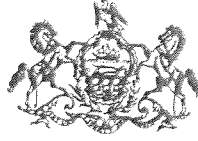


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, Pennsylvania 17101-1923  
(717) 783-5048  
800-684-6560

FAX (717) 783-7152  
consumer@paoca.org

June 7, 2018

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

Re: Pa. Public Utility Commission  
v.  
The York Water Company  
Docket No. R-2018-3000019

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/ Hayley E. Dunn  
Hayley E. Dunn  
Assistant Consumer Advocate  
PA Attorney I.D. # 324763  
E-Mail: [HDunn@paoca.org](mailto:HDunn@paoca.org)

Attachment

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

\*248448

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
v. : Docket No. R-2018-3000019  
The York 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 7th day of June 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, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

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

Michael W. Hassell, Esquire  
Devin T. Ryan, Esquire  
Post & Schell, P.C.  
17 North Second Street, 12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

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

/s/ Hayley E. Dunn  
Hayley E. Dunn  
Assistant Consumer Advocate  
PA Attorney I.D. # 324763  
E-Mail: [HDunn@paoca.org](mailto:HDunn@paoca.org)

Harrison W. Breitman  
Assistant Consumer Advocate  
PA Attorney I.D. # 320580  
E-Mail: [HBreitman@paoca.org](mailto:HBreitman@paoca.org)

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

Counsel for the Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
Dated: June 7, 2018  
\*248450

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Formal Complaint**

**1. CUSTOMER NAME (COMPLAINANT)**

Tanya J. McCloskey, Acting Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152

**2. UTILITY NAME (RESPONDENT)**

The York Water Company  
Docket No. R-2018-3000019

**3. TYPE OF UTILITY**

Water and Wastewater

**4. COMPLAINT**

- A. On May 30, 2018, The York Water Company (York Water or the Company) filed with the Pennsylvania Public Utility Commission (Commission) Supplement No. 130 to its Tariff Water – Pa. P.U.C. No. 14 (Supplement No. 130) and Supplement No. 6 to its Tariff Wastewater – Pa. P.U.C. No. 1 (Supplement No. 6) at Docket No. R-2018-300019.
- B. Through Supplement No. 130, the Company proposes a general increase in annual water revenues of \$6,398,961. Through Supplement No. 6, the Company proposes a general increase in wastewater revenues of \$288,623 per year. York Water proposes that the water and wastewater rate increases become effective on August 1, 2018.
- C. York Water is engaged in the business of providing water service to more than 67,300 customers and wastewater service to 2,285 customers. The Company provides water service in parts of York and Adams Counties and wastewater service in parts of York County.
- D. Under the Company's proposal, the typical monthly water bill for residential gravity customers using 4,600 gallons of water per month would increase from \$37.78 to \$41.84 per month, or by 10.7%. The typical water bill for residential repumped customers using 3,699 gallons of water per month would increase from \$44.72 to \$49.11 per month, or by 9.8%.

- E. Under the Company's proposal, the typical wastewater bill for residential customers would increase by 25%, as follows: for customers in Asbury Pointe Subdivision, from \$50.00 to \$62.50 per month; for customers in East Prospect Borough and Lower Windsor Area using 4,874 gallons of water per month, from \$51.75 to \$64.69; and for customers in West York Borough Area from \$26.17 to \$32.71 per month per dwelling unit.
- F. York Water proposes to allocate a portion of the wastewater rate increase to the Company's water customers under Section 1311(c) of the Public Utility Code, 66 Pa. C.S. § 1311(c).
- G. In its base rate filing, the Company utilizes a fully projected future test year ending February 29, 2020.
- H. York's proposed rate increase for water and wastewater, if approved, would produce an overall rate of return of 8.48% that includes a common equity cost rate of 11.00% and a cost of debt rate of 5.59%.
- I. York proposes to increase the 5/8-inch water customer charge (for gravity and repumped customers) from \$16.00 to \$18.50 per month, which is an increase of 15.6%.
- J. York states that its proposed rate increase reflects reduced tax expense resulting from the Tax Cuts and Jobs Act (TCJA). By Order entered May 17, 2018, the PUC required York and all parties to this proceeding to address the effect of the federal tax rate reduction on rates charged during the term of the suspension period and, in particular, whether a surcharge or other measure is necessary to account for the tax rate changes that became effective on January 1, 2018.
- K. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the General Assembly, as amended, 71 P.S. §§ 309-1, *et seq.*
- L. A preliminary examination of the Company's base rate filing, indicates that the proposed increases in rates may be unjust, unreasonable, in violation of law, and will or may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. § 1301, *et seq.*
- M. The Acting Consumer Advocate avers that the proposed tariff changes and proposed rate design may be unjust, unreasonable, and unlawfully discriminatory in violation of the Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304, *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.
- N. The Acting Consumer Advocate also avers that the Company's existing rates, rules, and regulations are or may not be just and reasonable or otherwise

proper under the Public Utility Code, 66 Pa. C.S. § 1301, *et seq.*, and applicable ratemaking principles.

