

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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July 19, 2017

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Pa. Public Utility Commission
v.
Columbia Water Company
Docket No. R-2017-2598203

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,

A handwritten signature in cursive script that reads "Christ Maloni Hoover".

Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. #50026
E-Mail: choover@paoca.org

Attachment

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

237392

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket No. R-2017-2598203
Columbia Water Company :

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 19th day of July 2017.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

Scott B. Granger, Esquire
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

John Evans
Small Business Advocate
Office of Small Business Advocate
300 North Second Street
Harrisburg, P A 17101

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Thomas J. Sniscak, Esquire
Hawke, McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

/s/ Christine Maloni Hoover

Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. #50026
E-Mail: CHoover@paoca.org

Counsel for Office of Consumer Advocate
555 Walnut street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: July 19, 2017
*237399

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Tanya J. McCloskey

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)

Columbia Water Company

3. TYPE OF UTILITY

Water

4. COMPLAINT

- A. On June 27, 2017, Columbia Water Company (Company) filed Supplement No. 86 to Tariff Water - Pa. P.U.C. No. 7, to become effective August 29, 2017. The Company, 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.
- B. If the proposed tariff supplement becomes effective, the Company will benefit from an opportunity to recover an estimated annual increase in base rate revenues of \$923,668 from its customers. This represents an approximate 17.8% increase in the Company's annual revenues at present rates. Under the Company's proposal, the proposed base rates (excluding surcharges) for a Consolidated Columbia Division customer using 5,000 gallons per month would increase from \$41.70 to \$47.19, or by 13%. The proposed rates for a current Marietta Division customer would increase from \$32.51 to \$47.19, or by 45%, for a customer using 5,000 gallons per month with a 5/8 inch meter.
- C. The Company serves approximately 10,223 customers (9,537 residential) in the Townships of West Hempfield, Rapho, East Donegal and Manor,

and the Boroughs of Columbia, Mountville and Marietta in Lancaster County and Hellam Township in York 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 Company's rate increase request indicates that the Company'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 Company 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 Company 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

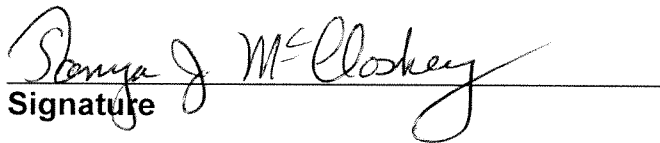
The Acting Consumer Advocate respectfully requests that Your Honorable Commission take the following actions:

- 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 Company's current rates and its proposed increases in rates;
- D. After providing the public with adequate notice, hold public input hearings in the Company's service territory, 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 Company, 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, Tanya J. McCloskey, 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).


Signature

July 19, 2017
Date

7. LEGAL REPRESENTATION

Christine Maloni Hoover, Sr. Assistant Consumer Advocate, PA Bar No. 50026

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

Phone (717) 783-5048
Facsimile (717) 783-7152
Email CHoover@paoca.org

**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 Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the proposed rate increase requested by Columbia Water Company (Company).

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

The Acting Consumer Advocate has filed this Formal Complaint and will, in the course of the proceedings, investigate the Company's proposed rate increase of \$923,668 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. Under the Company's proposal, the proposed base rates (excluding surcharges) for a Consolidated Columbia Division customer using 5,000 gallons per month would increase from \$41.70 to \$47.19, or by 13%. The proposed rates for a current Marietta Division customer would increase from \$32.51 to \$47.19, or by 45%, for a customer using 5,000 gallons per month with a 5/8 inch meter. The Company serves approximately 10,223 customers (9,537 residential) in the Townships of West Hempfield,

Rapho, East Donegal and Manor and the Boroughs of Columbia, Mountville and Marietta in Lancaster County and Hellam Township in York County.

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