

Nantmeal Warwick Sewer Company, Inc.

11 S. Pine Street
P.O. Box 20
Elverson, PA 19520
610-286-5116

March 11, 2026

Secretary of the Commission
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

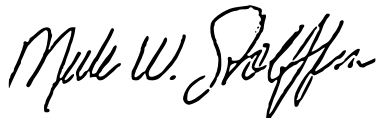
via: electronic filing

Re: Responses to TUS Data Request Set 1
Docket No. G-2025-3053165
Utility Code 230086

Dear Secretary Homsher:

In response to the Secretarial Letter dated 02/25/2026, attached are Nantmeal Warwick Sewer Company's answers to TUS Data Request Set 1.

Respectfully submitted,



Merle W. Stoltzfus, President
Nantmeal Warwick Sewer Company, Inc.

Cc: Paul Zander, Bureau of Technical Utility Services, pzander@pa.gov

Responses to TUS Data Request Set 1

Affiliated Interest Agreement between Nantmeal Warwick Sewer Company, Inc. and Stoltzfus Enterprises, Ltd. at Docket No. G-2025-3053165

Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

- ***Unless otherwise noted, responses provided by Daniel Iya, Operations Associate. In some responses, Nantmeal Warwick Sewer Company is abbreviated to NWSC.***

G-1. The Agreement Between Affiliates (AIA) dated January 1, 2023, between Stoltzfus Enterprises, Ltd. (Service Company) and Nantmeal indicated that services will be provided at “reasonable rates comparable to those commonly charge for similar services within the industry.” Please detail the methods (Competitive Analysis) that Nantmeal uses to benchmark costs for AIA services and the frequency that each Competitive Analysis is completed to ensure that services are provided at reasonable rates comparable to those commonly charge for similar services within the industry.

- **NWSC conducts a review/comparison of costs and services through online research and through consultation with a local Municipal Authority that hires an Operator to provide similar services.**

G-2. Please provide copies of any studies or similar documentation that Nantmeal has used to determine that AIA rates, terms and conditions are competitive and reasonable.

- **NWSC has not conducted any studies to determine AIA rates.**

G-3. Please provide a schedule of rates indicating the Service Company’s charge for each service provided under the AIA (AIA Services). Nantmeal’s response should indicate the approximate average fully loaded hourly or annual cost for providing each AIA Service (i.e., salary plus benefits, insurance, taxes, facility costs, etc.).

- **The approximate annual cost for the Service Company to provide AIA services is \$47,400 including overhead (salary, benefits, insurance, taxes, facility costs, etc.)**

G-4. Please provide a schedule of rates, in similar details as provided in Nantmeal’s response to G-3, indicating the hourly rates or annual cost that a non-affiliated company would charge for each AIA Service.

- **A non-affiliated company (Municipal Operator) in the immediate area charges an approximate annual cost of \$56,300, which is a base operating fee and does not include additional mechanic/maintenance fees as necessary.**

G-5. Please provide a breakdown of the estimated annual expense Nantmeal will incur, or similar compensation that will be exchanged, between Nantmeal and the Service Company for each AIA Service.

- **See response to G-3 above.**

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- G-6. Please identify all AIA Service costs that may be charged on an allocated basis (i.e., indirect costs) and provide sample calculations showing how these costs would be allocated to Nantmeal.
- **The indirect costs that may be charged on an allocated basis are rent, utilities, IT, phone, licenses, registrations, subscriptions, office cleaning, office equipment and supplies, insurance, and benefits. These costs are allocated to NWSC as 2% of the Service Company's total Admin/Overhead costs.**
- G-7. Please provide a calculation of the profit margin that the Service Company includes in each AIA Service charge. For each AIA Service that the Service Company is not charging a profit margin, please explain why.
- **The Service Company does not include a profit margin because of the shared ownership of both companies.**
- G-8. Please state whether the rates that the Service Company will charge for AIA Services are subject to change and the associated frequency. If so, please explain the methods that would be used to calculate new rates and provide the calculations that would be used to determine new rates.
- **The rates that the Service Company charges are subject to change on an annual basis. See response to G-1 above for the methods used.**
- G-9. Please explain the ratemaking implications of the AIA on Nantmeal's ratepayers.
- **The ratemaking implication of the AIA is that sewer service is provided to NWSC's ratepayers at a cheaper rate than if a non-affiliated company were used.**
- G-10. The AIA's second "whereas" recital indicated that Service Company has provided services for Nantmeal since 2003, as more formalized in a previous agreement dated January 1, 2012 (Prior Agreement). Please either state that the services provided under the AIA are substantially similar to the services provided under the Prior Agreement or specify how the services provided differ under the AIA compared with the Prior Agreement.
- **The services provided under the AIA are substantially similar to the services provided under the Prior Agreement.**
- G-11. Please explain how AIA Service costs are accounted for in Nantmeal's operation and maintenance expense accounts.
- **Billing from and payments to the Service Company for AIA services rendered are recorded through journal entries on monthly basis.**

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G-12. Please explain why Commission approval of the AIA is reasonable and consistent with the public interest.

- **Commission approval of the AIA is reasonable and consistent with the public interest because it helps maintain a low cost of operation and therefore a low cost of providing service to NWSC customers.**

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Verification per 52 Pa. Code § 1.36

I, Merle W. Stoltzfus, hereby state that the facts above set forth 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).

Signature: Merle W. Stoltzfus
Title: PRESIDENT
Date: 03/11/2026