

COMMONWEALTH OF PENNSYLVANIA



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January 21, 2026

Via Electronic Filing

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

Re: Office of Consumer Advocate
v.
Veolia Water Company, Inc.
C-2025-3058865

Dear Secretary Homsher:

Attached for electronic filing, please find the Office of Consumer Advocate's Answer to New Matter of Veolia Water Pennsylvania, Inc., in this proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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Enclosures

cc: The Honorable Charles E. Rainey, Jr. (email only: crainey@pa.gov)
Office of Special Assistants (email only: ra-OSA@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Office of Consumer Advocate :
 :
 v. : Docket No. C-2025-3058865
 :
 Veolia Water Company, Inc. :

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Answer to New Matter of Veolia Water Pennsylvania, Inc., upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 21st day of January, 2026.

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Dated: January 21, 2026

these service issues may have persisted for several months after the initial incident.¹ These service events were the result of the shutdown of a high service pump, use of fire hydrants, high demands causing high flow events, and main breaks. Answer and New Matter at 8-11.

On November 19, 2025, the Office of Small Business Advocate (OSBA) filed a Formal Complaint against VWPA asserting that VWPA may have violated its obligations under Section 1501 of the Public Utility Code (Code), 66 Pa. C.S. Section 1501. On November 25, 2025, the OCA filed a Notice of Intervention in this matter and filed a separate Formal Complaint against VWPA asserting that VWPA did not adequately maintain its system and did not adequately respond to the quality-of-service issues required by Section 1501 of the Code.

On December 11, 2025, VWPA filed its Answer and New Matter to the OSBA Complaint and filed a Preliminary Objection, requesting dismissal of requests to reimburse or award small businesses monetary damages. On December 16, 2025, VWPA filed its Answer and New Matter to the OCA Complaint, and filed a Motion for Consolidation, requesting consolidation of the proceedings at Docket Nos. C-225-2058757 (OSBA Complaint) and C-2025-3058865 (OCA Complaint). On December 23, 2025, the Company filed letters indicating that VWPA agreed to extend the deadline for OSBA and OCA to file their respective replies to the New Matter to January 21, 2026.

On December 29, 2025, the Commission issued an Order granting the unopposed extension for OSBA to file its Reply to New Matter until January 21, 2026, and on January 6, 2026, the Commission issued an Order granting the unopposed extension for OCA to file its Reply to New Matter until January 21, 2026. On January 13, the Commission issued an Order granting VWPA's

¹ <https://www.msn.com/en-us/news/us/veolia-water-tells-customers-not-to-drink-the-water-after-months-of-saying-it-was-safe/ar-AA1MH1eh?ocid=winp2fptaskbar&cvid=4f8e4227a4934592b01685d42a6e28e2&ei=40> (Last accessed Tuesday, January 20, 2026).

Motion to consolidate the OSBA and OCA Complaints and issued an Order granting in part and denying in part VWPA's Preliminary Objection. The OCA files this Answer in response to VWPA's New Matter.

II. LEGAL STANDARDS

The standard to determine the adequacy of a public utility's service under the Code is as follows:

Every public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and shall make all such repairs, changes, alterations, substitutions, extensions, and improvements in or to such service and facilities as shall be necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public. Such service also shall be reasonably continuous and without unreasonable interruptions or delay. Such service and facilities shall be in conformity with the regulations and orders of the commission. Subject to the provisions of this part and the regulations or orders of the commission, every public utility may have reasonable rules and regulations governing the conditions under which it shall be required to render service.

66 Pa. C.S. § 1501. The Commission can direct the reasonable standard of service and the reasonable service to be observed by the public utility. 66 Pa. C.S. §§ 1504, 1505.

Although Section 1501 does not mandate perfect service or the best possible service, a public utility is still obligated to provide service that is reasonable and adequate. *Re Metro Edison Co.*, 80 Pa. P.U.C. 663, 672 (1993); *Analytical Lab. Servs., Inc. v. Metro. Edison Co.*, Docket No. C-20066608 (Order entered December 21, 2007). "The requirement to render reasonable service applies to all aspects of a utility's service to customers," including "[a] utility's response to, and investigation of, customer complaints. . . ." *Michael and Mary Weishner v. Pennsylvania American Water Company*, Docket No. C-2024-3046232 (Order entered September 25, 2025) (citing *Thurby v. West Penn Power Co.*, Docket No. C-2011-2254048 (Final Order entered April 4, 2013)).

The Code prohibits a public utility from providing unreasonably preferential or prejudicial service and rates to any person, corporation, or municipality. 66 Pa. C.S. §§ 1503, 1304.

III. ANSWER

A. The Frequency and Duration of Service Disruptions May Constitute Unreasonable Service in Violation of Section 1501.

VWPA asserts that Pennsylvania utilities are not required to provide “perfect” or “the best possible” service. Answer and New Matter at 7. It further claims that its current operations adhere to its Commission-approved Tariff, which recognizes that service may be subject to interruptions. *Id.* at 7-8. However, while VWPA is not held to a standard of perfection, the Commission may still find that the service provided in this instance was not “reasonable” as required by 66 Pa. C.S. Section 1501.

