

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania 17120**

**PA Public Utility Commission, et al.  
vs.  
The York Water Company**

**Public Meeting of February 19, 2026  
3053442-OSA  
Docket Nos. R-2025-3053442, et al.**

**STATEMENT OF VICE CHAIR KIMBERLY BARROW**

Before us for consideration are the Exceptions of The York Water Company-Water Division and The York Water Company-Wastewater Division (collectively, York Water or the Company), filed on December 22, 2025, to the Recommended Decision of Administrative Law Judges (ALJs) John M. Coogan and Emily A. Farren, issued on December 11, 2025, in the above-captioned proceeding. Also, before us for consideration is the Joint Petition for Approval of Partial Settlement (Joint Petition or Partial Settlement), filed by York Water, the Commission's Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), and the Office of Small Business Advocate (OSBA) (collectively, Joint Petitioners) on October 29, 2025.

York Water proposed base rate changes that would have increased its total annual operating revenues for its water operations to \$19,786,146, or approximately 29.0% over annual water operating revenues at present rates of \$68,305,310;<sup>1</sup> and (2) an increase of \$3,857,507, or approximately 44.5%, over annual wastewater operating revenues of \$8,670,534, based on a fully projected future test year (FPFTY) ending February 28, 2027.<sup>2</sup> In litigating the instant rate request, I&E proposed an overall annual increase of \$14,908,953 for water operations and \$2,767,804 for wastewater operations, OCA proposed an overall annual increase of \$9,115,241 for water operations and \$2,459,887 for wastewater operations, while the OSBA proposed an annual increase of \$9,070,464 for water operations and \$2,371,948 for wastewater operations.

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<sup>1</sup> If the Company's increase were granted as requested, the monthly water bill for residential gravity customers using the noticed level of usage of 4,383 gallons per month would increase from \$47.78 to \$58.26 per month, or by 21.9%. The water bill for residential repumped customers using the noticed level of usage of 3,672 gallons per month would increase from \$56.48 to \$72.26 per 11 month, or by 27.9%. These bill increases include an increase to the residential customer charge of \$7.60 from \$17.25 to \$24.85. OCA M.B. at 10-11.

<sup>2</sup> York Water originally proposed base rate changes that would have increased its total annual operating revenues by \$24,169,485, consisting of: (1) an increase of approximately \$20,311,978, or approximately 29.7%, over annual water operating revenues at present rates of \$68,305,310; and (2) an increase of approximately \$3,857,507, or approximately 44.5%, over annual wastewater operating revenues of \$8,670,534, but later revised the water rate increase from \$20,311,978 to \$19,786,146. See York Water St. 3-R at 29; York Water Exh. MEP-1R (Corrected) at 1.

York Water indicated that the primary reason for its requested increase is the need to invest in replacements, improvements, and additions to the Company's facilities. The Company stated that it has projected to place in service \$41,708,860 in new or replacement water facilities during 2025 and \$44,606,360 in 2026 and the first two months of 2027. Further, York Water averred that it has projected to place in service \$6,581,359 in new or replacement wastewater facilities during 2025 and \$6,418,667 in 2026 and the first two months of 2027. York Water Statement in Support at 7.

York Water last filed for an increase in water and wastewater base rates in 2022, which the Commission addressed in *Pa. PUC, et al. v. York Water Company – Water Division and York Water Company – Wastewater Division*, Docket Nos. R-2022-3031340 and R-2022-3032806, *et al.* (Final Order entered January 12, 2023) (*York Water 2022 Rate Case*). The rates the Commission approved in the *York Water 2022 Rate Case* took effect on March 1, 2023. York Water Statement in Support at 7.

In the *York Water 2022 Rate Case*, the Company proposed an increase in water rates of \$18,853,738 or 33.8% and an increase in wastewater rates of \$1,456,792 or 35%. Following a settlement filed by the parties in that proceeding, the Commission approved an annual revenue increase of \$13.5 million in additional annual base rate operating revenue, which consists of \$11.6 million or approximately 21.6% in additional water base revenues and \$1.9 million or approximately 45.6% in additional wastewater base revenues.

