



COMMONWEALTH OF PENNSYLVANIA

February 19, 2026

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. City of Lancaster – Bureau of Water /
Docket No. R-2025-3057237**

Dear Secretary Homsher:

Enclosed please find the Admitted PreServed Testimony, Exhibits, and Verifications, on behalf of the Office of Small Business Advocate (“OSBA”), pursuant to the Interim Order Granting Motion for Admission into the Record and Adopting Joint Stipulation for Admission of Evidence, that was issued on February 9, 2026, enclosed as Appendix A in the above-referenced proceeding:

- Direct Testimony and Exhibits of Jospheh Kubas, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, and Exhibit JK-6, 3, with signed Verification of Jospheh Kubas.
- Surrebuttal Testimony and Exhibits of Jospheh Kubas, labeled OSBA Statement No. 1-SR, with associated OSBA Exhibit JK-1, OSBA Exhibit JK-2, and OSBA Exhibit JK-3, with signed Verification of Jospheh Kubas.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service. If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Joseph Kubas
Parties of Record



COMMONWEALTH OF PENNSYLVANIA

December 17, 2025

The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. City of Lancaster – Bureau of Water
/ Docket No. R-2025-3057237**

Dear Judge Gannon:

Enclosed please find the Direct Testimony and Exhibits of Joseph Kubas, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, and Exhibit JK-6, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Joe Kubas
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
 : Docket No. R-2025-3057237
 v. :
 :
 City of Lancaster – Bureau of Water :

DIRECT TESTIMONY & EXHIBITS

of

JOSEPH KUBAS

on behalf of

Pennsylvania Office of Small Business Advocate

Topics:

Present Rate Revenue – Added Customers and Usage

Miscellaneous Revenue

Tariff Language

Cost of Service Study

Proposed Rates and Revenue

Scale Back of Rates and Revenue

Date Served: December 17, 2025

Date Submitted for the Record: _____

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Joseph Kubas. My business address is 555 Forum Place 1st floor, Harrisburg
3 PA, 17101.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the Pennsylvania Office of Small Business Advocate (“OSBA”) as an
7 Economic Development Consultant.

8
9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

10 A. My testimony is being sponsored by the OSBA.

11

12 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**
13 **QUALIFICATIONS.**

14 A. My academic and professional background is described in the attached Appendix A.

15

16 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THIS**
17 **COMMISSION?**

18 A. Yes. As described in my Appendix A, I provided testimony in many proceedings before
19 the Commission on many occasions.

20

21 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
22 **PROCEEDING?**

1 A. My testimony addresses components of the City of Lancaster – Bureau of Water (City’s
2 or Company) revenue requirement and cost allocations for the Fully Projected Future Test
3 year (“FPFTY”) comprised of the period from April 1, 2026, through March 31, 2027.
4 The filing also includes data for the Future Test Year (FTY) comprised of the period April
5 1, 2025, through March 31, 2026. Specifically, I will address one present rate revenue
6 issues, and one miscellaneous revenue issue including a tariff change recommendation. I
7 will also address proposed rates, revenue, and the scale back of rates and revenue. The
8 absence of comment on my part regarding a particular issue does not signify support for
9 (or opposition to) that issue in this filing.

10

11 **Q. ARE YOU MAKING A RECOMMENDATION FOR A TOTAL REVENUE**
12 **REQUIREMENT IN THIS CASE?**

13 A. No. While some of the issues I address impact the revenue requirement, I am not making
14 an overall revenue recommendation. Therefore, I am not offering a recommendation for a
15 specific total revenue requirement.

16

17 **Q. WHAT SYSTEM DOES THE CITY OPERATE?**

18 A. The City operates a large water treatment and distribution system located in Lancaster
19 County, Pa that encompasses customers inside and outside the City of Lancaster.
20 However, only customers outside the City of Lancaster are under the jurisdiction of the
21 Commission. The filing includes data such as plant and expenses for both customers
22 inside and outside the City because plant and expenses are shared by both inside and

1 outside customers. Debt service is required to fund the system that must be allocated to
2 customers inside and outside the City.

3

4 **Q. BRIEFLY DESCRIBE THE REVENUE INCREASE BEING REQUESTED BY**
5 **THE CITY IN THIS CASE.**

6 A. The City filing includes an increase of approximately \$7 million for customers outside the
7 City (City Exhibit GRH-1, Schedule 1, page 3, line 1, column 9). The increase reflected
8 for customers inside the City is \$0 (City Exhibit GRH-1, Schedule 1, page 2, line 1,
9 column 9).

10

11 **Number of Customers - Present Rate Revenue**

12 **Q. DID THE CITY PROJECT IT WILL ADD CUSTOMERS OUTSIDE THE CITY**
13 **IN THE FUTURE TEST YEAR AND FPFTY?**

14 A. Yes. The City is projecting that it will add 60.5 Residential customers and 4.5
15 Commercial customers in both the FTY and FPFTY (City Exhibit GRH-1, Schedule 5,
16 page 3).

17

18 **Q. HOW DID THE CITY PROJECT THE NUMBER OF CUSTOMERS OUTSIDE**
19 **THE CITY IN THE FTY AND FPFTY?**

20 A. The City based the projected annual gain in customers on the average number of
21 customers gained between April 1, 2023, and March 31, 2025. For Residential customers,
22 the City determined that it added 117 customers in the year ending March 31, 2024 and
23 gained 4 customers in the year ending March 31, 2025. Based upon these gains, the City

1 projected that the average annual gain in Residential customers should be $60.5 (117 +$
2 $4)/2$. For Commercial customers, the City determined that it added 10 customers in the
3 year ending March 31, 2024 and lost one customer in the year ending March 31, 2025.
4 Based upon this gain and loss, the City projected that the average annual gain in
5 Commercial customers should be $4.5 (10 - 1) / 2$ (City Exhibit GRH-1, Schedule 5, page
6 3).

7
8 **Q. WHAT PROJECTED GAIN IN CUSTOMERS FOR THE FTY AND FPPTY TEST**
9 **YEARS DO YOU RECOMMEND?**

10 A. I recommend the City reflect a gain of 176.2 Residential customers and 5.2 Commercial
11 customers in both the FTY and FPPTY (OSBA Exhibit JK-2 column D, lines 1-2).

12
13 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

14 A. My recommendation is based upon the historical gain in customers by class over the past
15 4.25 years or 51 months (Dec 31, 2020 – March 31, 2025).

16
17 **Q. CAN YOU DESCRIBE YOUR METHODOLOGY FOR THESE PROJECTIONS?**

18 A. Yes. I began with the actual number of customers by class reflected in this case on March
19 31, 2025 and subtracted the actual number of customers by class reflected in the last case
20 as of December 31, 2020, as shown on OSBA Exhibit JK-1. Then I divided the difference
21 by 51 months and multiplied these amounts by 12 to determine the average number of
22 customers added each year by class since the last base rate case. Using this methodology,
23 I determined that the City added an average of 176.2 $((29,663 - 28,914) / 51 \times 12)$

1 Residential customers per year. Using this same methodology, I determined the City
2 added 5.2 $((1,892 - 1,870) / 51 \times 12)$ Commercial customers per year.

3

4 **Q. WHY IS IT MORE APPROPRIATE TO USE A LONGER PERIOD OF TIME TO**
5 **PROJECT THE NUMBER OF CUSTOMERS IN THE FTY AND FPFTY?**

6 A. I believe that the City's methodology of only incorporating two years of customer data is
7 not long enough to project a reasonable estimate of the number of customers the City adds
8 in an average year. For example, the City's data shows it added 117 Residential
9 customers in the twelve months ending March 31, 2024, and only 4 Residential customers
10 in the twelve months ending March 31, 2025. I believe that actual data from 4.25 years
11 prior to the end of the HTY in this case is readily available, will smooth out this short-
12 term fluctuation, and provides a longer period in which to evaluate customer growth.

13

14 **Q. HOW DID THE CITY DETERMINE THE PRESENT RATE REVENUE**
15 **ADJUSTMENTS REFLECTED IN THE FILING?**

16 A. The City multiplied its projected change in the number of customers by the average
17 annual bill in the corresponding rate class. For example, the City claimed it will add 60.5
18 Residential customers in both the FTY and FPFTY. To determine the annual increase in
19 present rate Residential revenue, the City multiplied the 121 $(60.5 \times 2 \text{ years})$ customers
20 by the \$356.35 average annual bill of a Residential customer to arrive at a present rate
21 Residential revenue adjustment of \$43,118 (City Exhibit GRH-1, Schedule 5, page 3).

22

1 **Q. IS THIS METHODOLOGY FOR DETERMINING PRESENT RATE REVENUE**
2 **ADJUSTMENTS REFLECTED IN THE FILING ACCEPTABLE?**

3 A. Yes. Therefore, I incorporated this methodology to project the present rate revenue that I
4 recommend. As described above, I recommend that the City reflect 176.2 additional
5 Residential customers each year. Therefore, I recommend a present rate Residential
6 revenue adjustment of \$125,577 (176.2 customers X 2 years X \$356.35) (OSBA Exhibit
7 JK-2, line 1). For the Commercial class, I recommend a present rate revenue adjustment
8 of \$45,151 (5.2 customers X 2 years X \$4,341.40) (OSBA Exhibit JK-2, line 2).

9

10 **Reimbursement of Inspection Fees**

11 **Q. DOES THE CITY DESCRIBE THE EXPENSES IT INCURS TO INSPECT MAINS**
12 **AND CONNECTIONS AND THE REIMBURSEMENT IT IS SEEKING TO**
13 **RECOVER?**

14 A. Yes. The City is seeking reimbursement of inspection fees for the extension of new water
15 lines and the inspection of connections to existing water lines from either customers or
16 developers. These line inspections are made from the tap on the main to the water meter.
17 Fees for the inspection are paid to the engineering firm C.S. Davidson and are claimed as
18 professional services expense. The City is now requesting direct reimbursement from the
19 developer or customer who needs the inspection (City Statement No. 3, page 4).

20

21 **Q. DOES THE CITY DESCRIBE A NEW TARIFF PROVISION DESIGNED TO**
22 **RECOVER THESE COSTS?**

23 A. Yes. The City's Tariff Page No. 14 includes the following provision:

1 5.4 The Bureau of Water has contracted with a third-party to complete new service installation
2 inspections. Developer shall be responsible for payment of the fee incurred by the Bureau of
3 Water for inspection of the new service installation and shall make payment to the Bureau of
4 Water within thirty (30) days of Date of Presentation to the developer. All meters for new service
5 installations shall be installed within thirty (30) days of receipt of the meter from the Bureau of
6 Water. (C)
7

8 **Q. DO YOU OBJECT TO THE CITY RECOVERING THESE INSPECTION FEES?**

9 A. No. However, I have three recommendations if the Commission approves these fees. The
10 first recommendation is to add the words “Customers and” to the beginning of the second
11 sentence in the tariff: The second recommendation is that the following provision be
12 added to the tariff:

13 “If the customer or developer requests a determination of the fee including
14 invoices, they shall be provided to the customer”.