The Code requires that every utility furnish “adequate, efficient, safe, and reasonable service.” 66 Pa. C.S. § 1501. While a Commission-approved Tariff carries a presumption of reasonableness, the Commission retains authority under 66 Pa. C.S. Sections 1504 and 1505 to prescribe the specific standards of reasonable service a utility must observe and to determine whether the utility’s actual performance meets those standards. The operational events occurring between June 22, 2025, and July 28, 2025, may transcend the temporary interruptions contemplated by VWPA’s Tariff, thus violating Section 1501. VWPA’s Tariff Water – Pa. P.U.C. No. 7 p. 46, 56.

Further demonstrating that these issues remained unresolved for months, the Pennsylvania Department of Environmental Protection (DEP) ordered VWPA on September 12, 2025, to collect samples and perform system flushes due to the presence of excess manganese. VWPA Ex. 2 at 5-7. Notably, the Company carried out these activities between September 11 and September 16, 2025. VWPA Ex. 3 at 1. This regulatory intervention proves that service disruptions and remediation efforts continued for three months beyond the original service incident.

VWPA's Tariff, Pa. P.U.C. No. 7, acknowledges that service may be disrupted by main breaks or equipment failure. However, Section 1501 mandates that service be "reasonably continuous and without unreasonable interruptions." The extended period of high turbidity, discoloration, excess manganese, and lack of potable water quality in the affected areas may be considered unreasonable and demonstrates a potential systemic failure to "make all such repairs, changes, [and] improvements . . . necessary or proper for the accommodation, convenience, and safety of its patrons." 66 Pa. C.S. § 1501.

A service event resulting from a high service pump shutdown, fire hydrant, or main break may be "reasonable" if it is isolated and promptly rectified. However, where disruptions persisted for months, required intervention and action from the DEP, and potentially compromised the potability of water, the service may no longer be considered adequate or safe. Consequently, the Commission may find that the frequency and duration of these service events constitute a violation of both Section 1501 and the reasonableness standards in VWPA's Tariff.

B. VWPA's Flushing Credit Policy May be Unreasonably Prejudicial and Discriminatory Under Sections 1501, 1503, and 1304.

VWPA asserts that because of the dynamic nature of the service incidents, it was impossible to determine precisely which customers were affected without direct contact. Answer and New Matter at 13. The Company argues that discolored water did not impact customers in the affected areas who did not draw water into their plumbing while discolored water passed by. *Id.* at 11. Therefore, it required customers to call its customer service department to report concerns and confirm that flushing instructions were followed. *Id.* at 13. According to VWPA, this individualized reporting was a necessary step to verify customer information and ensure credits were only provided to those truly impacted. *Id.* A preliminary examination of VWPA's conduct

reveals that its decision, to provide flushing credits only to those customers who filed a complaint to VWPA's customer service department, may be unreasonable and discriminatory.

“The requirement to render reasonable service applies to all aspects of a utility’s service to customers,” including “[a] utility’s response to, and investigation of, customer complaints. . . .” *Michael and Mary Weishner v. Pennsylvania American Water Company*, Docket No. C-2024-3046232 (Order entered September 25, 2025) (citing *Thurby v. West Penn Power Co.*, Docket No. C-2011-2254048 (Final Order entered April 4, 2013)). Under 66 Pa. C.S. Section 1503 and 1304, a utility is prohibited from granting any “unreasonable preference or advantage” or establishing “unreasonable differences as to rates” and service between classes of service or individuals.

By limiting credits to complainants only, VWPA has created a potentially arbitrary distinction between two groups of customers who suffered the same disruption to water service. In its website alerts and social media posts, VWPA explained the flushing process and instructed customers to contact the Customer Service Team if they continued to experience discolored water. VWPA Ex. 1 at 2-14. Critically, however, these instructions failed to inform affected customers that contacting the customer service line was a mandatory prerequisite for obtaining a flushing credit, regardless of whether the flushing successfully cleared the water. By omitting this requirement from their public outreach, VWPA effectively denied relief to impacted customers who followed the Company’s technical instructions but were never notified of the process to receive a flushing credit.

Additionally, VWPA makes it unclear what specific criteria were necessary to receive a flushing credit, whether customers were aware of the potential availability of such a credit, and what criteria the Company used to provide larger credits as necessary. Some customers were provided with Red-B-Gone, an additive that can remedy discoloration, and a \$15 laundry credit if

they reported discolored laundry from the service incidents. Customers could also get reimbursed for damage to personal property up to the liability limit in VWPA's water tariff, if they produced receipts for their expenses. However, VWPA does not mention whether customers were required to initiate the conversation about their discolored laundry or personal property damage, or whether the Company's customer service agents prompted the discussion.

For these reasons, the Company's conduct may have created an unreasonably prejudicial environment for VWPA's ratepayers, as it may grant an unreasonable preference or advantage to those customers who called the customer service line and used specific buzz words unknown to the public. Furthermore, the amount of flushing credits may be found insufficient to compensate for the actual unreasonable interruptions experienced.

IV. CONCLUSION

For the reasons stated herein, the OCA respectfully requests that the Commission deny VWPA's requests to (1) find that VWPA has complied with the Code, Commission regulations and orders, and VWPA's tariffs in addressing the Abnormal Incidents, and (2) dismiss the Formal Complaint filed by the Office of Consumer Advocate.

Respectfully submitted,

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DATED: January 21, 2026

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