


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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July 15, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission
v.
The Borough of Hanover --
Hanover Municipal Waterworks
Docket No. R-2021-3026116

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci
Laura J. Antinucci
Assistant Consumer Advocate
PA Attorney I.D. # 327217
E-Mail: LAntinucci@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only**)
Bureau of Technical Utility Services (**email only**)
Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Certificate of Service

*313507

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2021-3026116
 :
 The Borough of Hanover -- :
 Hanover Municipal Waterworks :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 15th day of July 2021.

SERVICE BY E-MAIL ONLY

Richard A. Kanaskie, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Teresa Wagner
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923

Thomas T. Niesen, Esquire
Thomas, Niesen & Thomas, LLC
212 Locust Street
Suite 302
Harrisburg, PA 17101

/s/ Laura J. Antinucci
Laura J. Antinucci
Assistant Consumer Advocate
PA Attorney I.D. # 327217
E-Mail: LAntinucci@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street
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Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: July 15, 2021
*313509

Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Christine Maloni Hoover
Interim Acting Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone (717) 783-5048
Facsimile (717) 783-7152

2. UTILITY NAME (RESPONDENT)

The Borough of Hanover -- Hanover Municipal Waterworks

3. TYPE OF UTILITY

Water

4. COMPLAINT

- A.** On June 29, 2021, the Borough of Hanover - Municipal Waterworks (Borough) filed Supplement No. 32 to Tariff Water - Pa. P.U.C. No. 3, to become effective August 28, 2021. The Borough, by filing this tariff supplement, seeks Commission approval to make rate changes that would increase the level of rates that it charges for providing service to its customers who reside outside of the Borough.
- B.** If the proposed tariff supplement becomes effective, the Borough will benefit from an opportunity to recover an estimated annual increase in base rate revenues of \$1,563,100 from its customers. This represents an approximate 27.6% increase in the Borough's annual revenues at present rates from outside-Borough water customers. The Borough has used a fully projected future test year ending December 31, 2022. Under the Borough's proposal, for an average residential customer with a 5/8-inch meter and usage of 11,000 per quarter, the bill would increase by \$19.37 per quarter, from \$68.94 to \$88.32 or 28.1%.
- C.** The Borough serves approximately 10,969 customers outside of Borough limits, of which 10,285 are residential water customers, in Penn Township and Heidelberg

Township, York County, and in Conewago Township and McSherrystown Borough, Adams County.

- D.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. C.S. §§ 309-1 et seq.
- E.** A preliminary examination of the Borough's rate increase request indicates that the Borough's present rates and proposed charges, increases and changes in rates, rules, and regulations contained within the request are or may be unjust, unreasonable, and in violation of law; will or may allow the Borough an opportunity to recover an excessive rate of return on its utility property investment, in violation of the Public Utility Code; will or may discriminate against certain customers; will or may compensate the Borough for providing inadequate service to some or all of its customers; and otherwise may be contrary to sound ratemaking principles and public policy.

5. RELIEF

The Interim Acting Consumer Advocate respectfully requests that Your Honorable Commission take the following actions:

- A.** Suspend and investigate the operation of the proposed tariff supplement, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B.** Consolidate all complaints filed against the proposed increase;
- C.** Hold full evidentiary hearings examining the reasonableness of the Borough's current rates and its proposed increases in rates;
- D.** After providing the public with adequate notice, hold public input hearings in the Borough's service territory, if possible or virtually, in order to provide its customers with an opportunity to be heard on the record;
- E.** Deny any charges or changes contained in the proposal which cannot be fully justified by the Borough, or which otherwise are contrary to the Public Utility Code, sound ratemaking principles, and public policy; and
- F.** Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification:

I, Christine Maloni Hoover, hereby state that the facts above set forth 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).

/s/ Christine Maloni Hoover
Signature

July 15, 2021
Date

7. LEGAL REPRESENTATION

Laura J. Antinucci, Assistant Consumer Advocate, PA Attorney I.D. # 327217
Erin L. Gannon, Senior Assistant Consumer Advocate, PA Attorney I.D. # 83487

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

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**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC). In accordance with Act 161, and for the following reasons, the Interim Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the proposed rate increase requested by the Borough of Hanover – Hanover Municipal Water Works (Borough or Hanover).

The objective of the Interim Acting Consumer Advocate in filing a Formal Complaint in this matter is to protect the interests of Hanover’s outside-Borough customers. The Interim Acting Consumer Advocate will seek to ensure that the Borough is permitted to implement only a level of rates that is fully justified and in accordance with sound ratemaking principles. The Interim Acting Consumer Advocate will strive to prevent the Borough from collecting from ratepayers all costs that cannot be justified, or are unreasonable or unduly discriminatory, or otherwise violative of the Public Utility Code. The Interim Acting Consumer Advocate submits that the Borough’s current water rates and the water rates sought by the Borough may be unjustifiable and unlawful based upon information filed by the Borough in support of its claim.

The Interim Acting Consumer Advocate has filed this Formal Complaint and will, in the course of the proceedings, investigate the Borough’s proposed revenue increase of \$1,563,100 (27.6%) and request that the PUC deny all proposed increases or changes that are not proven to be justified, reasonable, and in accordance with sound ratemaking principles. If the Borough’s entire request is approved, the total bill for an average, residential, outside-Borough customer with a 5/8-inch meter and usage of 11,000 per quarter would increase by \$19.37 per quarter, from \$68.94 to \$88.32 or 28.1%. The Borough serves approximately 10,969 customers outside of Borough limits, of which 10,285 are residential water customers, in Penn Township and Heidelberg Township, York County, and in Conewago Township and McSherrystown Borough, Adams County.