15
16 The third recommendation is that the City reflect the projected annual revenue as
17 miscellaneous revenue.
18

19 **Q. WHY DO YOU RECOMMEND THE CITY ADD THE WORDS “CUSTOMERS
20 AND” TO THE BEGINNING OF THE SECOND SENTENCE IN THE TARIFF?**

21 A. I make this recommendation because the City’s testimony states that customers and
22 developers will pay the fee. Since the proposed tariff provision does not mention
23 “customers”, I believe if the intent was to charge all new customers this fee, then the
24 words “customer and” should be added to the tariff to make that clear.
25

26 **Q. WHY DO YOU RECOMMEND THE CITY PROVIDE DOCUMENTATION AS A
27 CONDITION OF THE APPROVAL OF THIS FEE?**

1 A. I make this recommendation so that the customer or developer can determine that the fee
2 is appropriate. Since the exact fee is not specified in the tariff, it's reasonable for the City
3 to provide the supporting documentation to justify the individual fee being charged if
4 requested.

5

6 **Q. WHY DO YOU RECOMMEND THE CITY REFLECT THE FUNDS**
7 **COLLECTED FROM THIS FEE AS MISCELLANEOUS REVENUE?**

8 A. This revenue is similar to meter inspection or turn-on fees. While this fee is not a
9 monthly or usage charge, it will still generate revenue for the City. Therefore, it's
10 reasonable for the City to reflect this revenue as miscellaneous revenue.

11

12 **Q. HOW MUCH REVENUE SHOULD THE CITY REFLECT FOR CUSTOMERS**
13 **OUTSIDE THE CITY?**

14 A. I recommend that the City reflect \$23,280 per year of inspection fee revenue from
15 customers outside the City under miscellaneous revenue.

16

17 **Q. HOW DID YOU DETERMINE THE \$23,280 OF MISCELLANEOUS REVENUE?**

18 A. The City's response to OSBA-1-7 indicates that the City did not reflect any revenue from
19 this proposed fee in the filing (OSBA Exhibit JK-3). This response also indicates that in
20 the approximately first 10 months of 2025, the City incurred \$19,395 of inspection
21 expense. If the City collects this amount through the fee, the revenue will be
22 approximately \$1,940 per month ($\$19,395 / 10$). Therefore, I recommend the City reflect

1 \$23,280 (\$1,940 X 12) of miscellaneous revenue from customers outside the City in the
2 FPPTY.

3

4 **Proposed Rates**

5 **Q. HOW WERE THE PROPOSED BASE RATES DEVELOPED IN THIS**
6 **PROCEEDING?**

7 A. The City states that its proposed customer charges were developed using the City’s
8 customer cost analysis contained in the Cost-of-Service Study (COSS), and the volumetric
9 rates were increased to reach the revenue requirement by class as supported in the City’s
10 COSS (City Statement No. 4, page 20). Specifically, the City proposed that the customer
11 charges and private fire charges increase approximately 46%, proposed that the usage
12 charge for usage between zero and 25,000 gallons per month be increased by 23.7%,
13 proposed the next usage rate for usage between 25,001 and 575,000 gallons per month be
14 increased by 24.2%, proposed that all usage over 600,000 gallons per month be increased
15 by 31.6%, proposed that the Large Industrial class usage rate increase by 29.7%, and
16 proposed that the Sale to Other Utilities usage rate increase by 28.0% (City Exhibit GRH-
17 2, Schedule 1, pages 1-2).

18

19 **Q. DID THE CITY DO A REASONABLE JOB IN DETERMINING THESE**
20 **PROPOSED RATES?**

21 A. Yes. In the original filing, these rates produce revenue so that the relative rate of return
22 under proposed rates for the Residential, Commercial, Industrial, Large Industrial and
23 Private Fire classes are approximately 1.00. The relative rate of return under proposed

1 rates for the Private Fire Class is increased to 0.83 (GRH-2 Schedule C, page 1, columns
2 19-14).

3

4 **Q. WHAT DOES A RELATIVE RATE OF RETURN MEAN?**

5 A. In a COSS, a relative rate of return of 1.0 indicates that the revenue received from that
6 class equals the cost of providing service to that class. A relative rate of return below 1.0
7 indicates that the revenue received from that class is less than the cost of providing service
8 to that class. Conversely, a relative rate of return above 1.0 indicates that the revenue
9 received from that class exceeds the cost of providing service to that class.

10

11 **Q. DID THE CITY ADJUST ITS REVENUE FILING THROUGH DISCOVERY?**

12 A. Yes. The City provided a revised Rate Study and COSS in excel that reestablished the
13 revenue by class in response to TUS-Request 12.

14

15 **Q. ARE THE RATES OF RETURN IN THE ORIGINAL FILING THAT YOU
16 DESCRIBED ABOVE DIFFERENT IN THE REVISED EXCEL SHEETS?**

17 A. Yes. In the revised excel filing, these proposed rates produce revenue so that the relative
18 rate of return under proposed rates for the Residential class is 0.92. For the Commercial,
19 Industrial, Large Industrial and Private Fire classes, the relative rates of return are
20 approximately 1.00. The relative rate of return under proposed rates for the Private Fire
21 Class increases to 1.40.

22

1 **Q. WHAT DO YOU RECOMMEND SO THAT THE RELATIVE RATES OF**
2 **RETURN MOVE TO OR TOWARDS 1.0?**

3 A. I recommend a slight change in the first two proposed usage rates, and a decrease in the
4 proposed Private Fire Service rates. Specifically, I recommend that the proposed first
5 usage block rate, originally proposed to be increased to \$5.934 per thousand gallons be
6 increased to \$6.1163 per thousand gallons. This equates to an increase of \$1.3203 per
7 thousand gallons or 27.5%. I also recommend that the second usage block rate originally
8 proposed to be increased to \$4.904 per thousand gallons be decreased to \$4.8503 per
9 thousand gallons. This equates to an increase of \$0.9013 per thousand gallons or 22.8%.
10 Finally, I recommend that the Private Fires service rates be increased by approximately
11 20.0% rather than the 46.4% increase originally proposed. I did not change the remaining
12 proposed rates (OSBA Exhibit JK-4, columns H and I, lines 13-30).

13
14 **Q. WHY DO YOU RECOMMEND THESE RATES BE CHANGED?**

15 A. According to the City's revised excel COSS, these rates will move the proposed relative
16 rate of return for each class to approximately 1.0.

17
18 **Q. DID YOU PREPARE AN EXHIBIT THAT SHOWS YOUR PROPOSED RATES**
19 **MOVE THE RELATIVE RATES OF RETURN TO APPROXIMATELY 1.0?**

20 A. Yes. Under my proposed rates, the relative rates of return under proposed rates for the
21 Residential, Commercial, Industrial, Large Industrial and Sales to Other Utilities class are
22 all slightly less than 1.00. The relative rate of return under proposed rates for the Private
23 Fire Class is 1.02, which is slightly above 1.00 (OSBA Exhibit JK-5).

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Q. DO YOU HAVE ANY FINAL RECOMMENDATIONS UNDER PROPOSED RATES?

A. Yes. If the Commission accepts my recommendation to add 172.6 Residential customers per year and 5.2 Commercial customers per year, then proposed rates should also reflect these additional customers and revenue. Under the originally proposed rates, the Residential class, I recommend a proposed revenue adjustment of \$162,916 (176.2 customers X 2 years X \$462.30) (OSBA Exhibit JK-2, line 5) rather than the \$55,939 claimed by the City. For the Commercial class, I recommend a proposed revenue adjustment of \$57,431 (5.2 customers X 2 years X \$5,522.22) (OSBA Exhibit JK-2, line 6) rather than the \$49,700 claimed by the City.

Scale back of Rates

Q. WHAT DO YOU RECOMMEND IF THE COMMISSION GRANTS AN INCREASE LOWER THAN THE APPROXIMATELY \$7 MILLION INCREASE REQUESTED BY THE CITY?

A. I recommend that all usage and Private Fire Service rates be reduced so that the resulting increase by class is proportional to the increase by class shown on OSBA Exhibit JK-6, column I. While I understand this may not work out exactly to the desired percentages, the City should design rates to be as close as possible to the targeted percentage increase.

Q. WHY DO YOU MAKE THIS PROPORTIONAL SCALE BACK RECOMMENDATION?

1 A. As described above, the usage rates that I recommend cause the relative rate of return for
2 each class to be approximately 1.00. Therefore, a proportional scale back is reasonable
3 since it will keep the relative rate of return at approximately 1.00.

4

5 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

6 A. Yes, it does.

APPENDIX A

Resume & Expert Testimony List

JOSEPH KUBAS

OFFICE OF SMALL BUSINESS ADVOCATE
555 Forum Place 1st Floor
Harrisburg PA 17101

Education: Bachelor of Science in Civil Engineering Technology, 1985, University of Pittsburgh at Johnstown, Johnstown, PA.

Continuing

Education: Legal Principles and Practices of Surveying at the University of Maryland. Economics, Accounting, 33 Credit hours of accounting at the Howard County Community College and the University of Pittsburgh at Johnstown. Managing Multiple Priorities at the Pennsylvania State University. Various PA-PUC and Utility Company Seminars.

Professional: Engineer In Training, 1985,

Exams: Uniform Certified Public Accounting Exam, 1993.

Rate School: Cost of Service - Rate Structure & Rate Design instructor at Commission's Rate School - September 2010, 2012, 2014, 2016, 2022, and 2024.

Title: **ECONOMIC DEVELOPMENT CONSULTANT**

May 2025 - Present
Office of Small Business Advocate

Duties: Provide consultation and assist the OSBA the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, and economic analyses. The types of dockets reviewed by the OSBA base rate cases, applications, formal complaints, investigations, applications, and petitions. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

Title: RATE CASE REVIEW SPECIALIST - ANNUITANT

July 2023 – December 2024
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Duties: Provide consultation and assist the Bureau of I&E in the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included applications, formal complaints, investigations, applications, petitions and rate investigations. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

Title: FIXED UTILITY VALUATION ENGINEER SUPERVISOR

December 2011 – June 2023
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Duties: Duties included the areas of Engineering, Revenue and Rate Structure for all fixed utility types. During the course of formal and informal investigations personnel under my direction were responsible for reviewing and presenting recommendations regarding tariff rate schedules, tariff rules and regulations, measures of value claims, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included: applications, formal complaints, investigations, petitions and rate investigations. The Engineering Section was also responsible for reviewing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue, depreciation studies, water quality test results and formal complaints. Duties also included reviewing default service petitions by electric distribution companies and Act 129 Filings by the seven major electric Utilities, including energy efficiency and conservation plans and Smart Meter Plans.

Title: RATE CASE REVIEW SPECIALIST

December 2009 - December 2011
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement and Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the I&E position in formal and informal proceedings before the Commission. Assist I&E employees with engineering and rate structure issues, including briefs and exceptions input. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

Title: **FIXED UTILITY VALUATION ENGINEER III**

December 1999 - December 2009
Pennsylvania Public Utility Commission
Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the OTS position in formal and informal proceedings before the Commission. Assist OTS employees with engineering and rate structure matters, including briefs and exceptions. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

Title: FIXED UTILITY VALUATION ENGINEER II

April 1996 - December 1999
Pennsylvania Public Utility Commission
Office of Trial Staff and Bureau of Fixed Utility Services

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Office of Trail Staff (OTS) and Bureau of Fixed Utility Services.

