



*Appalachian Utilities, Inc.  
1674 Park Ave.  
Lock Haven, PA 17745*

June 9, 2017

Dear State Representative,

I would like to take this opportunity to sincerely thank you for your dedication to help our community reduce unnecessary and redundant water regulations that come with overwhelming fees and outrageous demands made by the Susquehanna River Basin Commission (SRBC). Our small company and our small community are currently in need of urgent help from you with these regulatory issues that already do or will affect 3.5 million Pennsylvania residents that live and work in the basin. The SRBC is forcing economic hardship on Pennsylvania residents living in the Susquehanna River Basin, public water supplies and private businesses. Below you will find my testimony and a number of other documents that will begin to convey our limited experience with this commission. Please contact me directly with additional questions or for clarification about the information presented in this testimony.

Appalachian Utilities, Inc. (Appalachian) is a small privately owned public water supply in central Pennsylvania. We maintain a public water distribution system which consists of 30 miles of water main line and provides water service to 1,450 accounts in the towns of Avis and Woolrich, and Pine Creek and Dunstable Townships. Roughly 3,000 Pennsylvania residents, their homes, dozens of businesses, two schools, one factory and a public fire suppression system in two communities rely on our maintenance work to provide a reliable and safe water service.

Appalachian has remained in compliance of all known state and federal regulations since its inception in 1996. This claim is evidenced in the reliable submission of all monthly and annual reports required by the Pennsylvania Department of Environmental Protection (PADEP) and the Pennsylvania Public Utility Commission (PAPUC) over the past 20 years. In June of 1997 three source groundwater wells (4, 5, and 6) were permitted by the PADEP for public water supply use and remain in compliance of those permit conditions, most importantly Special Condition A (**Attachment 1**). Due to financial considerations, and constantly increasing operating costs, Appalachian was forced to apply for a rate increase with the PAPUC in 2015 (Please note that this was the first water rate increase for our customers since 1996). The result of the 2015 PAPUC Rate Case was a relatively small increase in water rates and a stack of invoices exceeding \$270,000 to pay a team of attorneys and a team of rate consultants, both of which are necessary to battle the tax payer funded PAPUC and their various other overlapping regulatory branches (OCA, OI&E, OSBA, and OTUS). As you can imagine the financial strength of Appalachian in 2015 was low (hence the need for a rate case). In 2016 it was improving very slowly due to the enormous monthly payments required to pay off the bills incurred during a rate case vs. the PAPUC.

On September 29, 2016 the SRBC informed Appalachian, after 20 years of operation, that the company has been operating out of compliance with SRBC regulations since 1996 (**Attachment 2**). After receiving this initial letter, Appalachian spent countless hours of research attempting to determine the validity of this claim. Many questions were ask of SRBC staff via email and the majority of those questions remain unanswered to this day. SRBC failed to contact Appalachian from 1996 until September of 2016, not one letter or one phone call or a site visit or any communication with the PADEP or the PAPUC about Appalachian. After this initial letter, two conference calls were held, again very few answers were provided to Appalachian about SRBC regulations and process, however Appalachian did review the enormous fees that SRBC demand be paid as soon as possible.

On December 23, 2016 the SRBC made it clear that they were not satisfied at the speed Appalachian was attempting to understand their unreasonable demands (consider that it took them 20 years to do their jobs and communicate with a public water utility) so they issued our small public water utility a Notice of Violation with the threat of a fine that could exceed **\$1,819,000 and growing at \$1,000 per day per violation** (**Attachment 2**). Attachment 2 of this testimony (3 pages) represents the entire formal communication from the SRBC to Appalachian. In over two decades the SRBC sent one letter and one NOV letter. At this time they demand that Appalachian pay SRBC fees that will total over \$65,000 to comply with their outrageous demands. The NOV also suggests that if commission requirements are not met they will not allow Appalachian to operate the source wells which means no water will be pumped into the public water distribution system and fire suppression system serving our local communities. As of the date of this letter, Appalachian has not signed a consent order and agreement (COA) with the SRBC and is currently concerned about retaliation from the SRBC for providing this testimony. It is worth mentioning that I have spoken with several other water authorities in our area of central Pennsylvania and they refused to provide any testimony for fear of retribution by the SRBC.

After countless hours of research by Appalachian and several meetings with Professional Geologists regarding hydro-geologic work that will be required by the SRBC, it became evident that Appalachian is facing expenditures estimated to exceed \$200,000-\$300,000 or more to comply with SRBC demands. These costs will reoccur every 5 years according to SRBC policy and permit expiration. Please keep in mind the SRBC was informed in October of 2016 that these 3 wells are operating under a permit issued by the PADEP. The PADEP required aquifer testing prior to providing the permit that Appalachian holds for these three wells. The aquifer testing that was previously performed was completed by Pennsylvania licensed Professional Geologists and reviewed/approved by several PADEP Hydrogeologists in 1997 however these facts and regulation by the state of Pennsylvania does not mean anything to the SRBC. Our small company and local communities are facing potentially impossible financial burdens due to this overregulation and demands for unnecessary and redundant testing. Appalachian would be forced to pass these massive financial burdens (by increasing the water rates again which could cost another \$200,000 or more in associated fees for another PAPUC rate case) onto relatively low income communities that simply cannot afford to comply with these unreasonable quasi government demands.

