

**BOROUGH OF HANOVER
BOROUGH COUNCIL
PRESS RELEASE: JUNE 29, 2021**

-FOR IMMEDIATE RELEASE-

On Tuesday June 29, 2021, the Borough of Hanover filed a new tariff with the Pennsylvania Public Utility Commission (PUC) to request an increase in water consumption rates applicable only to water service provided outside the corporate boundaries of the Borough, which includes Penn Township, Conewago Township, and McSherrystown Borough water customers as well as limited customers in Heidelberg Township. Direct communication to every property owner within these jurisdictions regarding the tariff filing has occurred, and multiple posterboard notices are present in the Borough Office at 44 Frederick St, Hanover, PA 17331 explaining the tariff proposal.

The new water rates are necessary to recover increased costs to provide water service and are scheduled to become effective on August 28, 2021. Additionally, the request is to increase direct investment into the Borough's water transmission line rehabilitation program, through replacement or cleaning and lining services, to ensure dependable water quality supply is provided throughout the Borough's water system.

The Borough has requested an overall increase of \$1,563,100 annually, or 27.6% increase over current revenues. The Borough has not requested an increase in water rates since 2014. The requested increase would increase the average residential household user's bill by \$19.37 per quarter (or about \$0.22 per day), from \$68.94 to \$88.32. Quarterly bills to a typical commercial and industrial customer would increase from \$154.02 to \$204.11 and from \$1,366.66 to \$1,701.98, respectively. Increases in public and fire service rates are also incorporated into the new tariff.

Questions or further information regarding the water consumption rate increase request submitted to the PUC for customers residing outside the Borough or to find out what actions customers may take should be directed to Sam Miller, Director of Finance/Treasurer, at the Borough Office at (717) 637-3877. Copies of the required PUC communications are attached for reference.

NOTICE OF PROPOSED RATE CHANGES

TO OUR CUSTOMERS:

The Borough of Hanover is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your water rates as of August 28, 2021. This notice describes the Borough rate request, the PUC's role, and what actions you can take.

The Borough of Hanover has requested an overall rate increase of \$1,563,100 per year. If the Borough's entire request is approved, the total bill for a residential customer using 11,000 gallons per quarter with a 5/8-inch meter would increase from \$68.94 to \$88.32 per quarter, or by 28.1%.

The total bill for a commercial customer using 37,000 gallons per quarter with a 5/8-inch meter would increase from \$154.02 to \$204.11 per quarter, or by 32.5%.

Rates for an industrial customer using 332,000 gallons per quarter with a 2-inch meter would increase from \$1,366.66 to \$1,701.98 per quarter, or by 24.5%.

To find out your customer class or how the requested increase may affect your water bill, contact the Borough of Hanover at (717) 637-3877. The rates requested by the Borough may be found in Supplement No. 32 to Tariff Water-Pa. P.U.C. No. 3. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at the Borough of Hanover's office. Upon request, the Borough will send you the Statement of Reasons for Supplement No. 32 to Tariff Water-Pa. P.U.C. No. 3, explaining why the rate increase has been requested.

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 Borough 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 Borough and shown above.

There are three (3) ways to challenge the Borough'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 August 28, 2021. If no formal complaints are filed, the Commission may grant all, some, or none of the requests without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in the letters that makes us aware of problems with the Borough'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, P.O. Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Borough's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity present your views in person to the PUC judge hearing the case and the Borough representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Borough.

For more information, call the PUC at 1-800-692-7380. You may leave your name and address so you can be notified of any hearings that may be scheduled in this case.

BOROUGH OF HANOVER

NOTICE OF SUBMISSION OF PROPOSED DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) AND INITIAL DSIC TARIFF

TO OUR CUSTOMERS

On June 29, 2021, the Borough of Hanover filed a request with the Public Utility Commission (PUC) to implement a DSIC to provide for the timely recovery of the reasonable and prudent costs incurred to repair, improve or replace eligible property that is part of the Borough's water distribution system.

The DSIC tariff submitted to the PUC does not propose any immediate change in water service rates but would allow the Borough to implement a charge on a quarterly basis, in the future, to recover the fixed cost of eligible property that has not previously been reflected in the Borough's rates or rate base.

The PUC will examine the DSIC filing and may approve, modify or reject it.

You may examine the material the Borough filed with the PUC which contains the requested DSIC and the initial DSIC tariff. A copy of this material is kept at the Borough's office.

There are three ways to challenge the Borough's request for a DSIC:

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 DSIC request. All complaints should be filed with PUC as soon as possible.
2. You can send the PUC a letter telling why you object to the requested DSIC. Sometimes there is information in these letters that makes the PUC aware of problems with the Borough's service or management. This information can be helpful when investigating the DSIC request. Send your request for a formal complaint form or your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
3. You can be a witness at a public input hearing. Public input hearings are held if the PUC opens an investigation of the Borough's DSIC 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 Borough representatives. All testimony given "under oath" becomes part of the official case record.

For more information, call the PUC at 1-800-692-7380. You may leave your name and address so you can be notified of any hearings that may be scheduled in this case.

BOROUGH OF HANOVER