Title: FIXED UTILITY VALUATION ENGINEER TRAINEE, I & II

May 1993 - March 1996
Pennsylvania Public Utility Commission
Office of Trial Staff
Telecommunications and Water Division

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Rate Structure/Engineering Section of the Telecommunications and Water Division of the Office of Trial Staff (OTS).

Title: CIVIL ENGINEER

May 1985 - January 1991
Clark Finefrock & Sackett Inc.
7135 Minstrel Way
Columbia, MD 21045

Duties: Engineering, Surveying, Computer, and Field Inspection work related to land development projects in Maryland.

Testimony Before the Pennsylvania Public Utility Commission

- | | | |
|-----|--|----------------|
| 1. | National Utilities Inc. (Water) | R-00953416 |
| 2. | Consumer Pennsylvania Water Company - Roaring Creek Division | R-00973869 |
| 3. | Philadelphia Suburban Water Company | R-00973952 |
| 4. | Bell Atlantic - Pennsylvania Inc. | P-00971307 |
| 5. | City of Bethlehem- Bureau of Water | R-00984375 |
| 6. | Pennsylvania Telephone Association -Chapter 30 Plan | P-00981425 |
| | GTE North Inc. Telephone Chapter 30 Plan | P-00981449 |
| 8. | Pennsylvania American Water Co | R-00994638 |
| 9. | Philadelphia Suburban Water Co. | R-00994868 |
| 10. | PG Energy (Gas) | R-00005119 |
| 11. | Pennsylvania American Water -Coatesville Acquisition | A-212285-F0071 |
| 12. | T. W Phillips Gas and Oil Company | R-00005459 |

13.	Verizon North - Chapter 30 Plan	P-00001854
14.	Philadelphia Gas Works	R-00006042
15.	PFG Gas Inc. & Penn Fuels Gas Co.	R-00013679
16.	Pennsylvania American Water Co.	R-00016339
17.	Philadelphia Suburban Water Co.	R-00016750
18.	Philadelphia Gas Works	R-00017034
19.	PFG Gas Inc. & Penn Fuels Gas Co	R-00027389
20.	Verizon - Pennsylvania, Inc.	P-00021973
21.	Verizon - Pennsylvania, Inc.	P-00937105-F0002
22.	Pennsylvania American Water Co.	R-00027982
23.	Dominion Peoples 1307(f)	R-00038170
24.	Verizon PA / Verizon North	C-20027195
25.	National Fuel Gas Distribution, Inc.	R-00038168
26.	Aqua Pennsylvania Inc.	R-00038805
27.	Dominion Peoples 1307 (f)	R-00049153
28.	PPL Electric Utilities	R-00049255
29.	National Fuel Gas Distribution, Inc.	R-00049656
30.	City of Lancaster - Sewer	R-00049862
31.	Dominion Peoples 1307(f)	R-00050267
32.	Verizon PA / Verizon North	C-20027195
33.	PPL Gas Utilities Inc. 1307(f)	R-00050540
34.	United Telephone	A-313200-F0007
35.	Aqua Pa	R-00051030
36.	T.W. Phillips 1307(f)	R-00051134
37.	City of Dubois	R-00050671
38.	T.W. Phillips	R-00051178
39.	The Peoples Natural Gas Co. 1307(f)	R-00061301
40.	Meted/Penelec	R-00061366 and R-00061367
41.	The York Water Company	R-00061322
42.	PPL Gas Utilities Corporation	R-00061398
43.	National Fuel Gas Distribution, Inc.	R-00061493
44.	Pennsylvania American Water Co.	P-00062241
45.	Philadelphia Gas Works	R-00061931
46.	PPL Electric	R-00072155
47.	Pennsylvania-American Water Co.	R-00072229
48.	Valley Energy	R-00072349
49.	City of Bethlehem	R-00072492
50.	Aqua Pennsylvania, Inc.	R-00072711
51.	T.W. Phillips 1307(f)	R-2008-2013026
52.	Columbia Gas	R-2008-2011621
53.	The Peoples Natural Gas Co. 1307(f)	R-2008-2022206
54.	PECO Energy	P-2008-2032333
55.	NRG Energy Center Harrisburg	R-2008-2028395

56.	PAWC - Coatesville Wastewater	R-2008-2032689
57.	York Water	R-2008-2023067
58.	Pike County Power and Light (Gas)	R-2008-2046520
59.	Columbia Water	R-2008-20451 57
60.	T. W. Phillips Gas (1307-f)	R-2008-2075250
61.	The Peoples Natural Gas Co. (1307-f)	R-2009-2088069
62.	UGI Utilities Inc. (1307-f)	R-2009-2105911
63.	PAWC Water	R-2009-2097323
64.	UGI Utilities Inc.	R-2009-2105911
65.	Penn Estates Water	R-2009-2117532
66.	Penn Estates Sewer	R-2009-2117740
67.	AT&T Communications	C-2009-2098380
68.	Aqua Pennsylvania Inc.	R-2009-2132019
69.	T.W. Phillips Gas (1307-f)	R-2009-2145441
70.	PGW Gas	R-2009-2139884
71.	City of Bethlehem - Remand	R-00072492
72.	Dominion Peoples (1307-f)	R-2010-2155608
73.	PECO Energy - Gas Division	R-2010-2161592
74.	UGI Penn National Gas	R-2010-2172928
75.	PAWC Coatesville Operations	R-2010-2166212
76.	PAWC Northeast Operations	R-2010-2166214
77.	Duquesne Light	R-2010-2179522
78.	Peoples Natural Gas Company	R-2010-2201702
79.	T.W. Phillips - Steel River Application	A-2010-2210326
80.	Peoples Natural Gas 1307(f)	R-2011-2228694
81.	UGI Penn Natural Gas 1307(f)	R-2011-2238943
82.	Pennsylvania American Water	R-2011-2232243
83.	Aqua Pennsylvania, Inc.	R-2011-2267958
84.	Borough of Quakertown	R-2011-2251181
85.	Peoples Natural Gas Company	R-2012-2285985
86.	Columbia Gas of Pennsylvania	R-2012-2321748
87.	UGI Utilities Inc.	R-2015-2518438
88.	Aqua Wastewater	A-2017-2605434
89.	Pennsylvania American Water	R-2017-2595853
90.	UGI Electric	R-2017-2640058
91.	PECO Electric	R-2018-3000164
92.	York Water Company	R-2018-3000019
93.	Penn Power	P-2019-3012628
94.	Aqua-PA -New Garden Twp	A-2019-2580061
95.	UGI Gas	R-2019-3015162
96.	Pittsburgh Water and Sewer	R-2019-3017951
		P-2019-3019019
97.	PAWC Wastewater	R-2020-3019371

98.	Aqua PA Wastewater	R-2021-3027386
99.	PECO Electric	R-2021-3024601
100.	Borough of Ambler	R-2022-3031704
101.	PAWC – Borough of Brentwood	A-2022-3024058
102.	PAWC – Wastewater	R-2023-3043190
103.	First Energy	R-2024-3047068
104.	PPL Electric	P-2024-3048732
105	Pittsburg Water	R-2025-3055010
		R-2025-3055011
		R-2025-3055012

EXHIBIT JK-1

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEARPRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)
--------------	-------------	---

R1 To annualize Inside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2020 under present rates.

Customer Classification	Number of Customers		Customer Gain/(Loss)	Annual Bill, Present Rates	HTY Annualized Revenue Adjustment (Half Year)	
	31-Dec-19	31-Dec-20			(6)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	14,930	14,924	(6)	\$ 357.25	\$ (1,072)	\$ (1,072)
Commercial	1,894	1,890	(4)	691.83	\$ (1,384)	(1,384)
Industrial	40	40	-	1,409.93	-	-
Total	16,864	16,854	(10)		(2,456)	

R2 To annualize Outside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2020 under present rates.

Customer Classification	Number of Customers		Average Customer Gain/(Loss)	Average Annual Bill, Present Rates	Annualized Revenue Adjustment (Half Year)	
	31-Dec-19	31-Dec-20			(6)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	28,725	28,914	189	\$ 311.86	\$ 29,471	\$ 29,471
Commercial	1,878	1,870	(8)	970.05	(3,880)	(3,880)
Industrial	67	69	2	7,262.51	7,263	7,263
Total	30,670	30,853	183		32,854	

EXHIBIT JK-2

**CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR**

**PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES**

R5 To adjust Outside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027							
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Customer Classification	Gain in Number of Customers, 12 Months Ended		Annual Average Gain/Loss in Customers	FPPTY Gain/Loss in Customers	Average Annual Bill, Present Rates	FPPTY Revenue Adjustment	
	31-Dec-20	31-Mar-25					
1 Residential	28,914	29,663	176.2	352.4	\$356.35	\$125,577	\$125,577
2 Commercial	1,870	1,892	5.2	10.4	\$4,341.40	\$45,151	\$45,151
3 Industrial	69	69		-	\$20,762.69	\$0	\$0
4							
5 Total	30,853	31,624	181.4	362.8		\$170,727	\$170,727

**PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES**

R12							
Customer Classification	Gain in Number of Customers, 12 Months Ended		Annual Average Gain in Customers	FPPTY Gain/Loss in Customers	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment	
	31-Dec-20	31-Mar-25					
5 Residential	28,914	29,663	176.2	352.4	\$462.30	\$162,916	\$162,916
6 Commercial	1,870	1,892	5.2	10.4	\$5,522.22	\$57,431	\$57,431
7 Industrial	69	69		-	\$25,918.89	\$0	\$0
8 Total	30,853	31,624	181.4	362.8		\$220,347	\$220,347

EXHIBIT JK-3

**Office of Small Business Advocate’s (“OSBA”)
Interrogatories and Request for Production of Documents
to the City of Lancaster – Bureau of Water (“City”)
Docket No. R-2025-3057237**

SET I

Responsible Witness: Christine Volkay-Hilditch

OSBA-I-7.

Reference City Statement No. 3, page 4 describing the City’s proposal to seek reimbursement for inspection fees.

- a. Provide a sample copy of the various forms described on tariff page 14.
- b. Has the Company determined the typical cost a customer will pay? If yes, provide the average cost per Residential, Commercial, and Industrial customer.
- c. Has the Company determined the annual revenue it will receive from these inspection fees? If yes, provide the annual estimated revenue.
- d. Has the Company reflected any additional revenue from these fees? If yes, describe the amount and explain where the additional revenue is reflected in the filing.