The SRBC failed to contact Appalachian for 20 years and currently they are in a desperate hurry to collect their fee monies, likely because the natural gas activity has significantly slowed. I have personally worked with many different aspects of State and Federal regulatory issues for over 15 years, the demands made by the SRBC are unreasonable and their abuse of power coupled with their outrageous fees can be more accurately described, in my opinion, as extortion.

Appalachian has been working very hard to try and figure out how the company can afford the outrageous SRBC compliance fees that will exceed \$65,000 and we simply cannot afford the \$200,000 or \$300,000 or more that the SRBC is planning to force us to spend during their permitting process without applying to the PAPUC for emergency rate relief affecting our customers and your constituents.

**Attachment 3** is a Sub basin Table that has been created to better illustrate the bizarre and imbalanced structure of the SRBC that was established in 1972. The SRBC is comprised of 4 commissioners: 1 represents Pennsylvania, 1 from NY, 1 from MD, and 1 appointed by the United States government. Therefore, Pennsylvania residents are being represented by a 1 in 4 (or 25%) say in the decision making process, policies, and fee schedule of the SRBC. Conversely, Pennsylvania residents make up 83% of the population affected by their policies and 76% of the area affected by their policies. If we were able to break down the revenue stream (fees incoming via permitting/regulation) by state, I would estimate that well over 90% of the revenue is coming from Pennsylvania. The figures and information used to generate this spreadsheet chart are directly from the SRBC website.

**Attachment 4** is the Annual Report Review Table summarizing the review of all available Annual Reports that were provided by the SRBC. Unlike tax payers and businesses that are heavily regulated by state and federal government, this commission decided to not complete the Annual Report on three separate occasions. This table confirms the massive increase in revenue collected as a direct result of the natural gas industry. It would be interesting to compare the number of SRBC employees from 1972 to present and would be equally interesting to review specific salary and benefit expenditure figures for 2013 to present.

**Attachment 5** is the SRBC Regulatory Program Fee Schedule. With respect to the Groundwater Withdrawal Fees on page 5 and according to conversations with SRBC staff the “technical review” for each line within a category is the same however this commission charges \$8,225 to review a groundwater source that needs to pump 99,999 gallons per day (gpd) and charges \$24,775 to review a groundwater source that needs to pump 999,999 gpd. A more disturbing detail in the fee schedule is that a privately owned company requesting a permit for 100,000 gpd will be charged \$12,375 however a municipal entity would be charged \$6,953 for the very same source. This commission is openly prejudice against ALL private business. Why is this federal intrastate compact attempting to eliminate private business?

A member of the SRBC staff has attempted to persuade Appalachian to file for an Aquifer Testing Plan Waiver for each well at a cost of \$5,125 per well or a total cost of \$15,375. What the staff member initially failed to mention is that if the waiver is denied by the SRBC for any reason that money is forfeited and is not applied towards other SRBC fees that are required during their permitting process. From a business and common sense standpoint this “Waiver” is nothing more than a scam, for any reason the SRBC can deny the waiver and collect the entire \$5,125 or \$15,375 in our case.

After conversations with several Professional Geologists, the SRBC would certainly deny any waiver application from Appalachian based on their opinion that a 48 hour pump test is not acceptable, even though it was and still is to the PADEP. The opinion of SRBC geologists to only accept a 72 hour pump test is not an industry standard, it is being used to drive up the cost of these permits and providing solid ground for the SRBC to deny most historic hydrogeological work that was completed in the past.

I am told by several professionals working in the natural gas industry that the SRBC forces them to pay a yearly "Monitoring Fee" for every natural gas pad. This fee is required by the SRBC with complete disregard for the level of activity at that location. If that pad sees zero human activity during the year, meaning not one gallon of water is used at that location, the "Monitoring Fee" is still assessed and received by the SRBC. Once again collecting money for no "service".