Prior to the *York Water 2022 Rate Case*, the Company filed for an increase in its distribution base rates in 2018 at Docket Nos. R-2018-300019, *et al.* (Opinion and Order entered April 27, 2020) (*York Water 2018 Rate Case*). The *York Water 2018 Rate Case* was also settled. In other words, York Water's last three rate cases, including the instant filing, all settled.

In the Settlement filed on October 29, 2025, the Joint Petitioners agreed to an annual increase of approximately \$16,000,000 to York Water's water operating revenues, representing an increase of approximately 23.4% to the Company's water operating revenues at present rates; and (2) an annual increase of approximately \$2,850,000 to the Company's wastewater operating revenues, representing an increase of approximately 32.9% to York Water's wastewater operating revenues at present rates. The Settlement also increased the Company's customer charge for residential water customers to from \$17.20 to \$19.75, an increase of \$2.50 over the current fixed customer charge, instead of the \$7.60 increase proposed in its filing.

In the Recommended Decision issued December 22, 2025, ALJs Coogan and Farren recommended, *inter alia*, that the Commission grant the Joint Petition, subject to the Joint Petitioners submitting a corrected wastewater proof of revenues. The ALJs determined that the Partial Settlement, with one recommended modification, produces rates that are just and reasonable, is in the public interest, and otherwise is consistent with the requirements of Section 1308 of the Code, 66 Pa.C.S. § 1308. R.D. at 104-106, 119.

It is important to note that with the current settlement before us, York Water's last three rate cases have all been settlements. I acknowledge that by the end of the FPFTY the Company would have spent over \$86 million for infrastructure repair work for water operations and over \$13 million for infrastructure repair work for wastewater operations and commend them for

making the necessary investments to their systems. That being said, I caution York Water to fully litigate their next rate request proceeding. The instant Settlement is a “black box” settlement, which means that it does not reflect a specific resolution of every element of the agreed-upon revenue increase and revenue requirement, including any specific rate of return, but instead represents the Joint Petitioners’ agreed-upon final revenue increase amount based on their respective individual analyses of the various revenue and expense items.

It also bears repeating that York Water’s last customer demand study was in 1976 and 1977. R.D. at 31. A demand study shows how each class of customers utilizes the utility’s facilities so that costs can be allocated accurately to each customer class. A demand study is an intrinsic part of a cost-of-service study, and a cost-of-service study is foundational to setting just and reasonable utility rates. The need for an updated demand study was raised in 1992 and 2006, and subsequent settlements which were approved by Commission allowed the issue to be put off, time and time again. It has now been 50 years since customer demand was reviewed. South Central Pennsylvania’s population and industry have changed over the decades; therefore, it is very unlikely that customer class demand in York Water’s service territory has stayed static over the course of a half century. If this is true, some customers may be overpaying and some customers may be underpaying rates.

In the instant rate case, the OSBA and the OCA argued for, and the ALJs agreed, that by the next rate filing, York Water should file a modern customer class demand study. In its Exceptions, York Water argued that due to the likely extraordinary costs of such a study, it needs until 2029, 3 more years, and requests that the study costs be designated as a regulatory asset.

I agree with the ALJs’ determination that the study must be completed by the next rate filing. But, I am not yet convinced that a foundational input upon which a utility’s claim for rates is based should be accorded deferred accounting treatment, especially when the company has had this many years to arrange the study. Moreover, I find it prudent to emphasize that recovery of the study cost cannot be determined outside of the next rate case. I caution all involved that determining how much of the expense for the demand study should be recovered in rates should be litigated holistically in the next rate case proceeding to avoid single issue ratemaking.

**February 19, 2026**



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**Kimberly Barrow, Vice Chair**