

FORMAL COMPLAINT
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

1. COMPLAINANT

Tanya J. McCloskey, Acting Consumer Advocate

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2. UTILITY NAME

Penn Estates Utilities, Inc. and Utilities, Inc. of Pennsylvania, Docket Nos. P-2015-2464236 and P-2015-2464251

3. TYPE OF UTILITY

Wastewater

4. COMPLAINT

A. On January 26, 2015, pursuant to Section 1353 of the Public Utility Code, Penn Estates Utilities, Inc. (Penn Estates) and Utilities, Inc. of Pennsylvania (UIP)(collectively referred to as Companies) filed a Petition for Approval of a Long Term Infrastructure Improvement Plan and Approval to Establish and Implement a Distribution System Improvement Charge (Petition). 66 Pa. C.S. § 1353.

B. The Companies' filing contains proposed Supplement No. 11 to Tariff Sewer – Pa. P.U.C. No. 3 (Penn Estates), with an effective date of June 1, 2015 and Supplement No. 9 to Tariff Sewer – Pa. P.U.C. No. 1 with an effective date of June 1, 2015 (UIP). Both Supplements propose an initial DSIC rate of 0%. Effective September 1, 2015, the Companies will provide the calculation of its initial DSIC to recover the fixed costs of eligible plant additions placed into service between June 1, 2015 and July 31, 2015. According to the proposed tariffs, the

Companies will use the equity return rate approved in the Companies' last fully litigated base rate cases for which a final order was received not more than two years prior to the effective date of the DSIC or, if not available, the calculated rate in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities DSIC return.

C. Penn Estates provides wastewater service to approximately 1,725 wastewater connections and approximately 58 availability customers in portions of Stroud and Pocono Townships in Monroe County.

D. UIP provides wastewater service to approximately 1,326 wastewater connections and two elementary schools in portions of West Bradford Township, Chester County.

E. The proposed DSIC rates calculated in accordance with the proposed tariffs may be unjust or unreasonable, in violation of Section 1301, 66 Pa. C.S. § 1301.

F. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the Pennsylvania General Assembly, 71 P. S. §§ 309-1 *et seq*, as enacted July 9, 1976.

G. After initial review of the Companies' filing, the Consumer Advocate files this Formal Complaint in order to ensure that the Companies' proposed DSIC tariffs and DSIC rates do not result in rates and charges that are excessive, discriminatory or otherwise contrary to Commission regulations or policy.

5. RELIEF

The Consumer Advocate respectfully requests that the Public Utility Commission:

A. Hold evidentiary hearings as provided by Section 1355 of the Public Utility Code, 66 Pa. C.S. § 1355, to review the Petition;

B. Hold public input hearings in Penn Estates and UIP's service territories, if consumer interest arises, 66 Pa. C.S. § 1355;

C. Modify or reject the DSIC and initial tariffs if they are not found to be in compliance with Sections 1351, 1353, 1357 and 1358 of the Public Utility Code, 66 Pa.C.S. §§ 1351, 1353, 1357, 1358;

D. Modify or reject the DSIC and initial tariffs if they are not found to be just and reasonable and in the public interest; and

E. Grant any other relief deemed necessary.

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)

February 17, 2015

(Date)

7. LEGAL REPRESENTATION

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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 P.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 Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the PUC involving the initial Distribution System Improvement Charge (DSIC) tariff and rate proposed by Penn Estates Utilities, Inc. (Penn Estates) and Utilities, Inc. of Pennsylvania (UIP) (collectively referred to as Companies) at Docket Nos. P-2015-2464236 and P-2015-2464251.

On January 26, 2015, the Companies filed a Petition for Approval of a Long Term Infrastructure Improvement Plan and Approval to Establish and Implement a Distribution System Improvement Charge pursuant to 66 Pa. C.S. § 1353. The Companies ask that their initial DSIC rates be set at 0% and that their September 2015 filings be calculated in accordance with their proposed tariffs.

The Consumer Advocate has filed this Complaint with the PUC to ensure that each aspect of the Companies' proposed tariffs is scrutinized and that the proposed DSIC rates are consistent with Sections 1301, 1351, 1353, 1357 and 1358 of the Public Utility Code, and sound public policy. A thorough analysis and review is appropriate because the proposed tariffs will implement recent legislation and are only the third such filing by a wastewater utility. It is critical that the DSIC be calculated correctly, recover only costs of DSIC-eligible property, and be applied equally to all customer classes. The OCA, therefore, will seek to ensure that only those costs which comply with the requirements of the Public Utility Code will be paid through a DSIC by the Companies' ratepayers. In addition, the OCA will seek to ensure that any DSIC rates approved by the Commission are not otherwise excessive.