**Attachment 6** is documentation of Appalachians research into SRBC demands and the associated costs related to aquifer testing. Aquifer testing was completed on Appalachians 3 source wells, PADEP approved of the testing and later provided a permit based on that information that specifically defines a pumping rate for each individual well. Appalachian has complied with those permit conditions for over 20 years with no aquifer/groundwater issues, no dewatering issues and no drought issues or triggers. SRBC refuses to recognize historic work completed by Appalachian and the PADEP. They demand a 72 hour pump test to justify their positions and to drive up costs for these projects. The going rate for a 72 hour pump test on a groundwater well is roughly \$35,000 per well for the aquifer test alone. In several conversations with experienced and highly qualified Professional Geologists, this demand is unnecessary and simply not justified in most cases. In this attachment you will find a letter from one Professional Geologist I spoke with, his opinion of the SRBC is what you will find as the industry standard from Professional Geologists in Pennsylvania that have had contact with the SRBC.

**Attachment 7** is documentation regarding an Anadarko Permit from 2011. In 2010 Anadarko applied for a permit from the SRBC to obtain source water (purchase bulk water) from Appalachian. As part of that process the SRBC claims to review the source water location and approves or disapproves based on their "technical review" and potential impacts to the basin. In the fall of 2016 I was told by SRBC staff that SRBC did not learn about and did not know about Appalachian until 2016. In 2011 SRBC collected permit fees from Anadarko and approved Anadarko to take bulk water from Appalachian. I am not a Professional Geologist but in order for SRBC to "approve" a source water for use in the natural gas industry and issue a SRBC permit should they not have investigated the source before providing approval. What the SRBC did in a nut shell is provide a permit to Anadarko to take bulk water from Appalachian who's sources were not only not reviewed or investigated by SRBC staff but not even APPROVED to operate as a source for Appalachian's own use according to their own regulations. Once again, collecting fee money and not providing any "service".

In closing, please consider the following questions:

- Why does the SRBC not regulate surface water withdrawal that is for agricultural use? Those withdrawals inevitably occur during times of low flow when the Susquehanna River and its tributaries are in their most vulnerable condition. Evidently the SRBC's position is that a crop of beans is more important than the aquatic ecosystem and the fish that live there all year round.

- How does the SRBC determine who the water users are they claim to be protecting in any given aquifer? Pennsylvania has not and does not require the registration of private groundwater wells or the construction of them or the use of them? This claim of protecting the water users is a totally bogus claim by the SRBC, it is impossible for ANY geologist to predict, with 100% certainty, the future performance in ANY groundwater well.
- Why does the SRBC demand a 72 hour pump test? This demand is unnecessary and very expensive according to Professional Geologists outside of SRBC and is not based on a common sense approach or an industry standard.
- Why do SRBC permits expire in 5 years? No Professional Geologist can understand this nor can a person with common sense understand this. The sole reason is to improve the revenue stream of the SRBC. They just reduced this in recent years for no apparent reason.
- Why is a public water supply being so unfairly regulated with massive financial burdens if no water is being removed from the basin? We are not producing widgets for China or selling bulk water to Nestle for direct transport out of the basin. Our water is put into a distribution system and consumed and/or used by human tax paying residents of Pennsylvania and released back into the basin (hydrologic cycle) at the wastewater treatment plant at the other end of town.
- Why is a public water supply being punished for working hard to keep water loss down (leaks)? It is common for the SRBC to use historic records to reduce pumping rates for groundwater wells for no apparent reason.
- How is Appalachian expected to improve and maintain a public water system when the company is forced to spend \$270,000 in 2015-2016 on PAPUC rate case and another \$200-300,000 on SRBC regulations the next couple years? Appalachian cannot afford to repair/replace a main line that we need to replace today because we are over regulated, those customers are going to be forced to wait for that improvement because the government is forcing another unnecessary financial burden on the water company.
- Is the SRBC focused on Quality or Quantity of water in the basin? I was told by the former PADEP representative at the SRBC (Kelly Heffner) that the SRBC focus is on water Quantity. If that is true then why does the SRBC spend millions of dollars every year on water Quality projects and their water Quality monitoring network. Does PADEP do water Quality work?
- Why is the SRBC currently trying to raise the fees again? Do they need another office full of custom floor tile or another veranda overlooking a different section of their river?
- Why does the SRBC have a line item in the fee schedule for groundwater withdrawals less than 100,000 gpd? When I ask Kelly Heffner about this she was not familiar that it existed, so it must be fairly new. This is the ground work to attack every single private groundwater well owner in the basin. Can a typical homeowner afford their fines, the \$8,225 SRBC application fee and to hire a Professional Hydrogeologist to handle the mountain of unnecessary paperwork?

- Why is the SRBC openly demanding private business pay nearly double the fee vs. a municipal entity for the exact same “review”? Again, collecting money using force and no additional “service” in return, in other arenas this is called extortion.
- Why is a public water utility being forced to acquire another (second) permit to use 3 groundwater wells? Do you think you should have 2 Pennsylvania drivers’ licenses?

Thank you for your time and for your consideration of my testimony, keep in mind this a small snap shot of our limited experience since last fall, imagine what you will uncover if you contact Professional Geologists, water companies, industry consultants, businesses and manufacturing facilities that need to use or work with water. Contact me anytime to discuss these points and much more in greater detail, I would be happy to schedule a meeting at your office to discuss this problem in person.

