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June 14, 2024

Via Federal Express

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

Re: Petition of the City of Lock Haven Water Department for Authorization to Implement a PENNVEST Surcharge, Docket No. P-2024-3049249

Dear Secretary Chiavetta:

Pursuant to the Secretarial Letter issued May 31, 2024, enclosed for filing please find the City of Lock Haven Water Department's *pro forma* tariff supplement, which replaces Exhibit 4 of Lock Haven's Petition in the above-referenced matter. Amended Exhibit 4 also reflects on Page 25E some minor corrections to ensure the tariff consistently refers to the "equivalent residential meter size" (or "ERMS"). Copies to be served in accordance with the attached Certificate of Service.

Sincerely

Sarah C. Stoner
Sarah C. Stoner

SCS/lww
Enclosure

cc: Cert. of Service w/enc.
Paul Zander w/enc. (pzander@pa.gov)

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the City of Lock Haven’s *Pro Forma* Tariff Supplement upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email Only

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Dated: June 14, 2024

Sarah C. Stoner
Sarah C. Stoner, Esq.

Amended Exhibit 4

XV. Schedule of Rates (Continued)

(C)

C. PENNVEST Surcharge (PVS)

1. In addition to the charges provided in this tariff, and for the limited purpose of recovering PENNVEST loan principal and interest only for used and useful assets financed by such loans, a per equivalent residential meter size (“ERMS”) surcharge will be uniformly applied to all classes (with the exception of public fire protection customers and customer served pursuant to pre-existing wholesale contracts) for service rendered on or after July 23, 2024.

2. This per ERMS surcharge is calculated to recover the total principal and interest amounts payable pursuant to the final PENNVEST amortization schedule for the Water Department’s PENNVEST loan obligations that have not been included in the rates charged to Lock Haven customers. This and the provisions below shall apply to the following PENNVEST loans:

Loan Number / Identifier	PENNVEST Approval Date
18889092201-CW	April 20, 2022

3. The currently effective quarterly PVS is as follows based on meter size:

Meter Size	PVS
5/8” or 3/4”	\$19.96
1”	\$49.91
1 ¼”	\$74.86
1 ½”	\$99.82
2”	\$159.71
3”	\$349.37
4”	\$628.86
6”	\$1,297.66
8”	\$2,794.95
10”	\$4,192.43
12”	\$5,290.44

(C) = Change

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4. The PVS per ERMS is determined as follows: (C)
- $$\text{PVS} = (\text{PI}/\text{ERMS})/4$$
- Where PVS = the prospective PENNVEST Quarterly Surcharge per ERMS;
- PI = the annual Principal and Interest per the PENNVEST Loans listed in Paragraph 2 above; and
- ERMS = the current maximum capacity of a meter in comparison to a 5/8th inch meter as determined from the Water Department's Billing Records.
5. The Water Department will recalculate the prospective surcharge amount in a Section 1308(a) filing made: (i) annually; (ii) with 60 days' notice of a material change to PI or ERMS; or (iii) at the time of a general rate case filing under Section 1308(d) of the Public Utility Code.
- a. For purposes of this recalculation, a material change is a change that would result in a cumulative increase or decrease in the currently approved PVS of 1.5% or more.
6. In the annual filing, the Water Department shall include a reconciliation pursuant to 66 Pa. C.S. § 1307(e) (the initial reconciliation period may be less than a 12-month period to account for the customary lag between the reconciliation and computational periods). The annual filing shall be filed within thirty (30) days following the end of the reconciliation period. The reconciliation or "e" factor shall be designed to recover or to credit customers for any amounts under or overbilled in the prior 12 months (compared to the total PI to be recovered). No interest is to be applied to any over or under collections.
7. The PVS is reflected as a separate line item on each customer's bill.
8. The PVS shall remain in effect until the principal and interest charges (amounts payable pursuant to the final amortization schedule) for the applicable loan have been collected.
9. The PVS mechanism will be continued but set at zero if there are no PENNVEST loans approved by the Public Utility Commission for surcharge recovery.

(C) = Change

10. The PVS is solely designed to begin timely recovery of PENNVEST principal and interest loan obligations. All amounts charged pursuant to the surcharge are subject to audit and review by the Public Utility Commission and/or in a complaint proceeding. (C)
11. The Water Department will segregate all revenues dedicated for PENNVEST repayment so long as the surcharge remains in effect.
12. The Water Department may include subsequent qualifying PENNVEST loans for recovery in the PVS by making a Section 1308(a) filing with the Commission at least sixty (60) days prior to the proposed effective date of the PVC revision. The Water Department shall provide notice to affected customers at that time and shall also provide all the information required by this Tariff, and any other data required to be provided by the PUC.

(C) = Change