

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 14, 2018

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

Re: Pa. Public Utility Commission
v.
Hidden Valley Utility Services, L.P. -- Wastewater
Docket No. R-2018-3001307

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.

Very truly yours,

/s/ Christine 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

*248850

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. :
Hidden Valley Utility Services, L.P. --Wastewater : Docket No. R-2018-3001307

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 14th day of May 2018.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

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

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

Jonathan P. Nase, Esquire
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101-1303

John Evans
Office of Small Business Advocate
300 North Second Street
Commerce Building, Suite 202
Harrisburg, PA 17101-1303

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

Counsel for the Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: May 14, 2018
*248914

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)

Hidden Valley Utility Services, LP

3. TYPE OF UTILITY

Wastewater

4. COMPLAINT

- A.** On April 27, 2018, Hidden Valley Utility Services, LP (Company) filed Supplement No. 1 to Tariff Wastewater - Pa. P.U.C. No. 1, to become effective July 1, 2018. The Company, by filing this tariff supplement, seeks Commission approval to implement 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 \$185,432 from its customers. This represents an approximate 63.1% increase in the Company's annual revenues at present rates. Under the Company's filing, the proposed rates would increase from \$59.76 to \$96.42, or by 61.4%, for the average residential customer using 2,100 gallons per quarter. Under the Company's proposal, the proposed rates would increase from \$167.40 to \$270.30, or by 61.5%, for a customer using 9,000 gallons per quarter.
- C.** The Company serves approximately 1,154 customers in a portion of Jefferson Township, Somerset County, Pennsylvania.

- D. The Company concurrently filed Supplement No. 1 to Tariff Water – Pa. P.U.C. No. 1, at Docket No. R-2018-3001306, seeking Commission approval to increase the level of rates that it charges for providing water service to its customers.
- E. If both proposed tariff supplements become effective, combined, the rates would increase from \$242.13 to \$416.10, or by 71.8%, for a customer using 9,000 gallons per quarter.
- F. 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.
- G. 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:

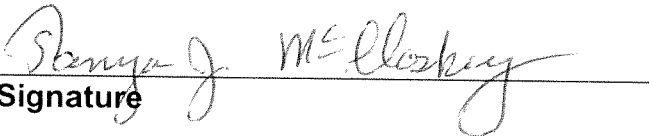
- A. Suspend and investigate the operation of the proposed tariff supplement, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B. Consolidate all complaints filed against the proposed increase;
- C. Hold full evidentiary hearings examining the reasonableness of the Company's 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

May 14, 2018
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 Hidden Valley Utilities Services-Wastewater (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 \$185,432 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 filing, the proposed rates would increase from \$59.76 to \$96.42, or by 61.4%, for the average residential customer using 2,100 gallons per quarter. A customer using 9,000 gallons per quarter would see proposed rates increase from \$167.40 to \$270.30, or by 61.5%. The Company serves approximately 1,154 customers in a portion of Jefferson Township, Somerset County, Pennsylvania.