Sincerely,



**Kyle M. Gallagher**  
*Water Operator and Vice President*  
*Appalachian Utilities, Inc.*  
*Office 570-769-7647*  
*Cell 570-660-6054*  
*Email [kyleg@pihwtr.com](mailto:kyleg@pihwtr.com)*

**Attachment:**

- 1- 1997 PADEP Operating Permits for Wells 4, 5, and 6.**
- 2- SRBC Letters dated September 29, 2016 and December 23, 2016**
- 3- Sub basin Table**
- 4- Annual Report Review Table**
- 5- SRBC Regulatory Program Fee Schedule**
- 6- Professional Geologist Estimates and Letter**
- 7- Anadarko Permit**



*Attachment 1*

*(4 pages)*



Pennsylvania Department of Environmental Protection

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208 West Third Street, Suite 101

Williamsport, PA 17701-6448

June 10, 1997

Northcentral Regional Office

CERTIFIED MAIL NO.:P 261 748 547

Mr. Frank R. Sargent, Jr., President  
Appalachian Utilities, Inc.  
2265 Bear Pen Hollow Road  
Lock Haven, PA 17745

RE: Public Water Supply  
Permit No. 1895503-Operation  
Permit No. 1895502-T1 - Operation  
Pine Creek Township, Clinton County

Dear Mr. Sargent:

Enclosed you will find two public water supply permits for operation. Permit No. 1895503 authorizes the use of Well Nos. 4, 5 and 6, transmission lines, disinfection and sequestration facilities and related appurtenances. Please comply with the Special Conditions accompanying this permit. Permit No. 1895502-T1 authorizes operation of the two inground finished water reservoirs.

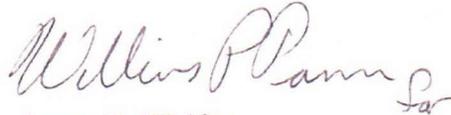
Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa. C.S., Chapter 5A, to the Environmental Hearing Board, Second Floor, Rachel Carson State Office Building, 400 Market Street, P. O. Box 8457, Harrisburg, PA 17105-8457, 717-787-3483. TDD users may contact the Board through the Pennsylvania Relay Service, 800-654-5984. Appeals must be filed with the Environmental Hearing Board within 30 days of receipt of written notice of this action unless the appropriate statute provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in braille or on audiotape from the Secretary to the Board at 717-787-3483. This



paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

If the Department can be of any further assistance, please feel free to contact this office at 717-327-0540.

Sincerely,

A handwritten signature in cursive script, appearing to read "Larry T. Welfer".

Larry T. Welfer  
Environmental Program Manager  
Water Supply Management

cc: William Kosmer  
B. Jack McKernan  
Harrisburg  
Microfiche  
File

LTW/AB/f

COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF ENVIRONMENTAL RESOURCES  
 BUREAU OF COMMUNITY ENVIRONMENTAL CONTROL

PUBLIC WATER SUPPLY PERMIT

NO. 1895503

<p>A. PERMITTEE: (Name and Address)</p> <p>Appalachian Utilities, Inc.                  2265 Bear Pen Hollow Road                  Lock Haven, PA 17745</p>	<p>B. PROJECT LOCATION</p> <p>Municipality <u>Pine Creek Township</u></p> <p>County <u>Clinton</u></p>
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C. THIS PERMIT APPROVES FOR: 1.  Use as Source of Supply      2.  Construction      3.  Operation

AS INDICATED BELOW:

<p>4. Source</p> <p><input checked="" type="checkbox"/> Well(s)</p> <p><input type="checkbox"/> Spring(s)</p> <p><input type="checkbox"/> Stream</p> <p><input type="checkbox"/> Lake</p>	<p>5. Facilities</p> <p><input type="checkbox"/> Impoundment</p> <p><input type="checkbox"/> Settling</p> <p><input type="checkbox"/> Filtration</p> <p><input checked="" type="checkbox"/> Iron and Manganese Treatment</p> <p><input type="checkbox"/> Softening (Sequestration)</p> <p><input type="checkbox"/> Fluoridation</p> <p><input checked="" type="checkbox"/> Other <u>Corrosion Control</u></p>
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Stabilization

Disinfection

Pump Station(s)

Transmission Lines

Distribution Storage

Distribution System

KNOWN AS Woolrich Well No. 4, Avis Well No. 5, Avis Well No. 6

YOU ARE HEREBY AUTHORIZED TO USE AS SOURCE(S) OF SUPPLY, CONSTRUCT OR OPERATE, AS INDICATED ABOVE, PROVIDED THAT FAILURE TO COMPLY WITH CHAPTER 109, ARTICLE II, OF THE RULES AND REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL RESOURCES OR THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.

