



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY, PLEASE  
REFER TO OUR FILE

April 17, 2026

Docket No. M-2026-3060669  
Utility Code: 210540

DAVID T. LEWIS, P.E.  
VICE PRESIDENT & GENERAL MANAGER  
COLUMBIA WATER COMPANY  
220 LOCUST STREET, P.O. BOX 350  
COLUMBIA, PA 17512  
[dlewis@columbiawater.net](mailto:dlewis@columbiawater.net)

**Re: Annual Asset Optimization Plan (AAOP) for Columbia Water Company at  
Docket No. M-2026-3060669**

Dear Mr. Lewis,

On February 25, 2026, Columbia Water Company (Columbia) filed its Annual Asset Optimization Plan (AAOP), pursuant to 52 Pa. Code § 121.6.

The Commission's regulations require utilities with an approved Distribution System Improvement Charge (DSIC) to file annually an AAOP with the Commission. The AAOP shall be filed 60 days after the prior 12 months of the company's Long-Term Infrastructure Improvement Plan (LTIIP) has expired, and pursuant to this timeframe for each successive AAOP. 52 Pa. Code § 121.6(a).

The AAOP must include:

- 1) A description that specifies all of the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIIP and prior year's AAOP.
- 2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.

The Commission is charged with reviewing each AAOP only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIIP, for the corresponding 12-month timeframes. 52 Pa. Code § 121.6(d). The Commission has delegated the review of AAOPs to the Bureau of Technical Utility Services (TUS).

**Timely Filing**

*52 Pa. Code § 121.6(a)*

*A utility with an approved DSIC shall file with the Commission, for informational purposes, an AAO plan. The AAO plan shall be filed annually with the Commission 60 days after the 12 months of its LTIP has expired and under this time frame for each successive year of the term of the LTIP.*

Columbia's AAOP complies with this requirement.

### **Content**

*52 Pa. Code § 121.6(b)*

*An AAO plan must include:*

- (1) A description that specifies all the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIP and prior year's AAO plan.*
- (2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.*

Columbia's AAOP substantially complies with this requirement.

### **Substantial Adherence to LTIP**

*52 Pa. Code § 121.6(d)*

*An AAO plan will be reviewed by the Commission only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIP for the corresponding 12-month time frames.*

*52 Pa. Code § 121.6(e)*

*Absent any major modifications to the LTIP or Commission action to reject an AAO plan within 60 days of its submission to the Commission, the AAO plan will be deemed approved. The Commission may extend its consideration period if necessary.*

*52 Pa. Code § 121.6(f)*

*If an AAO plan is rejected by the Commission, the utility will be notified of the plan's deficiencies and actions needed to repair, improve, or replace eligible property to bring the utility into compliance with the work schedule in its approved LTIP. If the utility concludes that it needs to revise its LTIP to comply with the Commission's determinations, it shall file a petition for modification under § 121.5.*

Columbia reported actual expenditures of \$381,275 in 2025. This is a slight increase from the projected amount of \$380,000 in its LTIP. Columbia also reported that it met or exceeded its LTIP projections of eligible property to be improved or replaced as compared to its

projected LTIP amounts in all categories except for meter replacements. Columbia maintains that the increase in spending can be attributed to the inflationary pressures in the economy and the replacement of lead service lines.

Columbia projects \$380,000 in expenditures in 2026 and it expects to meet or exceed its projected replacement of appurtenances as compared to its LTIP.

Compliance with the LTIP is evaluated on a multiyear basis over the life of the LTIP. Construction and budget variations in individual years can be expected, and it is reasonable to expect that over a multi-year timeframe, much of this variation will be mitigated.

The Commission Order entered on October 9, 2025, at Docket No. P-2023-3041845 (October Order), which approved Columbia's Modified LTIP, directed Columbia to provide a report that details its updated nonrevenue water and main break occurrence rates in its AAOPs, beginning with the AAOP filed in March 2026.<sup>1</sup> Columbia's AAOP appears to be in substantial compliance with the October Order.

Pursuant to the October Order, Columbia was directed to file a copy of its Lead Service Line Replacement Program Report with the Commission by March 1 of each year, until further Order of the Commission. Columbia appears to be in substantial compliance with its Commission approved lead service line replacement program.

Accordingly, Columbia's AAOP appears to substantially conform to the schedule set forth in the company's LTIP.

### **Conclusion**

Upon review of Columbia's AAOP filed on February 25, 2026, it appears that the filing substantially complies with the requirements of 52 Pa. Code § 121.6 and it is approved. This approval is contingent upon the possibility that subsequent audits, reviews, and inquiries, in any Commission proceeding, may be conducted pursuant to 52 Pa. Code § 121.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code § 5.44, file a petition with the Commission within twenty (20) days after the date of this letter. Please direct any questions regarding this filing to Ken Shaffer, TUS, at (717) 787-2359 or [kennshaffe@pa.gov](mailto:kennshaffe@pa.gov).

Sincerely,



Matthew L. Homsher  
Secretary

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<sup>1</sup> See, *Petition of Columbia Water Company for Approval of its Lead Service Line Replacement Program*, at Docket No. P-2023-3041845.

cc: Sharon Webb, LAW  
Allison Kaster, BIE  
Dan Searfoorce, TUS  
John Van Zant, TUS