RESPONSE:

- a. Please see Attachment OSBA-I-7-1.
- b. The City is requesting reimbursement of inspection fees for new water line taps directly from the customer who is connecting to the system. At present, the inspection fees are charged to the professional services line item in the operating budget. All customers pay a very small portion of these fees based on that portion of the operating budget allocated to them when setting base rates.
- c. Reimbursements will vary based on the number of taps. This is not revenue but a reimbursement of fees. From January 1, 2025 through October 16, 2025, the City paid CS Davidson \$18,456.02 for its inspection services. There is one invoice outstanding, which was received on October 24, 2025 for \$929.35. With the addition of this invoice, the City will have incurred \$19,395.37 for inspection fees. This covered 64 inspections at various locations. Inspectors spend varying amounts of time at the location, depending on the number of connections made or the time taken to observe a tap or installation. Some inspections took 4 to 5 hours, others 45 minutes. Please see Attachment OSBA-I-7-2 for the charges to date.
- d. No.

EXHIBIT JK-4

CITY OF LANCASTER
BUREAU OF WATER

SUMMARY OF PRESENT AND OSBA PROPOSED RATES

			2024		Proposed Rates				
			Present Rates		Inside	% increase	Outside	Outside % increase	
			Inside	Outside					Inside
Customer Charges:	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<u>Monthly</u>									
1	5/8"			9.10	7.95	9.10	0.0%	11.62	46.2%
2	3/4"			9.10	9.30	9.10	0.0%	13.59	46.1%
3	3/4x1"				16.70			24.41	46.2%
4	1"			24.18	21.10	24.18	0.0%	30.84	46.2%
5	1 1/2"			37.96	33.20	37.96	0.0%	48.53	46.2%
6	2"			59.28	51.90	59.28	0.0%	75.86	46.2%
7	3"			117.26	102.40	117.26	0.0%	149.67	46.2%
8	4"			183.04	159.90	183.04	0.0%	233.72	46.2%
9	6"			364.00	318.00	364.00	0.0%	464.80	46.2%
10	8"			576.42	503.60	576.42	0.0%	736.08	46.2%
11	10"			762.58	666.20	762.58	0.0%	973.74	46.2%
12	12"				1,004.55			1,468.29	46.2%
Consumption Charges per 1,000 gallons									
<u>Monthly</u>									
13	First 25	25,000		\$ 6.8400	\$ 4.7960	6.8400	0.0%	6.1163	27.5%
14	Next 575	575,000		5.7000	3.9490	5.7000	0.0%	4.8503	22.8%
15	Over 600	600,000		4.5000	3.7100	4.5000	0.0%	4.8810	31.6%
16	Large Industrial	All Usage	All Usage		3.5680	NA		4.6280	29.7%
Sales for Resale									
Customer Charges:									
<u>Monthly</u>									
17	4"				\$ 159.90			\$ 233.72	46.2%
18	6"				318.00			464.80	46.2%
19	8"				503.60			736.08	46.2%
20	10"				666.20			973.74	46.2%
Consumption Charges per 1,000 gallons									
<u>Monthly</u>									
21	All Usage				\$ 3.7580			4.8100	28.0%
Private Fire									
<u>Monthly</u>									
22	1"			\$ 2.46	\$ 3.23	\$ 2.46	0.0%	\$ 3.88	20.1%
23	1 1/2"			5.52	7.27	5.52	0.0%	8.72	19.9%
24	2"			9.80	12.92	9.80	0.0%	15.50	20.0%
25	3"			22.06	29.06	22.06	0.0%	34.87	20.0%
26	4"			32.14	42.34	32.14	0.0%	50.81	20.0%
27	6"			52.30	68.90	52.30	0.0%	82.68	20.0%
28	8"			90.46	119.15	90.46	0.0%	142.98	20.0%
29	10"			121.40	159.91	121.40	0.0%	191.89	20.0%
30	12"			252.63	231.01	252.63	0.0%	277.21	20.0%

EXHIBIT JK-5

CITY OF LANCASTER - BUREAU OF WATER

DEVELOPMENT OF RATE OF RETURN BY CUSTOMER CLASSIFICATION
UNDER REVISED OSBA RATES

ITEM	COST OF SERVICE	OUTSIDE - CITY						
		RESIDENTIAL	COMMERCIAL	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITIES	PRIVATE FIRE	PUBLIC FIRE
(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)
1. REVENUES FROM SALES	\$29,813,034	\$14,432,975	\$10,845,642	\$2,000,232	\$1,299,664	\$698,502	\$536,019	\$0
2. OTHER REVENUES	\$541,565	\$258,574	\$179,217	\$33,239	\$21,454	\$11,578	\$7,778	\$29,725
3. TOTAL OPERATING REVENUES	\$30,237,562	\$14,582,276	\$11,017,095	\$2,033,471	\$1,321,118	\$710,080	\$543,797	\$29,725
4. LESS: OPERATING EXPENSES	\$16,938,106	\$9,316,120	\$6,529,747	\$1,181,975	\$757,694	\$400,615	\$224,324	-\$1,472,369
5. RETURN	\$13,299,456	\$5,266,155	\$4,487,348	\$851,497	\$563,424	\$309,465	\$319,473	\$1,502,094
6. ORIGINAL COSTS MEASURE OF VALU	\$190,410,497	\$75,691,501	\$64,365,056	\$12,100,835	\$7,877,879	\$4,293,749	\$4,333,785	\$21,747,692
7. RATE OF RETURN, PERCENT	6.98	6.96	6.97	7.04	7.15	7.21	7.37	6.91
8. RELATIVE RATE OF RETURN	1.00	0.96	0.96	0.97	0.99	0.99	1.02	0.95

EXHIBIT JK-6

CITY OF LANCASTER - WATER FUND

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATIONPursuant To Subsection 53.53 Exhibit D II(2) of Tariff Regulations

Customer Classification (A)	(B)	Revenues Per Books, 12 Months Ended 31-Mar-25 (C)	Historic Test Year Pro Forma		Pro Forma Future and FPFTY			Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6			
			Adjustments Under Present Rates*		Pro Forma, Present Rates, 31-Mar-25 (E)	Pro Forma Adjustments Under Present Rates		Pro Forma, Present Rates 31-Mar-27 (H)	Increase		Pro Forma, Proposed Rates 31-Mar-27 (K)
			Ref.	Amount (D)		Ref.	Amount (G)		Percent (I)	Amount (J)	
<u>OUTSIDE-CITY</u>											
Sales of Water											
1		\$10,684,388	R2	\$713	\$10,685,101	R5	\$125,577	\$10,810,678	33.5%	\$3,622,297	\$14,432,975
2		\$8,319,887	R2,R3	-\$693	\$8,319,194	R5	\$45,151	\$8,364,344	29.7%	\$2,481,298	\$10,845,642
3		\$1,531,162	R2	\$0	\$1,531,162	R5	\$0	\$1,531,162	30.6%	\$469,070	\$2,000,232
4		\$1,000,202			\$1,000,202			\$1,000,202	29.9%	\$299,462	\$1,299,664
5		\$543,555			\$543,555			\$543,555	28.5%	\$154,947	\$698,502
6		\$443,910	R3	\$2,772	\$446,682	R7	\$0	\$446,682	20.0%	\$89,337	\$536,019
7		<u>\$22,523,104</u>		<u>\$2,792</u>	<u>\$22,525,896</u>		<u>\$170,727</u>	<u>\$22,696,623</u>	31.4%	<u>\$7,116,411</u>	<u>\$29,813,034</u>
Other Operating Revenues											
8		-\$774			-\$774			-\$774			-\$774
9		\$199,694			\$199,694			\$199,694			\$199,694
10		\$27,222			\$27,222			\$27,222			\$27,222
11		\$36,626			\$36,626		\$23,280	\$59,906			\$59,906
12		\$278,796			\$278,796			\$278,796			\$278,796
13		<u>\$541,565</u>		<u>\$0</u>	<u>\$541,565</u>		<u>\$23,280</u>	<u>\$564,845</u>	0.0%	<u>\$0</u>	<u>\$564,845</u>
14		<u>\$23,064,669</u>		<u>\$2,792</u>	<u>\$23,067,460</u>		<u>\$194,007</u>	<u>\$23,261,468</u>	30.6%	<u>\$7,116,411</u>	<u>\$30,377,878</u>

OSBA WORKPAPERS

For

OSBA Statement No. 1

DIRECT TESTIMONY OF JOSEPH KUBAS***

- OSBA Revised - Scale Back JK 121025
- OSBA Revised -COSS From JK 121025

***** OSBA Workpapers are in excel format ONLY; therefore, will be served via electronic means ONLY, and will be served simultaneous to service of OSBA Statement No. 1, Direct Testimony of Joseph Kubas ONLY*****

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3057237
v.	:	
	:	
City of Lancaster – Bureau of Water	:	

VERIFICATION

I, Joseph Kubas, hereby state that the facts set forth in my Direct Testimony and Exhibits, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, and Exhibit JK-6, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 12/16/25

/s/ Joseph Kubas
JOSEPH KUBAS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3057237
v.	:	
	:	
City of Lancaster – Bureau of Water	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
egannon@pa.gov

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
sgranger@pa.gov

Harrison W. Breitman, Esquire
Ryan R. Morden, Esquire
Josiah B. Harmar, Esquire
PA Office of Consumer Advocate
Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923
OCALancaster2025@paoca.org

Courtney L. Schultz, Esquire
Kruti B. Patel, Esquire
1735 Market Street, Suite 3400
Philadelphia, PA 19103
Courtney.schultz@saul.com
Kruti.patel@saul.com

Date: December 17, 2025

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399



COMMONWEALTH OF PENNSYLVANIA

January 20, 2026

The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. City of Lancaster – Bureau of Water /
Docket No. R-2025-3057237**

Dear Judge Gannon:

Enclosed please find the Surrebuttal Testimony and Exhibits of Jospheh Kubas, labeled OSBA Statement No. 1-SR, with associated OSBA Exhibit JK-1, OSBA Exhibit JK-2, and OSBA Exhibit JK-3, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Joe Kubas
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 : **Docket No. R-2025-3057237**
 v. :
 :
 City of Lancaster – Bureau of Water :

SURREBUTTAL TESTIMONY & EXHIBITS

of

JOSEPH KUBAS

on behalf of

Pennsylvania Office of Small Business Advocate

Topics:

- Present Rate Revenue – Added Customers and Usage**
- Miscellaneous Revenue**
- Tariff Language**
- Cost of Service Study**
- Proposed Rates and Revenue**
- Scale Back of Rates and Revenue**

Date Served: January 20, 2026

Date Submitted for the Record: _____

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Joseph Kubas. My business address is 555 Forum Place 1st floor, Harrisburg
3 PA, 17101.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the Pennsylvania Office of Small Business Advocate (“OSBA”) as an
7 Economic Development Consultant.