NO DEVIATIONS FROM APPROVED PLANS OR SPECIFICATIONS AFFECTING THE TREATMENT PROCESS OR QUALITY OF WATERS SHALL BE MADE WITHOUT WRITTEN APPROVAL FROM THE DEPARTMENT.

THIS PERMIT IS ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL RESOURCES UNDER THE AUTHORITY OF THE PENNSYLVANIA SAFE DRINKING WATER ACT, THE ACT OF MAY 1, 1984 (P.L. 206, NO. 43). OPERATION SHALL COMPLY WITH THE PROVISIONS OF CHAPTER 109 ADOPTED UNDER THE AUTHORITY IN SECTIONS 4 AND 6(e) OF THE PENNSYLVANIA SAFE DRINKING WATER ACT.

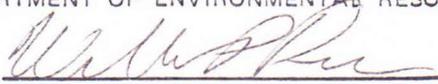
THIS PERMIT IS SUBJECT TO THE ATTACHED SPECIAL CONDITIONS A through D

THIS PERMIT IS SUBJECT TO THE FOLLOWING STANDARD CONDITIONS RELATING TO EROSION CONTROL None

PERMIT ISSUED

Date June 10, 1997

DEPARTMENT OF ENVIRONMENTAL RESOURCES

By 

Title Environmental Program Manager

Public Water Supply  
Permit No. 1895503-Operation  
Pine Creek Township, Clinton County

SPECIAL CONDITIONS

This permit is subject to the following special conditions:

- A. Based upon the 48 hour pump test, Well No. 4 is restricted to a maximum pumping rate of 105 gpm, Well No. 5 is restricted to a maximum pumping rate of 300 gpm and Well No. 6 is restricted to a maximum pumping rate of 400 gpm.
- B. It is recommended that all residents be notified of the sodium concentration and caution advisories be issued for people with high blood pressure or sodium restricted diets when the sodium level exceeds 20 mg/L at the finished water sampling points.
- C. In addition to the general monitoring requirements listed in Chapter 109, the Rules and Regulations for Safe Drinking Water, the following monitoring shall be performed: daily flow totalizer readings from Well Nos. 4, 5 and 6, daily chlorine residuals, pH and orthophosphate measurements from the system entry points; Well No. 4 raw water shall be tested on a weekly basis for total iron and total manganese; Quarterly sampling for total iron and total manganese of Well No. 4 raw water and finished water at the system entry point. This shall be analyzed by a certified laboratory using Standard Methods. These readings and measurements shall be reported to the Department monthly along with chemical usage and equipment maintenance records.
- D. The hypochlorite and polyphosphate solutions shall be prepared such that the chemical feed pumps operate at no less than 20% of their rated capacities. A spare chemical feed pump shall be available at all times. All chemicals used must conform with NSF/ANSI Standard 60. An appropriate phosphate test kit shall be obtained and measurements shall be secured throughout the distribution system. A record of these measurements and a water quality complaint log shall be maintained and presented to the Department upon request.



***Attachment 2***

***(3 pages)***



September 29, 2016

Mr. Kyle Gallagher, Operator  
Appalachian Utilities Inc.  
1674 Park Avenue  
Lock Haven, PA 17745

Re: Appalachian Utilities Inc.:  
City of Lock Haven, Clinton County, Pennsylvania

Dear Mr. Gallagher:

The Susquehanna River Basin Commission (Commission) has identified that Appalachian Utilities Inc. (Appalachian) located in Lock Haven, Pennsylvania, is withdrawing water within the Susquehanna River Basin. Based on water withdrawal demands for similar systems, Commission staff believes that Appalachian's withdrawals may exceed regulatory thresholds contained within Commission Regulation 18 CFR Part 806, § 806.4, pertaining to the withdrawal of water and, therefore, may require Commission approval.

A withdrawal, as defined by Commission Regulation 18 CFR Part 806, § 806.3, is the taking or removal of water from any source within the basin for use within the basin.

All water users withdrawing an average of 100,000 gallons per day (gpd) or more during any consecutive 30-day period are required to comply with the Commission's withdrawal regulations.

The Commission's regulations and application forms can be accessed on the Commission's website (<http://www.srbc.net>).

Please contact Jeremy Brooks, Compliance Specialist, at (570) 731-4839, extension 1506, by the close of business on Friday, October 28, 2016, to schedule a meeting to discuss Appalachian's water usage and compliance with Commission regulations.

