.93% based on projected 2025 operating revenues of \$8,830,464.⁷ However, based on updated EDU values in amended Appendix F, it appears that the Pro Forma Tariff represents an increase in operating revenues of approximately \$60,487, or 0.68%, as summarized in Table 1, below:⁸

Table 1: Summary of Existing and Pro Forma Tariff Supplement Revenues⁹

| Division | EDUs | Bills Per Year | Existing Rate | Existing Revenue | Pro Forma Tariff Rate | Pro Forma Tariff Revenue | Annual Increase |
|--------------|--------|----------------|---------------|------------------|-----------------------|--------------------------|-----------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | EDUs | | \$/EDU | \$ | \$/EDU | \$ | \$ |
| Columbia | 11,407 | 12 | 9.69 | 1,326,406 | 9.92 | 1,357,889 | 31,483 |
| Marietta | 1,564 | 12 | N/A | 0 | 0.31 | 5,818 | 5,818 |
| East Donegal | 2,238 | 4 | N/A | 0 | 2.59 | 23,186 | 23,186 |
| Total | | | | 1,326,406 | | 1,386,893 | 60,487 |

Columbia Water indicated that all rates collected pursuant to the PVS are paid to PENNVEST in satisfaction of Columbia Water’s debt service obligations. In supplemental information filed with the Commission, Columbia Water averred that in December 2023, the monthly payment for Loan 85182 was reduced by \$199.28. According to Columbia Water, since this reduction was less than the 1.5% threshold for a material change, no request for a PVS rate change was filed.

⁷ $\$82,226.40 \div \$8,830,464 = 0.93\%$.

⁸ $\$60,487 \div \$8,830,464 = 0.68\%$.

⁹ See, amended Appendix D and amended Appendix F. Note that in Table 1, Column 5 = Columns 2 x 3 x 4; Column 7 = Columns 2 x 3 x 6; and Column 8 = Columns 7 – 5.

Through this Order, we will direct that Columbia Water shall provide testimony with its next general rate increase filed with the Commission that explains how all rates collected pursuant to the PVS are paid to PENNVEST and that specifies, as of the date that the general rate increase is filed, total revenues collected pursuant to the PVS, total payments made to PENNVEST, and the difference between total revenues and total payments, if applicable.¹⁰ In addition, Columbia Water shall provide a tariff or tariff supplement with its next general rate increase filed with the Commission that includes Columbia Water's proposed tariff language for its PVS to identify Columbia Water's ratemaking treatment of the difference between revenues collected pursuant to the PVS and payments made to PENNVEST.¹¹

IV. CONCLUSION

Investigation and analysis of Supplement No. 133 and the supporting data indicates that Supplement No. 133 may be unlawful, unjust, unreasonable, and contrary to the public interest. It also appears that consideration should be given to the reasonableness of Columbia Water's existing rates, rules, and regulations. At the same time, investigation and analysis of the Pro Forma Tariff and the supporting data indicates that Columbia Water's Pro Forma Tariff may be just and reasonable; **THEREFORE,**

IT IS ORDERED:

1. That if, on or before ten (10) days after the entry date of this Order, Columbia Water Company files a tariff or tariff supplement, effective upon February 1, 2026, that cancels and supersedes Supplement No. 133 To Tariff – Water Pa. P.U.C. No. 7, and that contains proposed changes in rates calculated to produce additional annual revenue of approximately \$60,487 incorporating the schedule of rates shown in Table 1,

¹⁰ See, Ordering Paragraph 3.

¹¹ See, Ordering Paragraph 4.

Column 6 of this Order, the tariff or tariff supplement proposing the increase shall be permitted to become effective upon February 1, 2026.

2. That if Columbia Water Company does not file a tariff or tariff supplement cancelling and superseding Supplement No. 133 To Tariff – Water Pa. P.U.C. No. 7, as described in Ordering Paragraph 1 of this Order, on or before ten (10) days of entry of this Order, or if the Commission has not granted Columbia Water Company additional time to file, the following shall apply:

a That an investigation on Commission motion shall be instituted without further Order of the Commission, to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in Columbia Water Company’s proposed Supplement No. 133 To Tariff – Water Pa. P.U.C. No. 7;

b That Supplement No. 133 To Tariff – Water Pa. P.U.C. No. 7 shall be, without further Order of the Commission, suspended until August 1, 2026, unless otherwise directed by Order of the Commission;

c That within ten (10) days following the suspension of Supplement No. 133 To Tariff – Water Pa. P.U.C. No. 7, pursuant to 52 Pa. Code § 53.71, Columbia Water Company shall e-file (or file) a tariff supplement, which shall bear no effective date, with the Commission and post the tariff supplement at the offices of Columbia Water Company announcing that the aforementioned tariff supplement is suspended until August 1, 2026. A sample copy of a suspension supplement is provided in Attachment A of this Order;

d That this investigation shall include consideration of the lawfulness, justness, and reasonableness of the existing rates, rules, and regulations of Columbia Water Company; and

e That this case be assigned to the Office of Administrative Law Judge for Alternative Dispute Resolution, if possible, and for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a recommended decision.

3. That Columbia Water Company shall provide testimony with its next general rate increase filed with the Commission that explains how all rates collected pursuant to the PENNVEST Surcharge are paid to PENNVEST and that specifies, as of the date that the general rate increase is filed, total revenues collected pursuant to the PENNVEST Surcharge, total payments made to PENNVEST, and the difference between total revenues and total payments, if applicable.

4. That Columbia Water Company shall provide a tariff or tariff supplement with its next general rate increase filed with the Commission that includes Columbia Water Company's proposed tariff language for its PENNVEST Surcharge to identify Columbia Water Company's ratemaking treatment for the difference between revenues collected pursuant to the PENNVEST Surcharge and payments made to PENNVEST.

5. That this Order is without prejudice to any formal complaints timely filed against the proposed tariff supplement.

6. That a copy of this Order shall be served upon Columbia Water Company, the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and any persons who have filed formal complaints against the proposed tariff supplement.

BY THE COMMISSION,

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

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: January 15, 2026

ORDER ENTERED: January 15, 2026

ATTACHMENT A
Sample Suspension Supplement

Supp. No. _____ to
_____ Pa. P.U.C. No. _____.

(COMPANY NAME)

(TERRITORY SERVED BY COMPANY)

The application of rates proposed in Supplement No. _____ to Tariff _____ Pa. P.U.C. No. _____ filed to become effective _____, is hereby suspended until _____, at Docket No. _____. Presently effective rates contained in Tariff _____ Pa. P.U.C. No. _____ and supplements thereto, will continue in effect until otherwise amended. Issued in compliance with Title 66 Pa. C.S. § 1308.