- O. The Acting Consumer Advocate further avers that the Company's existing rates may not properly reflect any 2018 tax expense savings resulting from the Tax Cuts and Jobs Act (TCJA), which should be timely returned to customers.
- P. The Acting Consumer Advocate files this Formal Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether the Company's existing and proposed rates and all rate policy changes are unjust, unreasonable, unduly discriminatory, or otherwise unlawful.

## 5. RELIEF

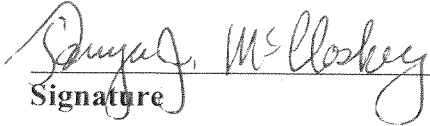
The Acting Consumer Advocate respectfully requests that the Commission take the following actions:

- A. Suspend and investigate the operation of the Company's proposed Supplement No. 130 and Supplement No. 6, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B. Consolidate all complaints filed against the proposed increases;
- C. Hold full evidentiary hearings examining the reasonableness of the York Water'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, and hold those hearings as early in the case as feasible;
- 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, Acting Consumer Advocate, 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

6/7/18  
Date

7. **LEGAL REPRESENTATION**

Erin L. Gannon, Senior Assistant Consumer Advocate PA Attorney I.D. #83487  
Harrison W. Breitman, Assistant Consumer Advocate, PA Attorney I.D. #320580  
Hayley E. Dunn, Assistant Consumer Advocate, PA Attorney I.D. #324763

555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Dauphin County  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
Email: EGannon@paoca.org  
HBreitman@paoca.org  
HDunn@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 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 (Commission). 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 Commission involving the proposed water and wastewater rate increases requested by The York Water Company (York Water or the Company).

York Water is engaged in the business of providing water service to more than 67,300 customers and wastewater service to 2,285 customers. York Water provides water service in parts of York and Adams Counties and wastewater service in parts of York County. On May 30, 2018, York Water Company filed with the Commission Supplement No. 130 to its Tariff Water – Pa. P.U.C. No. 14 and Supplement No. 6 to its Tariff Wastewater – Pa. P.U.C. No. 1 at Docket No. R-2018-300019. The Company proposes a general increase in water revenues of \$6,398,961 per year and a general increase in wastewater revenues of \$288,623 per year to become effective in rates charged on and after August 1, 2018.

Under the proposed water rate increase, residential gravity customers using 4,600 gallons per month would experience a bill increase from \$37.78 to \$41.84 per month, or by 10.7%. Residential repumped customers using 3,699 gallons per month would experience a bill increase from \$44.72 to \$49.11 per month. Under the proposed wastewater rate increase, the typical wastewater bill for residential customers would increase by 25%, as follows: for customers in Asbury Pointe Subdivision, from \$50.00 to \$62.50 per month; for customers in East Prospect Borough and Lower Windsor Area using 4,874 gallons of water per month, from \$51.75 to \$64.69; and for customers in West York Borough Area from \$26.17 to \$32.71

per month per dwelling unit. In addition, York Water proposes to allocate a portion of the wastewater rate increase to the Company's water customers under Section 1311(c) of the Public Utility Code, 66 Pa. C.S. § 1311(c).

The Office of Consumer Advocate (OCA) will participate in this proceeding in order to determine whether the rate increases and other tariff changes proposed by York Water are just and reasonable based upon the information submitted by York in support of its claim. The OCA will also examine the Company's existing rates to determine whether those rates properly reflect any 2018 tax expense savings resulting from the Tax Cuts and Jobs Act, which should be timely returned to customers. The OCA will represent the interests of York Water's customers before the Commission and seek to ensure that customers are not charged rates that are unjust, unreasonable, unduly discriminatory, or otherwise inconsistent with the Public Utility Code, sound ratemaking principles and public policy.