Sincerely,

Eric R. Roof  
Manager, Compliance Program



SUSQUEHANNA RIVER  
BASIN COMMISSION

NY ▪ PA ▪ MD ▪ USA

## CERTIFIED MAIL & FIRST CLASS

4423 N. Front Street | Harrisburg, PA 17110-1788 | 717.238.0423 | srbc.net

### NOTICE OF VIOLATION

December 23, 2016

Mr. Kyle Gallagher, Operator  
Appalachian Utilities, Inc.  
1674 Park Avenue  
Lock Haven, PA 17745

Re: Notice of Violation – Appalachian Utilities, Inc.:  
Operation of a Project without Commission Approval:  
Clinton County, Pennsylvania

Dear Mr. Gallagher:

On September 29, 2016, Susquehanna River Basin Commission (Commission) staff issued a letter to Appalachian Utilities, Inc. (Appalachian) informing Appalachian that water withdrawals associated with Appalachian's public water supply system (System) may exceed the Commission's regulatory thresholds. As a follow-up to the letter noted above, Commission staff held a conference call with Appalachian staff on October 11, 2016, to discuss the letter and review the System's water sources and withdrawal records. Additionally, Commission staff held a second conference call with Appalachian staff on November 15, 2016. During the call, Appalachian staff was notified that following the review of information provided by Appalachian during the October 11, 2016, call, Commission staff determined that the System is subject to Commission review and approval.

Upon reviewing all available information, Commission staff has determined that the Appalachian System is subject to Commission Regulation 18 CFR § 806.4(a)(2)(i), which requires prior review and approval of any project withdrawing a consecutive 30-day average of 100,000 gallons per day (gpd) or more from a groundwater source or a combination of sources.

Appalachian is hereby notified that it is in violation of Commission regulations as detailed below and subject to civil penalties pursuant to Commission Regulation 18 CFR Part 808, Subpart B. Furthermore, each day of noncompliance with each regulation constitutes a separate violation subject to a maximum potential civil penalty liability of \$1,000 per violation per day pursuant to Commission Regulations 18 CFR §§ 808.13-17 and Article 15.17 of the Susquehanna River Basin Compact.

Commission staff has determined that Appalachian failed to submit the required application(s) for Commission review and approval, resulting in a combined minimum of one thousand eight hundred nineteen days (1,819) of violation as detailed below:

- Undertaking a project subject to Commission approval without prior review and approval by the Commission in accordance with Commission Regulation 18 CFR § 806.4 (a)(2)(i).

**VIOLATION DATES: Since at least January 1, 2012 – December 23, 2016**

Pursuant to Commission Regulation 18 CFR § 808.12, you are hereby directed to contact Jeremy Brooks, Compliance Specialist, at (570) 731-4839, extension 1506, by no later than the close of business on Friday, January 13, 2017, to discuss Appalachian's violations of Commission regulations, pending enforcement action, and the ongoing operation of the System. Additionally, by the close of business on Friday, January 13, 2017, you are directed to contact Todd Eaby, Manager of Project Review, at (717) 238-0423, extension 1234, to schedule a pre-application meeting to discuss the application process.

You are advised that the Commission is considering pursuing enforcement action which may include the assessment of a civil penalty for the aforementioned violations. You are further advised that this Notice of Violation addresses only those facts, conditions, and violations known by the Commission to exist at the time of its issuance, and nothing shall preclude the Commission from making additional determination(s) of violations or from issuing additional orders, or taking such other enforcement actions as it may deem appropriate upon the subsequent discovery of additional facts or conditions.

The Commission will delay making a determination regarding a civil penalty assessment or whether additional enforcement action is warranted until after January 13, 2017. Appalachian's progress in meeting its regulatory obligations and cooperation throughout this process will be considered in making that determination.

Should you have any questions with regard to this Notice of Violation, please feel free to contact me at (570) 731-4839, extension 1501.

Sincerely,



Eric R. Roof  
Manager, Compliance Program



***Attachment 3***

***(8 pages)***

Subbasin	Chemung	Upper Susquehanna	West Branch Susquehanna	Middle Susquehanna	Juniata	Lower Susquehanna	Total	%
<b>Population</b>								
Pennsylvania	42,700	27,850	488,200	702,700	315,350	1,874,300	<b>3,451,100</b>	<b>83.08%</b>
New York	180,750	461,950	0	0	0	0	<b>642,700</b>	<b>15.47%</b>
Maryland	0	0	0	0	0	59,950	<b>59,950</b>	<b>1.44%</b>
Total							4,153,750	
<b>Area (sq.mi.)</b>								
Pennsylvania	853	424	6,978	3,771	3,404	5,529	<b>20,959</b>	<b>76.21%</b>
New York	1,742	4,520	0	0	0	0	<b>6,262</b>	<b>22.77%</b>
Maryland	0	0	0	0	0	280	<b>280</b>	<b>1.02%</b>
Total							27,501	