8
9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

10 A. My testimony is being sponsored by the OSBA.

11
12 **Q. ARE YOU THE SAME JOSEPH KUBAS THAT PROVIDED DIRECT**
13 **TESTIMONY ON DECEMBER 17, 2025?**

14 A. Yes.

15
16 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS**
17 **PROCEEDING?**

18 A. My surrebuttal testimony addresses components of the City of Lancaster – Bureau of
19 Water (City’s or Company) revenue requirement and cost allocations for the Fully
20 Projected Future Test year (“FPFTY”) comprised of the period from April 1, 2026,
21 through March 31, 2027. Specifically, I will address present rate revenue, miscellaneous
22 revenue, proposed tariff language, proposed revenue and the scale back of rates. I will
23 also revise my original position concerning proposed rates. My surrebuttal testimony

1 addresses the rebuttal testimony of Christine M. Volkay -Hilditch submitted as Lancaster
2 Statement No. 3R, the rebuttal testimony of Gregory R. Herbert submitted as Lancaster
3 Statement No. 4R- and the rebuttal testimony of Jerome D. Mierzwa submitted on behalf
4 of the Office of Consumer Advocate as OCA Statement 3-R.

5
6 **Q. ARE YOU MAKING A RECOMMENDATION FOR A TOTAL REVENUE**
7 **REQUIREMENT IN THIS CASE?**

8 A. No. While some of the issues I address impact the revenue requirement, I am not making
9 an overall revenue recommendation. Therefore, I am not offering a recommendation for a
10 specific total revenue requirement.

11
12 **Number of Customers - Present Rate Revenue**

13 **Q. DID THE CITY PROJECT IT WILL ADD CUSTOMERS OUTSIDE THE CITY**
14 **IN THE FUTURE TEST YEAR AND FPFTY?**

15 A. Yes. The City projected that it would add 60.5 Residential customers and 4.5
16 Commercial customers in both the FTY and FPFTY (City Exhibit GRH-1, Schedule 5,
17 page 3).

18
19 **Q. WHAT PROJECTED GAIN IN CUSTOMERS FOR THE FTY AND FPFTY TEST**
20 **YEARS DID YOU RECOMMEND?**

21 A. I recommended that the City reflect a gain of 176.2 Residential customers and 5.2
22 Commercial customers in both the FTY and FPFTY (OSBA Exhibit JK-2 column D, lines
23 1-2).

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Q. WHAT WAS THE BASIS FOR YOUR RECOMMENDATION?

A. As described in my direct testimony, my recommendation was based upon the historical gain in customers by class over the past 4.25 years or 51 months (Dec 31, 2020 – March 31, 2025) (OSBA Statement No. 1, pages 4-5).

Q. WHY DID YOU RECOMMEND THE USE OF A LONGER PERIOD OF TIME TO PROJECT THE NUMBER OF CUSTOMERS IN THE FTY AND FPFTY?

A. I determined that the City’s methodology of only incorporating two years of customer data is not long enough to project a reasonable estimate of the number of customers the City adds in an average year. For example, the City’s data shows it added 117 Residential customers in the twelve months ending March 31, 2024, and only 4 Residential customers in the twelve months ending March 31, 2025. Therefore, I determined that actual data from 4.25 years prior to the end of the HTY in this case is readily available, will smooth out this short-term fluctuation, and provides a longer period in which to evaluate customer growth (OSBA Statement No. 1, page 5).

Q. DID THE CITY ADDRESS YOUR RECOMMENDATION TO INCREASE THE NUMBER OF CUSTOMERS IN THE FTY AND FPFTY?

A. Yes. Mr. Herbert believes that the City’s methodology of using a two-year period should be approved because a two-year period was accepted in prior cases (Lancaster Statement No. 4-R, pages 16-17).

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Q. DOES THE PRIOR APPROVAL OF A TWO-YEAR PERIOD TO PROJECT THE NUMBER OF CUSTOMERS JUSTIFY CONTINUING THIS METHODOLOGY?

A. No. If the current methodology appears flawed and a new methodology is developed to determine a projection that appears reasonable, it should be used.

Q. DOES THE CITY CLAIM YOUR METHODOLOGY WAS MATHEMATICALLY INCORRECT OR BASED UPON STALE DATA?

A. No. The City did not claim that my calculation was mathematically incorrect and failed to show how or why my methodology will over project the number of customers and thus over project revenue.

Q. DID THE CITY PROVIDE ANY DATA TO SUPPORT ITS PROJECTIONS?

A. No. The City failed to explain how the number of customers added (177 in the year ending March 31, 2024, and only 4 Residential customers in the year ending March 31, 2025) varies yet is representative of the number of Residential customers the City typically adds in an average year. I also believe that if the City had more recent customer data to support its claim, now that we are more than nine months into the FTY, the City would have provided it. Yet, no actual FTY data was provided. Therefore, I continue to believe that the City’s use of a two-year analysis is too short and that the Commission accept my recommendation to base the projected number of customers on 4.25 years of data.

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Tariff Language and Reimbursement of Inspection Fees

Q. DID THE CITY DESCRIBE A NEW TARIFF PROVISION DESIGNED TO RECOVER THE COST OF CONNECTING NEW CUSTOMERS?

A. Yes. The City’s Tariff Page No. 14 includes the following provision:

5.4 The Bureau of Water has contracted with a third-party to complete new service installation inspections. Developer shall be responsible for payment of the fee incurred by the Bureau of Water for inspection of the new service installation and shall make payment to the Bureau of Water within thirty (30) days of Date of Presentation to the developer. All meters for new service installations shall be installed within thirty (30) days of receipt of the meter from the Bureau of Water. (C)

Q. DID YOU OBJECT TO THE CITY ADDING TARIFF LANGUAGE AND RECOVERING THESE INSPECTION FEES?

A. No. However, I made three recommendations if the Commission approves these fees. The first recommendation was to add the words “Customers and” to the beginning of the second sentence in the tariff: The second recommendation was that the following provision be added to the tariff:

“If the customer or developer requests a determination of the fee including invoices, they shall be provided to the customer”.

The third recommendation was that the City reflect the projected annual revenue as miscellaneous revenue (OSBA Statement No. 1, page 7).

Q. WHY DID YOU RECOMMEND THE CITY ADD THE WORDS “CUSTOMERS AND” TO THE BEGINNING OF THE SECOND SENTENCE IN THE TARIFF?

A. I made this recommendation because the City’s testimony states that customers and developers will pay the fee. Since the proposed tariff provision does not mention

1 “customers”, I believe if the intent was to charge all new customers this fee, then the
2 words “customer and” should be added to the tariff to make that clear.

3

4 **Q. DID THE CITY ADDRESS YOUR RECOMMENDATION TO MAKE CHANGES**
5 **TO THE TARIFF?**

6 A. Yes. City witness Ms. Volkay-Hilditch generally accepted my recommendation, but
7 recommended the following language to satisfy my concerns:

8 5.4 The Bureau of Water has contracted with a third-party to complete new service
9 installation inspections. Customers and Developer shall be responsible for
10 payment of the fee incurred by the Bureau of Water for inspection of the new
11 service installation and shall make payment to the Bureau of Water within thirty
12 (30) days of Date of Presentation to the Developer. If a Customer or Developer
13 requests documentation supporting the fee, such as a request for invoices, the City
14 shall provide the requested information. All meters for new service installations
15 shall be installed within thirty (30) days of receipt of the meter from the Bureau of
16 Water. (Lancaster Statement No. 3R, page-4-5).
17

18 **Q. DOES THE CITY’S REVISED TARIFF PROVISION ADDRESS YOUR**
19 **CONCERN REGARDING YOUR CHANGES TO THE TARIFF?**

20 A. Yes. The City’s tariff language is acceptable.

21

22 **Q. WHAT LEVEL OF INSPECTION FEE REVENUE DID YOU RECOMMEND**
23 **THE CITY REFLECT IN YOUR DIRECT TESTIMONY?**

24 A. I described how the City should reflect the \$23,280 of inspection fee revenue that it will
25 receive for the extension of new water lines and the inspection of connections to existing
26 water lines from either customers or developers as miscellaneous revenue (OSBA
27 Statement No. 1, page 8-9).
28

1 **Q. DID THE CITY ADDRESS YOUR RECOMMENDATION?**

2 A. Yes. The City stated that the inspection fee revenue is already reflected in the City's
3 miscellaneous revenue (Lancaster Statement 4R, page 18).

4
5 **Q. BASED UPON THIS REBUTTAL TESTIMONY, DO YOU WISH TO**
6 **WITHDRAW YOUR RECOMMENDATION THAT THE CITY REFLECT**
7 **\$23,280 OF INSPECTION FEE REVENUE?**

8 A. Yes. Based upon the City's representations concerning this revenue, I wish to withdraw
9 my recommendation that the City reflect \$23,280 per year of inspection fee revenue from
10 customers outside the City under miscellaneous revenue.

11

12 **Proposed Rates**

13 **Q. HOW WERE THE PROPOSED BASE RATES DEVELOPED IN THIS**
14 **PROCEEDING?**

15 A. The City states that its proposed customer charges were developed using the City's
16 customer cost analysis contained in the Cost-of-Service Study (COSS), and the volumetric
17 rates were increased to reach the revenue requirement by class as supported in the City's
18 COSS (City Statement No. 4, page 20). Specifically, the City proposed that the customer
19 charges and private fire charges increase approximately 46%, proposed that the usage
20 charge for usage between zero and 25,000 gallons per month be increased by 23.7%,
21 proposed the next usage rate for usage between 25,001 and 575,000 gallons per month be
22 increased by 24.2%, proposed that all usage over 600,000 gallons per month be increased
23 by 31.6%, proposed that the Large Industrial class usage rate increase by 29.7%, and

1 proposed that the Sale to Other Utilities usage rate increase by 28.0% (City Exhibit GRH-
2 2, Schedule 1, pages 1-2).

3

4 **Q. DID YOU ADDRESS THE COMPANY’S PROPOSED RATES IN YOUR DIRECT**
5 **TESTIMONY?**

6 A. Yes. I recommended a slight change in the first two proposed usage rates, and a 20.0%
7 increase in the proposed Private Fire Service rates (OSBA Exhibit JK-4, columns H and I,
8 lines 13-30). I developed Under my proposed rates, the relative rates of return under
9 proposed rates for the Residential, Commercial, Industrial, Large Industrial and Sales to
10 Other Utilities class are all slightly less than 1.00. The relative rate of return under
11 proposed rates for the Private Fire Class is 1.02, which is slightly above 1.00 (OSBA
12 Exhibit JK-5).

13

14 **Q. DID THE CITY LOWER ITS REQUESTED REVENUE REQUIREMENT AND**
15 **CHANGE THE COSS IT ITS REBUTTAL TESTIMONY?**

16 A. Yes. Mr. Herbert described several revisions and corrections to the revenue requirement
17 calculations submitted as GRH-1 and to the COSS submitted as GRH-2 attached to
18 Lancaster Statement No. 4-R. Specifically, the City reduced the total proposed revenue
19 requested from customers outside the City from \$30,237,900 to \$30,098,322 (GRH-1,
20 Schedule 2, page 2, column 11).

