

# **THE YORK WATER COMPANY**

## **Statement of Reasons For the 2025 Rate Increase Request**

The York Water Company (the “Company”) is requesting Public Utility Commission (“PUC”) approval for a base rate increase for water customers of \$20.3 million, and for wastewater customers, of \$3.9 million to begin August 1, 2025. From our past experience, it is likely the PUC may suspend implementation of the rates until its investigation of the need for the increases is completed which may take until March 2026.

### **Rate Increase**

The Company last filed for base rate increases for its water and wastewater operations in May 2022, three years ago. Our main reasons for the increase are as follows:

- Recovery of \$145 million in capital expenditures. The Company has greatly increased the total plant investment from the level claimed in our last rate request in 2022. This increase of approximately \$145 million (through February 2027) in system improvements since the last rate request includes the following major items:
  1. Replacement of 30 miles of pipe. Replacement, reinforcement, and relining of aging water mains, replacement of service lines, meters, and hydrants. Nearly 30 miles of aging pipeline, about 3% of the Company’s total in service, was replaced. This replacement strategy extends the life of our infrastructure, reduces costs associated with main breaks and leaks, improves pipe efficiency while reducing energy demand and provides improved customer service and reliability.
  2. Distribution system improvements. Improvements to standpipes and pumping equipment to ensure customers have a safe and reliable supply of water that meets current and proposed regulations.
  3. Pumping equipment. Upgrade of pumping equipment at the Company’s water and wastewater pump stations to increase efficiency that reduces costs and provide redundancy and reliability.
  4. Construction and expansion of wastewater treatment plants. Construction required to service the wastewater needs of growing communities in a safe and efficient manner that meets or exceeds increasingly stringent regulatory and discharge requirements.
  5. Enhanced security. System monitoring and information technology system upgrades.
  6. Improved customer service. Upgrade our enterprise resource planning platform to enhance customer service, increase efficiency, and enhance data security and compliance.
  7. Improvements to dams. Construction projects required by the Department of Environmental Protection to ensure that the dams continue to be safe and effective for many years into the future.

8. Lead service lines replacement. Replacement of all known company-owned lead service lines. In addition, replacement of customer-owned lead service lines when discovered and/or identified by the customer.
9. Upgrades to water and wastewater treatment equipment and facilities. These projects are necessary to maintain compliance with existing and proposed regulations and provide resiliency in operations.

Investments in these and similar projects, all of which are undertaken in York, Adams Franklin, and Lancaster Counties, are important to our ability to ensure a safe, adequate, and reliable supply of drinking water and to maintain proper handling and disposal of wastewater to our customers.

- While the Company has intentionally taken steps to control operating expenses, the costs of serving our customers at the level of service they deserve have gone up. The increase would allow the Company to recover costs for increased wages, benefits, chemicals, power, materials, and supplies and increased annual depreciation. Despite these increases, York Water remains one of the most efficient water utilities in the Nation, continuing to reduce or eliminate various expenses since its last rate case, including reduction in income taxes from the tax repair deductions. These reduced expenses are reflected in this rate filing.
- The increase would provide an opportunity for our 209-year-old Company to earn a fair return on the capital it has invested in infrastructure in our community and would assist the Company in maintaining a solid financial position.

Please refer to the Company's Direct Testimony and Exhibits for additional reasons for and support of the requested rate increase.