**Pennsylvania Residents have a 1/4 or 25% say in SRBC policy and fees?????**

*\*\*\*All figures in this table were obtained from SRBC website.*

# SUSQUEHANNA RIVER BASIN FACTS



## THE RIVER BASIN

- Drains 27,510 square miles, covering half the land area of Pennsylvania and portions of New York and Maryland. Includes all or portions of 66 counties.
- Comprises 43 percent of the Chesapeake Bay's drainage area.
- Is comprised of six major subbasins.
- Has more than 49,000 miles of waterways —rivers, streams, creeks, brooks, runs, etc.<sup>1</sup>
- Is made up of 63 percent forest lands.<sup>2</sup>
- Has a population of more than 4 million.<sup>3</sup>
- Is home to the native Brook Trout.
- Is one of the most flood prone areas in the entire nation, experiencing a major devastating flood on average every 14 years. The Basin's average annual flood damages is \$150 million dollars.

## THE SUSQUEHANNA RIVER

- Flows 444 miles from its headwaters at Otsego Lake in Cooperstown, New York, to Havre de Grace, Maryland, where the river meets the Chesapeake Bay.
- Is the largest tributary of the Chesapeake Bay, providing 50 percent of its fresh water flows.
- Is the longest, commercially non-navigable river in North America.
- Is the largest river lying entirely within the United States that drains into the Atlantic Ocean.
- Is almost one mile wide at Harrisburg, Pennsylvania.
- Flows about 20 miles per day on an average summer day.
- Has a normal flow of about 18 million gallons per minute at Havre de Grace, Maryland.

<sup>1</sup> National Hydrography Dataset

<sup>2</sup> USGS/Chesapeake Bay 2006 land use data

<sup>3</sup> 2010 Census



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- [Hydrologic Conditions](#)
- [Forms & Applications](#)
- [Planning](#)
- [Subbasin Information](#)
- [Bay Partners](#)

[Home](#) > [Subbasin Info](#) > Chemung

## Chemung Subbasin

**Geographic features:** The Chemung River is formed by the confluence of the Tioga River, flowing northward from Pennsylvania, and the Cohocton River, flowing southeast in New York. The Chemung joins the Susquehanna River at Sayre, Pennsylvania.

The terrain is typical of glaciated watersheds, and is comprised of rolling to flat-topped uplands with steep-sided alluvial valleys in which the main rivers flow. Forest occupy the steeper hillsides bordering stream valleys, while the flatter hilltops and stream valleys are used for agriculture.

### **Drainage area:**

Total - 2,595 square miles

In NY - 1,742 square miles

In PA - 853 square miles

**Major tributaries:** Chemung, Tioga, Cohocton, Cowanesque, Canisteo

### **Population:**

Total - 223,450\* (5.4% of the total basin population)

In NY - 180,750

In PA - 42,700

\*Population estimated from 2010 Census

**Major population centers:** Elmira, Corning, Hornell (all in New York)

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- [Home](#)
- [Hydrologic Conditions](#)
- [Forms & Applications](#)
- [Planning](#)
- [Subbasin Information](#)
- [Bay Partners](#)

[Home](#) > [Subbasin Info](#) > Upper Susquehanna

## Upper Susquehanna Subbasin

**Geographic features:** The source of the Susquehanna River is Otsego Lake in Cooperstown, New York. From Cooperstown, the river flows southward across Pennsylvania and back into New York at Great Bend, Pennsylvania. The Susquehanna River then flows westward to be joined by the Chemung River at Sayre, Pennsylvania.

Most of the subbasin is steeply sloped with hills and ridges and dominated by forest land. Agricultural operations occupy the less steep areas. The rural population is dispersed throughout the subbasin in the form of small villages.

**Drainage area:**

Total - 4,944 square miles

In NY - 4,520 square miles

In PA - 424 square miles

**Major tributaries:** Chenango, Tioughnioga, & Unadilla

**Population:**

Total - 489,800\* (11.8% of the total basin population)

In NY - 461,950

In PA - 27,850

\*Population estimated from 2010 Census

**Major population centers:** Binghamton, Johnson City, Endicott, Cortland & Oneonta (all in New York)

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- [Home](#)
- [Hydrologic Conditions](#)
- [Forms & Applications](#)
- [Planning](#)
- [Subbasin Information](#)
- [Bay Partners](#)

[Home](#) > [Subbasin Info](#) > West Branch Susquehanna

## West Branch Susquehanna Subbasin

**Geographic features:** Originating in the low rolling hills of the Allegheny Mountains in Pennsylvania, the West Branch flows northeast passing the steep hillsides of the Allegheny High Plateaus Section. At Renovo, the West Branch turns southeast and cuts through the Allegheny Front entering a region of broad valleys separated by long, high ridges. Following the northern flank of Bald Eagle mountain northeastward, the West Branch turns south to its confluence with the Susquehanna River near Sunbury.