21

22 **Q. DO THESE REVISIONS CAUSE YOU TO REVISE YOUR PROPOSED RATE**
23 **RECOMMENDATION?**

1 A. Yes. I revised my recommended proposed usage rates as shown on OSBA Exhibit JK-1,
2 column H.

3

4 **Q. DO YOUR RATES PRODUCE THE REVISED LEVEL OF PROPOSED TOTAL**
5 **REVENUE AND DO YOUR SCHEDULES SHOW THE TOTAL REVENUE BY**
6 **CLASS?**

7 A. Yes. My proposed rates produce \$30,098,322 (OSBA Exhibit JK-2, column K). The
8 revenue by class is shown on lines 1-6. The relative rate of return for each class under my
9 proposed rates is approximately 1.0 (OSBA Exhibit JK-3, line 8).

10

11 **Q. WHAT LEVEL OF MISCELLANEOUS REVENUE DID YOU REFLECT?**

12 A. My proof of revenue reflects \$548,617 of miscellaneous revenue (OSBA Exhibit JK-2,
13 line 11, column K).

14

15 **Q. DID ANY OTHER PARTY ADDRESS YOUR RECOMMENDATION TO ADJUST**
16 **PROPOSED RATES?**

17 A. Yes. OCA witness Mierzwa disagreed with my revised rates and revenue allocation
18 (OCA Statement 3-R, pages 1-4).

19

20 **Q. WHY DID THE OCA DISAGREE WITH YOUR RATES AND REVENUE**
21 **ALLOCATION?**

1 A. The OCA disagrees with my recommendation for one reason, my recommendation
2 incorporates the City's COSS that the OCA claims does not properly reflect the cost and
3 recovery of Public Fire Service (OCA Statement 3-R, pages 2-4).

4
5 **Q. DID THE CITY ADDRESS THE OCA'S TESTIMONY CONCERNING THE**
6 **COST AND RECOVERY OF PUBLIC FIRE SERVICE?**

7 A. Yes. The City disagrees with the OCA proposal to recover some of the Public Fire
8 Service costs from municipalities (Lancaster Statement No. 3R, pages 19-22).

9
10 **Q. PLEASE ADDRESS THE OCA'S CONCERNS REGARDING YOUR PROPOSED**
11 **RATES AND REVENUE?**

12 A. The OCA's concerns about my proposed rates are premised on the belief that it will be
13 successful in arguing that some of the cost of Public Fire Service should be recovered
14 from municipalities. As described above, the City disagrees with the OCA on this issue.
15 Since it is not known if the OCA will be successful, I stand by my revised rates and
16 revenue by class described above. If the OCA is successful, then the COSS should be
17 adjusted for Private Fire Service and the corresponding revenue from Public Fire Service
18 should be reflected in the COSS and revenue requirement.

19
20 **Scale Back of Rates**

21 **Q. WHAT DID YOU RECOMMEND IF THE COMMISSION GRANTS AN**
22 **INCREASE LOWER THAN THE APPROXIMATELY \$7 MILLION INCREASE**
23 **REQUESTED BY THE CITY?**

1 A. I recommended that all usage and Private Fire Service rates be reduced so that the
2 resulting increase by class is proportional to the increase by class shown on OSBA
3 Exhibit JK-6, column I (OSBA Statement 1, pages 12-13).

4
5 **Q. WHY DID YOU MAKE THIS PROPORTIONAL SCALE BACK**
6 **RECOMMENDATION?**

7 A. As described above and in my direct testimony, the usage rates that I recommended
8 caused the relative rate of return for each class to be approximately 1.00. Therefore, a
9 proportional scale back was reasonable since it will keep the relative rate of return for
10 each class at approximately 1.00 (OSBA Statement No. 1, pages 12-13).

11
12 **Q. DID THE CITY ADDRESS YOUR SCALE BACK RECOMMENDATION?**

13 A. Yes. The City generally agreed with my scale back recommendation with one concern.
14 The City recommends that my scale back proposal be applied to its revised COSS
15 (Lancaster Statement No. 3R, pages 22-24).

16
17 **Q. PLEASE ADDRESS THE CITY'S CONCERN REGARDING YOUR SCALE**
18 **BACK RECOMMENDATION?**

19 A. To address the City's concerns, I will revise my scale back recommendation and base it
20 on the revised rates and revenue described above using the same methodology. Therefore,
21 I now recommend that all usage and Private Fire Service rates be reduced so that the
22 resulting increase by class is proportional to the increase by class shown on OSBA
23 Exhibit JK-2, columns I and J. As stated in my direct testimony, I understand this may

1 not work out exactly to the desired percentages, but the City should design rates to be as
2 close as possible to the targeted percentage increase.

3

4 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

5 A. Yes, it does.

OSBA EXHIBIT JK-1

CITY OF LANCASTER
BUREAU OF WATER

SUMMARY OF PRESENT AND OSBA PROPOSED RATES

			2024		Proposed Rates			
			Present Rates		Inside	% increase	Outside	Outside
			Inside	Outside	Inside	% increase	Outside	% increase
Customer Charges:								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<u>Monthly</u>								
1	5/8"		9.10	7.95	9.10	0.0%	11.62	46.2%
2	3/4"		9.10	9.30	9.10	0.0%	13.59	46.1%
3	3/4x1"			16.70			24.41	46.2%
4	1"		24.18	21.10	24.18	0.0%	30.84	46.2%
5	1 1/2"		37.96	33.20	37.96	0.0%	48.53	46.2%
6	2"		59.28	51.90	59.28	0.0%	75.86	46.2%
7	3"		117.26	102.40	117.26	0.0%	149.67	46.2%
8	4"		183.04	159.90	183.04	0.0%	233.72	46.2%
9	6"		364.00	318.00	364.00	0.0%	464.80	46.2%
10	8"		576.42	503.60	576.42	0.0%	736.08	46.2%
11	10"		762.58	666.20	762.58	0.0%	973.74	46.2%
12	12"			1,004.55			1,468.29	46.2%
Consumption Charges per 1,000 gallons								
<u>Monthly</u>								
13	First 25	25,000	\$ 6.8400	\$ 4.7960	6.8400	0.0%	6.0427	26.0%
14	Next 575	575,000	5.7000	3.9490	5.7000	0.0%	4.8320	22.4%
15	Over 600	600,000	4.5000	3.7100	4.5000	0.0%	4.7970	29.3%
16	Large Industrial	All Usage		3.5680	NA		4.5600	27.8%
Sales for Resale								
Customer Charges:								
<u>Monthly</u>								
17	4"			\$ 159.90			\$ 233.72	46.2%
18	6"			318.00			464.80	46.2%
19	8"			503.60			736.08	46.2%
20	10"			666.20			973.74	46.2%
Consumption Charges per 1,000 gallons								
<u>Monthly</u>								
21	All Usage			\$ 3.7580			4.6980	25.0%
Private Fire								
<u>Monthly</u>								
22	1"		\$ 2.46	\$ 3.23	\$ 2.46	0.0%	\$ 3.78	17.0%
23	1 1/2"		5.52	7.27	5.52	0.0%	8.51	17.1%
24	2"		9.80	12.92	9.80	0.0%	15.12	17.0%
25	3"		22.06	29.06	22.06	0.0%	34.00	17.0%
26	4"		32.14	42.34	32.14	0.0%	49.54	17.0%
27	6"		52.30	68.90	52.30	0.0%	80.61	17.0%
28	8"		90.46	119.15	90.46	0.0%	139.41	17.0%
29	10"		121.40	159.91	121.40	0.0%	187.09	17.0%
30	12"		252.63	231.01	252.63	0.0%	270.28	17.0%

OSBA EXHIBIT JK-2

CITY OF LANCASTER - WATER FUND

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATIONPursuant To Subsection 53.53 Exhibit D II(2) of Tariff Regulations

Customer Classification (A)	Revenues Per Books, 12 Months Ended 31-Mar-25 (B)	Historic Test Year Pro Forma		Pro Forma Future and FPPTY Pro Forma			Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6				
		Adjustments Under Present Rates*		Pro Forma, Present Rates, 31-Mar-25 (E)	Adjustments Under Present Rates		Pro Forma, Present Rates 31-Mar-27 (H)	Increase		Pro Forma, Proposed Rates 31-Mar-27 (K)	
		Ref. (C)	Amount (D)		Ref. (F)	Amount (G)		Percent (I)	Amount (J)		
<u>OUTSIDE-CITY</u>											
Sales of Water											
1	Residential	\$10,684,388	R2	\$713	\$10,685,101	R5	\$125,577	\$10,810,678	32.5%	\$3,511,776	\$14,322,454
2	Commercial	\$8,319,887	R2,R3	-\$693	\$8,319,194	R5	\$45,151	\$8,364,344	28.7%	\$2,402,207	\$10,766,551
3	Industrial	\$1,531,162	R2	\$0	\$1,531,162	R5	\$0	\$1,531,162	29.0%	\$443,292	\$1,974,454
4	Large Industrial	\$1,000,202			\$1,000,202			\$1,000,202	28.1%	\$280,669	\$1,280,871
5	Other Water Utilities	\$543,555			\$543,555			\$543,555	25.6%	\$139,204	\$682,759
6	Private Fire Protection	\$443,910	R3	\$2,772	\$446,682	R7	\$0	\$446,682	17.0%	\$75,934	\$522,616
7	Total Sales of Water	<u>\$22,523,104</u>		<u>\$2,792</u>	<u>\$22,525,896</u>		<u>\$170,727</u>	<u>\$22,696,623</u>	30.2%	<u>\$6,853,082</u>	<u>\$29,549,705</u>
Other Operating Revenues											
8	Lien Interest and Costs	\$774			\$774			\$774			\$774
9	Rental Income	\$199,694			\$199,694			\$199,694			\$199,694
10	Sewer Reimb - Meter Shop	\$32,244			\$32,244			\$32,244			\$32,244
11	Misc. Revenue	\$36,606			\$36,606		\$0	\$36,606		\$0	\$36,606
12	State Aid for Pension Expense	\$279,299			\$279,299			\$279,299			\$279,299
13	Total Other Revenues	<u>\$548,617</u>		<u>\$0</u>	<u>\$548,617</u>		<u>\$0</u>	<u>\$548,617</u>	0.0%	<u>\$0</u>	<u>\$548,617</u>
14	Total Outside City	<u>\$23,071,721</u>		<u>\$2,792</u>	<u>\$23,074,513</u>		<u>\$170,727</u>	<u>\$23,245,240</u>	29.5%	<u>\$6,853,082</u>	<u>\$30,098,322</u>

