



# The York Water Company

130 East Market St., York, PA 17401

November 5, 2018

Via E-Filing

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Sincerely,

Re: M-2016-2543193, Tentative Supplemental Implementation Order, Section 1329 to the Code.  
The York Water Company comments

Secretary Chiavetta:

The York Water Company ("York Water") appreciates the opportunity to comment on this tentative Supplemental Implementation Order entered September 20, 2018 regarding the implementation of Section 1329 of the Pennsylvania Public Utility Code.

The York Water Company is America's oldest public utility and has been providing service for over 200 years. York Water currently provides water and/or wastewater service to about 190,000 people in 48 municipalities in York and Adams Counties.

We believe that Section 1329, as envisioned by the legislature and Governor Wolf's office, creates the ability to facilitate partnerships between regulated water/wastewater utilities and local municipalities and authorities and provide those entities with expanded options which provide their constituents with high quality, regulated, water and wastewater services while also providing the municipalities with much needed resources while reducing their future liabilities.

Although York Water has not fully utilized Section 1329, we have been monitoring the process, benefits, and issues. We have several comments for your review:

## **Application Check List**

Overall, we believe the Application Filing Checklist is onerous with many of the items regarding costs, values, and environmental issues either unnecessary or redundant with other necessary filings. In recent years we have noticed similar issues with Section 1102 applications. We believe the Commission staff has an opportunity to reduce their own workload by providing a "materiality threshold" in which Section 1329 acquisitions which fall below this threshold should have a reduced approval process. This would allow Commission staff to allocate resources on larger and more material acquisitions. This materiality threshold could be established on a "cost/customer" basis, or an overall cost not to exceed (for example) \$5 million, or some other threshold.

## **Rate Impact and Substantial Public Benefit**

York Water agrees with the Commonwealth Court (*Tanya J McCloskey, Acting Consumer Advocate v. Pennsylvania Public Utility Commission*, No. 1624 C.D. 2017 (Pa. Cmwlth. Oct. 11, 2018)), that the Commission should address the impact on rates and determine whether there is a substantial public benefit to a public utility's acquisition of a water or wastewater system as part of the Section 1329 process. We believe that this is necessary, very early in the process, to be able to communicate to the acquired systems customers, or, if proposing to allocate rates amongst all of the acquiring utility's customers, the anticipated rate impact on those customers.

York Water also believes that the extensive use of Section 1329 in combination with the ability to spread the costs across a large existing customer base unreasonably favors only the largest utilities and should not be allowed unless the acquiring utility currently provides water service and the acquisition is for the wastewater system serving those customers, such as would occur under Act 11.

The York Water Company appreciates the opportunity to comment on this proposed order and we are available to answer questions as needed.

Sincerely,

A handwritten signature in blue ink, appearing to read "JRH". The signature is stylized and cursive.

Jeffrey R. Hines, P.E.  
President and Chief Executive Officer