

May 21, 2024

## **NOTICE OF PROPOSED RATE CHANGES**

### TO OUR CUSTOMERS:

The City of Lock Haven Water Department (“City” or “Water Department”) is filing a request with the Pennsylvania Public Utility Commission (“PUC” or “Commission”) to increase your water rates as of July 23, 2024. This notice describes the Water Department’s rate request, the PUC’s role, and what actions you can take.

The Water Department is proposing an overall rate increase of approximately \$990,432 per year, or 64.2%. Of this amount, the City is specifically seeking PUC approval to increase rates for customers outside of the City by \$377,823, or 71.4%.

In addition, the City is proposing to implement a PENNVEST Surcharge (“PVS”) which will allow the Water Department to recover costs for several PENNVEST low-interest loans that have and will continue to be awarded to the City to enable mandated repairs and improvements to the water system. The total proposed increase to be recovered from the PVS, to be put in place at the same time as the base rate increase goes into effect is \$334,396. Of this amount, \$106,048 will be recovered from customers outside the City. While the PUC only approves rates applicable to customers located outside the City, the Water Department will apply the same approved rate increase to all of its customers.

The City last increased water rates on January 1, 2011. While the City has maintained present rates since that time, additional revenues are now necessary to meet rising operational costs and fund various system improvements. These improvements are necessary to update aging infrastructure and continue providing safe and adequate service to customers.

If the Water Department’s entire request is approved, the total bill (including the base rate increase and PVS) for customers located inside or outside the City will increase as follows:

The total bill for a residential customer using approximately 13,500 gallons of water per quarter (148.5 gallons per day) would increase from \$100.46 to \$108.85 per quarter, or by 8.4%.

The total bill for a commercial customer using approximately 47,300 gallons per quarter (519.9 gallons per day) would increase from \$260.72 to \$400.32 per quarter, or 53.5%.

The total bill for an industrial customer using 2,330,472,500 gallons per quarter (25,609,588 gallons per day) would increase from \$3,904.79 to \$13,432.95 per quarter, or 244.0%.

The total bill for an education customer using 244,200 gallons per quarter (2,684 gallons per day) would increase from \$767.97 to \$1,646.78 per quarter, or 114.4%.

The total bill for a public health customer using 78,200 gallons per quarter (859.3 gallons per day) would increase from \$332.41 to \$558.34 per quarter, or 68.0%.

To find out your customer class or how the requested increase may affect your water bill, contact the City of Lock Haven Water Department at (570) 893-5909. The rates requested by the City may be found in Supplement No. 19 to Tariff Water – Pa. P.U.C. No. 1. You may examine the material being filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at the City of Lock Haven Water Department office, 20 East Church Street, Lock Haven, PA 17745.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The City must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the City as shown above.

**If you are a customer living outside the City of Lock Haven, i.e., in Allison, Castanea or Wayne Townships, you may challenge the rate increase request before the PUC.** There are three (3) ways to challenge the City’s request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before July 23, 2024. If no formal complaints are filed, the Commission may grant all, some, or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometime there is information in these letters that makes us aware of problems with the City’s service or management. This information can be helpful when we investigate the rate request. Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA, 17120. Complaint forms may also be accessed on the Commission’s website.
3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the City’s rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the City representatives. All testimony given “under oath” becomes part of the official rate case record. These hearings are held in the service area of the City.

Again, the PUC only has jurisdiction over the requested rate increase for customers living *outside* the City of Lock Haven’s municipal boundaries.

CITY OF LOCK HAVEN  
WATER DEPARTMENT