OSBA EXHIBIT JK-3

CITY OF LANCASTER - BUREAU OF WATER

DEVELOPMENT OF RATE OF RETURN BY CUSTOMER CLASSIFICATION
UNDER REVISED OSBA RATES

ITEM	COST OF SERVICE	OUTSIDE - CITY						
		RESIDENTIAL	COMMERCIAL	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITIES	PRIVATE FIRE	PUBLIC FIRE
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1 REVENUES FROM SALES	\$29,549,705	\$14,322,454	\$10,766,551	\$1,974,454	\$1,280,871	\$682,759	\$522,616	\$0
2 OTHER REVENUES	\$548,617	\$261,365	\$181,612	\$33,739	\$21,797	\$11,756	\$7,995	\$30,353
3 TOTAL OPERATING REVENUES	\$30,098,322	\$14,583,819	\$10,948,163	\$2,008,192	\$1,302,668	\$694,515	\$530,611	\$30,353
4 LESS: OPERATING EXPENSES	\$16,938,106	\$9,316,120	\$6,529,747	\$1,181,975	\$757,694	\$400,615	\$224,324	-\$1,472,369
5 RETURN	\$13,160,216	\$5,267,699	\$4,418,416	\$826,217	\$544,974	\$293,900	\$306,287	\$1,502,094
6 ORIGINAL COSTS MEASURE OF VALUE	\$197,762,832	\$78,944,851	\$66,397,916	\$12,457,489	\$8,105,644	\$4,421,972	\$4,594,356	\$22,840,604
7 RATE OF RETURN, PERCENT	6.65	6.67	6.65	6.63	6.72	6.65	6.67	6.58
8 RELATIVE RATE OF RETURN	1.00	1.00	1.00	1.00	1.01	1.00	1.00	0.99

OSBA WORKPAPERS

For

OSBA Statement No. 1-SR

SURREBUTTAL TESTIMONY OF JOSEPH KUBAS ***

- City Of Lancaster – OSBA Surrebuttal – Scale Back

***** OSBA Workpapers are in excel format ONLY; therefore, will be served via electronic means ONLY, and will be served simultaneous to service of OSBA Statement No. 1-SR, Surrebuttal Testimony & Exhibits of Joseph Kubas ONLY*****

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3057237
v.	:	
	:	
City of Lancaster – Bureau of Water	:	

VERIFICATION

I, Joseph Kubas, hereby state that the facts set forth in my Surrebuttal Testimony and Exhibits, labeled OSBA Statement No. 1-SR, with associated OSBA Exhibit JK-1, OSBA Exhibit JK-2, and OSBA Exhibit JK-3, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 1/16/26

/s/ Joseph Kubas
JOSEPH KUBAS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3057237
v.	:	
	:	
City of Lancaster – Bureau of Water	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
egannon@pa.gov

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
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Date: January 20, 2026

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

APPENDIX A

**Interim Order Granting Motion for Admission Into the
Record and Adopting Joint Stipulation for Admission of
Evidence (dated February 9, 2026)**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2025-3057237
	:	C-2025-3057935
v.	:	C-2025-3057993
	:	C-2025-3058103
City of Lancaster - Bureau of Water	:	C-2025-3058728

**INTERIM ORDER
GRANTING MOTION FOR ADMISSION INTO THE RECORD AND
ADOPTING JOINT STIPULATION FOR ADMISSION OF EVIDENCE**

On January 29, 2026, the City of Lancaster – Bureau of Water, the Pennsylvania Public Utility Commission’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate (collectively, Stipulating Parties) filed a Motion for Admission of Testimony and Exhibits and Joint Stipulation for Admission of Evidence in the above-captioned proceeding (Motion and Stipulation). The Motion and Stipulation includes a list of testimony and exhibits (Appendix A) and verifications for all written testimony submitted in this proceeding.

Each of the Stipulating Parties stipulated to the authenticity of the statements and exhibits listed in Appendix A and requested that they be admitted into the record of this proceeding, together with verifications of all statements and exhibits. The Stipulating Parties have expressly waived the opportunity for cross-examination of all sponsoring witnesses.

As this request is reasonable, it will be granted. The Motion and Stipulation and its appendices are attached to this Order.

Per the schedule established by the Briefing and Settlement Order issued on January 28, 2026 in this matter, settlement documents and/or Main Briefs are due by

February 26, 2026. Any objections to a settlement and/or Reply Briefs are due by March 17, 2026.

THEREFORE,

IT IS ORDERED:

1. That the Motion for Admission of Testimony and Exhibits and Joint Stipulation for Admission of Evidence filed by the parties on January 29, 2026, and attached to this Order, is GRANTED and ADOPTED.
2. The statements and exhibits listed in Appendix A to the Motion and Stipulation are admitted into the record of this proceeding.
3. That, by **4:30 pm on Thursday, February 19, 2026**, the parties shall file the statements and exhibits (with all appropriate verifications) entered into the record pursuant to Ordering Paragraph 2 with the Commission's Secretary's Bureau, unless previously filed.
4. That, when making a filing pursuant to Ordering Paragraph 3, the parties shall include a statement in the cover letter that the filing contains evidence admitted into the record pursuant to this Interim Order, and the parties may attach a copy of this Order if they choose.
5. That filings made pursuant to Ordering Paragraph 3 shall satisfy the Commission's regulation at 52 Pa. Code § 5.412a.

Date: February 9, 2026

/s/
Erin L. Gannon
Administrative Law Judge

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge Erin Gannon, Presiding

Pennsylvania Public Utility Commission v. City of Lancaster - Bureau of Water	R-2025-3057237 C-2025-3057935 C-2025-3057993 C-2025-3058103
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**MOTION FOR ADMISSION
OF TESTIMONY AND EXHIBITS AND
JOINT STIPULATION FOR ADMISSION OF EVIDENCE**

The City of Lancaster – Bureau of Water (the “City”) the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Pennsylvania Public Utility Commission’s (the “Commission”) Bureau of Investigation and Enforcement (“I&E”) (collectively the “Parties”) submit this Motion for Admission of Testimony and Exhibits and Joint Stipulation for Admission of Evidence for the testimony and exhibits listed in Appendix A.

Pursuant to the Stipulation, all the Parties to this proceeding have stipulated to the authenticity of the statements and exhibits listed therein and have waived cross-examination of the witnesses sponsoring same.

Accordingly, the Parties to this proceeding request that Administrative Law Judge Gannon admit into the evidentiary record in this proceeding such statements and exhibits. Upon issuance of an Order granting admission of the statements and exhibits, copies of the statements and exhibits listed in the Stipulation, together with verifications of all statements and exhibits, will be e-filed with the Secretary of the Commission for entry into the evidentiary record in this case. Verifications for all testimony submitted in this proceeding are enclosed with this Motion and Stipulation.

Respectfully submitted:



Courtney L. Schultz, Esquire
Shane P. Simon, Esquire
Kruti B. Patel, Esquire
Saul Ewing LLP
1735 Market St., Suite 3400
Philadelphia, PA 19103

*Counsel for the City of Lancaster –
Bureau of Water*

/s/ Harrison W. Breitman

Harrison W. Breitman, Esquire
Ryan Morden, Esquire
Josiah Harmar, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923

/s/ Scott Granger

Scott Granger, Esquire
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street
P.O. Box 3265
Harrisburg, PA 17120

/s/ Rebecca Lyttle

Rebecca Lyttle, Esquire
Office of Small Business Advocate
300 North 2nd Street, Suite 202
Harrisburg, PA 17101

Dated: January 29, 2026

Docket No. R-2025-3057237
Stipulated Hearing Exhibit List

Exhibit No.	Party	Exhibit Description
1.	City	City of Lancaster – Bureau of Water’s Filing for a General Rate Increase Dated September 30, 2025.
2.	City	Letter to Secretary Matthew Homsher encl. responses to the Bureau of Technical Utility Services requests for additional information dated October 27, 2025.
3.	City	City of Lancaster Statement No. 1 – Direct Testimony of Tina Campbell, including Exhibits TC-1, TC-2, and TC-3.
4.	City	City of Lancaster Statement No. 1R – Rebuttal Testimony of Tina Campbell.
5.	City	City of Lancaster Statement No. 1RJ – Rejoinder Testimony of Tina Campbell, including Exhibits TC-1RJ, TC-2RJ, and TC-3RJ.
6.	City	City of Lancaster Statement No. 2 – Direct Testimony of Stephen Campbell, including Exhibits SC-1 and SC-2.
7.	City	City of Lancaster Statement No. 2R – Rebuttal Testimony of Stephen Campbell, including Exhibits SC-1R, SC-2R, SC-3R, SC-4R, SC-5R, SC-6R, and SC-7R.
8.	City	City of Lancaster Statement No. 3 – Direct Testimony of Christine Volkay-Hilditch, including Exhibits CVH-1, CVH-2, CVH-3, CVH-4, CVH-5, CVH-6, CVH-7, CVH-8, and CHV-9.
9.	City	City of Lancaster Statement No. 3R – Rebuttal Testimony of Christine Volkay-Hilditch.
10.	City	City of Lancaster Statement No. 4 – Direct Testimony of Gregory R. Herbert, including Exhibits GRH-1, GRH-2, and GRH-3.
11.	City	City of Lancaster Statement No. 4R – Rebuttal Testimony of Gregory R. Herbert, including Exhibits GRH-1R, GRH-2R, GRH-3R, and GRH-4R.
12.	City	City of Lancaster Statement No. 4RJ – Rejoinder Testimony of Gregory R. Herbert, including Exhibits GRH-1RJ.
13.	City	City of Lancaster Statement No. 5 – Direct Testimony of John J. Spanos, including Exhibits JJS-1, JJS-2, and JJS-3.
14.	City	City of Lancaster Statement No. 5R – Rebuttal Testimony of John J. Spanos, including Exhibits JJS-1R, JJS-2R, and JJS-3R.
15.	City	City of Lancaster Statement No. 5RJ – Rejoinder Testimony of John J. Spanos.
16.	City	City of Lancaster Statement No. 6 – Direct Testimony of Harold Walker, III, including Exhibit HW-1.
17.	City	City of Lancaster Statement No. 6R – Rebuttal Testimony of Harold Walker, III, including Exhibit HW-1R.
18.	City	City of Lancaster Statement No. 6RJ – Rejoinder Testimony of Harold Walker, III.
19.	I&E	I&E Statement No. 1 – Direct Testimony of Getachaw Bedasa, including Exhibit No. 1.

Exhibit No.	Party	Exhibit Description
20.	I&E	I&E Statement No. 1-SR – Surrebuttal Testimony of Getachaw Bedasa.
21.	I&E	I&E Statement No. 2 – Direct Testimony of D.C. Patel, including Exhibit No. 2
22.	I&E	I&E Statement No. 2-SR – Surrebuttal Testimony of D.C. Patel.
23.	I&E	I&E Statement No. 3 – Direct Testimony of Esyan Sakaya, including Exhibit No. 3.
24.	I&E	I&E Statement No. 3-SR – Surrebuttal Testimony of Esyan Sakaya.
25.	I&E	I&E Statement No. 4-R – Rebuttal Testimony of Christine Wilson, including Exhibit No. 4-R.
26.	OCA	OCA Statement No. 1 – Direct Testimony of Lafayette K. Morgan, including Appendix A and Exhibits LKM-1 through LKM-10.
27.	OCA	OCA Statement No. 1SR – Surrebuttal Testimony of Lafayette K. Morgan, including Exhibits LKM-1SR through LKM-10SR.
28.	OCA	OCA Statement No. 2 – Direct Testimony of David J. Garrett, including Exhibits DJG-1 through DJG-23 and Appendices A through E.
29.	OCA	OCA Statement No. 2R – Rebuttal Testimony of David J. Garrett.
30.	OCA	OCA Statement No. 2SR – Surrebuttal Testimony of David J. Garrett.
31.	OCA	OCA Statement No. 3 – Direct Testimony of Jerome D. Mierzwa, including Schedule JDM-1.
32.	OCA	OCA Statement No. 3R – Rebuttal Testimony of Jerome D. Mierzwa.
33.	OCA	OCA Statement No. 3SR – Surrebuttal Testimony of Jerome D. Mierzwa.
34.	OCA	OCA Statement No. 4 – Direct Testimony of LeeAnn Wise, including Appendix A.
35.	OCA	OCA Statement No. 4-Supp. – Supplemental Direct Testimony of LeeAnn Wise.
36.	OCA	OCA Statement No. 4SR – Surrebuttal Testimony of LeeAnn Wise.
37.	OSBA	OSBA Statement No. 1 – Direct Testimony of Joseph Kubas, including Exhibits JK-1, JK-2, JK-3, JK-4, JK-5, and JK-6.
38.	OSBA	OSBA Statement No. 1SR – Surrebuttal Testimony of Joseph Kubas, including Exhibits JK-1, JK-2, and JK-3.

VERIFICATION

I, Tina Campbell, Director of Administrative Services, City of Lancaster, hereby state that the facts set forth in the letter of Counsel for the City of Lancaster – Bureau of Water dated October 24, 2025, addressing information requests of the Bureau of Technical Utility Services in the matter at Docket No. R-2025-3057237, are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: October 24, 2025



Tina Campbell

VERIFICATION

I, Tina Campbell, Director of Administrative Services, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 1 are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



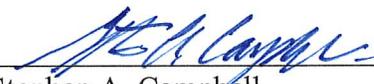
Tina Campbell

Date: September 23, 2025

VERIFICATION

I, Stephen A. Campbell, Director of Public Works, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 2 are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).



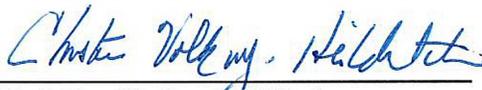
Stephen A. Campbell

Date: 9.30.25

VERIFICATION

I, Christine Volkay-Hilditch, Deputy Director of Public Works, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 3 are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).


Christine Volkay-Hilditch

Date: September 29, 2025

VERIFICATION

I, Gregory R. Herbert, Assistant Project Manager, Rate Studies, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 4 are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).



Gregory R. Herbert

Date: September 23, 2025

VERIFICATION

I, John J. Spanos, President, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 5 are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).



John J. Spanos

Date: September 23, 2025

VERIFICATION

I, Harold Walker, III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 6 are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).


Harold Walker, III

Date: September 23, 2025

VERIFICATION

I, Tina Campbell, Director of Administrative Services, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 1R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

DocuSigned by:
Tina Campbell
3AD4C55EFEA6493...

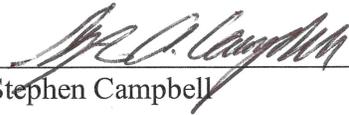
Tina Campbell

Date: 1/25/2026

VERIFICATION

I, Stephen Campbell, Director of Public Works, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 2R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).



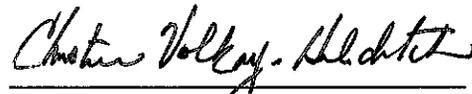
Stephen Campbell

Date: January 8, 2026

VERIFICATION

I, Christine Volkay-Hilditch, Deputy Director of Public Works, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 3R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).



Christine Volkay-Hilditch

Date: January 8, 2026

VERIFICATION

I, Gregory R. Herbert, Project Manager, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 4R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



Gregory R. Herbert

Date: January 8, 2026

VERIFICATION

I, John J. Spanos, President, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 5R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



John J. Spanos

Date: January 8, 2026

VERIFICATION

I, Harold Walker, III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 6R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



Harold Walker, III

Date: January 8, 2026

VERIFICATION

I, Tina Campbell, Director of Administrative Services, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 1RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

DocuSigned by:
Tina Campbell
3AD4C55EFEA6403...

Tina Campbell

Date: 1/25/2026

VERIFICATION

I, Gregory R. Herbert, Project Manager, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 4RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



Gregory R. Herbert

Date: January 26, 2026

VERIFICATION

I, John J. Spanos, President, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 5RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

Date: January 26, 2026



John J. Spanos

VERIFICATION

I, Harold Walker, III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 6RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



Harold Walker, III

Date: January 26, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

City of Lancaster – Bureau of Water

:
:
:
:
:
:

Docket No. R-2025-3057237

VERIFICATION

I, Lafayette K. Morgan, hereby state that the facts set forth in my Direct Testimony, OCA Statement 1, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: December 17, 2025

Signature:


Lafayette K. Morgan Jr.

Consultant Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-3575

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3057237
	:	
City of Lancaster – Bureau of Water	:	
	:	

VERIFICATION

I, Lafayette K. Morgan, hereby state that the facts set forth in my Surrebuttal Testimony, OCA Statement No. 1-SR, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: January 20, 2026

Signature: /s/ Lafayette K. Morgan
Lafayette K. Morgan

Consultant Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-3575

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3057237
	:	
City of Lancaster – Bureau of Water	:	
	:	

VERIFICATION

I, David J. Garrett, hereby state that the facts set forth in my Direct Testimony, OCA Statement 2, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: December 17, 2025

Signature: /s/ David J. Garrett
David J. Garrett

Consultant Address: 101 Park Avenue, Suite 1125
Oklahoma City, OK 73120

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3057237
	:	
City of Lancaster – Bureau of Water	:	
	:	

VERIFICATION

I, Jerome D. Mierzwa, hereby state that the facts set forth in my Rebuttal Testimony, OCA Statement 3-R, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: January 8, 2026

Signature: /s/ Jerome D. Mierzwa
Jerome D. Mierzwa

Consultant Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-3575

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3057237
	:	
City of Lancaster – Bureau of Water	:	
	:	

VERIFICATION

I, Jerome D. Mierzwa, hereby state that the facts set forth in my Surrebuttal Testimony, OCA Statement No. 3-SR, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: January 20, 2026

Signature: /s/ Jerome D. Mierzwa
Jerome D. Mierzwa

Consultant Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-3575

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3057237
	:	
City of Lancaster – Bureau of Water	:	
	:	

VERIFICATION

I, LeeAnn Wise, hereby state that the facts set forth in my Supplemental Direct Testimony, OCA Statement 4-Supp, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: December 23, 2025

Signature: /s/ LeeAnn Wise
LeeAnn Wise

Address: 555 Walnut Street
Fifth Floor
Harrisburg, PA 17101

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3057237
	:	
City of Lancaster – Bureau of Water	:	
	:	

VERIFICATION

I, LeeAnn Wise, hereby state that the facts set forth in my Surrebuttal Testimony, OCA Statement No. 4-SR, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: January 20, 2026

Signature: /s/ LeeAnn Wise
LeeAnn Wise

Address: 555 Walnut Street
Fifth Floor
Harrisburg, PA 17101

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2025-3057237
	:	
v.	:	
	:	
City of Lancaster – Bureau of Water	:	
Base Rate Case	:	

**WITNESS VERIFICATION
THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

I, Getachew Bedasa, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents preliminarily identified as:

- I&E Statement No. 1; I&E Exhibit No. 1;
- I&E Statement No. 1-SR

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an Evidentiary Hearing in this matter. This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.



Getachew Bedasa
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: January 22, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No.: R-2025-3057237
	:	
v.	:	
	:	
City of Lancaster - Bureau of Water	:	
Base Rate Case	:	

**WITNESS VERIFICATION
THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

I, D. C. Patel, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents preliminarily identified as:

- I&E Statement No. 2; I&E Exhibit No. 2; and
- I&E Statement No. 2-SR

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an Evidentiary Hearing in this matter. This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

/s/ DCPatel

D. C. Patel

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: January 22, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission : Docket No. R-2025-3057237
:
v. :
:
City of Lancaster – Bureau of Water :
Base Rate Case :

**WITNESS VERIFICATION
THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

I, Esyan A. Sakaya, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents preliminarily identified as:

- I&E Statement No. 3; I&E Exhibit No. 3; and
- I&E Statement No. 3-SR.

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an Evidentiary Hearing in this matter. This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

/s/ Esyan A. Sakaya

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: January 22, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2025-3057237
	:	
v.	:	
	:	
City of Lancaster – Bureau of Water	:	
Base Rate Case	:	

**WITNESS VERIFICATION
THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

I, Christine Wilson, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents preliminarily identified as:

- I&E Statement No. 4-R; I&E Exhibit No. 4-R.

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an Evidentiary Hearing in this matter. This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

Christine S. Wilson

Christine Wilson
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: January 22, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3057237
v.	:	
	:	
City of Lancaster – Bureau of Water	:	

VERIFICATION

I, Jospheh Kubas, hereby state that the facts set forth in my Direct Testimony and Exhibits, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, and Exhibit JK-6, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 12/16/25

/s/ Joseph Kubas
JOSEPH KUBAS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3057237
v.	:	
	:	
City of Lancaster – Bureau of Water	:	

VERIFICATION

I, Jospheh Kubas, hereby state that the facts set forth in my Surrebuttal Testimony and Exhibits, labeled OSBA Statement No. 1-SR, with associated OSBA Exhibit JK-1, OSBA Exhibit JK-2, and OSBA Exhibit JK-3, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 1/16/26

/s/ Joseph Kubas
JOSEPH KUBAS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**The City of Lancaster-Bureau of Water
2025 Water Base Rate Case; R-2025-3057237**

CERTIFICATE OF SERVICE

I hereby certify that I have this 29th day of January, 2026, served a true copy of the following Motion and Stipulation on the persons listed below *via Electronic Mail*:

Via E-File Only

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105

Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
egannon@pa.gov

Scott B. Granger
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
sgranger@pa.gov

Harrison W. Breitman
Ryan R. Morden
Josiah B. Harmar
Office of Consumer Advocate
OCALancaster2025@paoca.org

Rebecca Lyttle
Small Business Advocate
Office of Small Business Advocate
relyttle@pa.gov



Courtney L. Schultz

R-2025-3057237 - PENNSYLVANIA PUBLIC UTILITY COMMISSION v. CITY OF LANCASTER - BUREAU OF WATER

Revised: February 4, 2026

COURTNEY L SCHULTZ ESQUIRE
KRUTI B PATEL ESQUIRE
SAUL EWING LLP
1735 MARKET STREET
SUITE 3400
PHILADELPHIA PA 19102
215-972-7717
215-972-7735

courtney.schultz@saul.com

kruti.patel@saul.com

Served via eService February 9, 2026

*(Counsel for the City of Lancaster -
Bureau of Water)*

SCOTT B GRANGER ESQUIRE
PA PUC BUREAU OF INVESTIGATION
& ENFORCEMENT
SECOND FLOOR WEST
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#C-2025-3058728

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 : **Docket No. R-2025-3057237**
 v. :
 :
City of Lancaster – Bureau of Water :

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Erin L. Gannon
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/s/ Rebecca Lyttle

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