The subbasin is covered predominantly by forest lands, especially in the northern and western ends of the subbasin where land is less suitable for agriculture. Extensive coal mining is the major land use activity in the western parts of the subbasin. Agricultural and urban lands are primarily located in the eastern and southern parts of the subbasin. Larger communities include State College, Lock Haven, Williamsport, Clearfield and Lewisburg.

**Drainage area:** 6,978 square miles

**Major tributaries:** West Branch Susquehanna

**Population:** 488,200\* (11.8% of the total basin population)

\*Population estimated from 2010 Census

**Major population centers:** State College, Lock Haven, Williamsport, Clearfield, Lewisburg (all in Pennsylvania)

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[Return to Subbasin Information main page.](#)

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- [Home](#)
- [Hydrologic Conditions](#)
- [Forms & Applications](#)
- [Planning](#)
- [Subbasin Information](#)
- [Bay Partners](#)

[Home](#) > [Subbasin Info](#) > Middle Susquehanna

## Middle Susquehanna Subbasin

**Geographic features:** The Susquehanna River flows southeast through high, flat-topped plateaus separated by steep-sided valleys. Midway, the Susquehanna River joins the Lackawanna River before turning and flowing southwest towards Sunbury, Pennsylvania. The terrain in the southern portion of the subbasin consists of northeast-southwest trending ridges and valleys.

The major population center in the subbasin is along what is known as the Wyoming Valley area from Carbondale in the north along the Lackawanna River to Nanticoke in the south along the Susquehanna River. The cities of Scranton and Wilkes-Barre are located in this highly urbanized coal mining region.

**Drainage area:** 3,771 square miles

**Major tributaries:** Lackawanna

**Population:** 702,700\* (16.9% of the total basin population)

\*Population estimated from 2010 Census

**Major population centers:** Scranton, Wilkes-Barre, Carbondale, Sunbury (all in Pennsylvania)

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[Return to Subbasin Information main page.](#)

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- [Home](#)
- [Hydrologic Conditions](#)
- [Forms & Applications](#)
- [Planning](#)
- [Subbasin Information](#)
- [Bay Partners](#)

[Home](#) > [Subbasin Info](#) > Juniata

## Juniata Subbasin

**Geographic features:** The Juniata River, the second largest tributary to the Susquehanna River, is formed by the confluence of the Little Juniata River and the Frankstown Branch Juniata River. The Juniata Subbasin is entirely within the Valley and Ridge Physiographic Province, which is characterized by a series of tightly-folded parallel mountains and long, narrow valleys. Major streams run through the center of valleys, picking up flow from small tributaries from the flanks of mountains.

Farming, the predominant economic activity, is scattered throughout the valleys, while the steep mountain ridges are exclusively forested. The subbasin population is largely rural, with the Altoona-Hollidaysburg area being the only sizable urban center.

**Drainage area:** 3,404 square miles

**Major tributaries:** Juniata, Little Juniata, Frankstown Branch Juniata River

**Population:** 315,350\* (7.6% of the total basin population)

\*Population estimated from 2010 Census

**Major population centers:** Altoona, Hollidaysburg, Bedford, Lewistown, Huntingdon, Mount Union

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[Return to Subbasin Information main page.](#)

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- [Home](#)
- [Hydrologic Conditions](#)
- [Forms & Applications](#)
- [Planning](#)
- [Subbasin Information](#)
- [Bay Partners](#)

[Home](#) > [Subbasin Info](#) > Lower Susquehanna

## Lower Susquehanna Subbasin

**Geographic features:** The northern portion of the subbasin contains ridges trending southwest to northeast and valleys of moderate width. The Susquehanna River cuts through these series of ridges and widens as it flows south to southeast through rolling hills and broad valleys of the central portion of the subbasin. The southern portion of the subbasin is characterized by metamorphosed sediments that have been intensely folded and faulted. This material caused the river to carve a deep gorge into the bedrock in a narrowing river valley. The Susquehanna River flows into the Chesapeake Bay at Havre de Grace, Maryland, providing over 50 percent of the freshwater inflow to the bay.

Of the six subbasins in the Susquehanna River Basin, the Lower Susquehanna Subbasin is the most developed. The steep river slope and narrow valley of the Lower Susquehanna gorge provide areas for hydroelectric development. This part of the subbasin is a major production area for electricity. Some of the most productive agricultural lands and largest population centers of the Susquehanna River Basin are located in the Lower Susquehanna Subbasin. Intense agricultural development occurs in many of the fertile limestone-type soils throughout the subbasin. A significant population is employed in government-related activities around Harrisburg, the state capital.

### **Drainage area:**

Total - 5,809 square miles

In MD - 280 square miles

In PA - 5,529 square miles

**Major tributaries:** Conestoga, Conodoguinet, Swatara, Conewago, Penn's

### **Population:**

Total - 1,934,250\* (46.6% of the total basin population)

In MD - 59,950

In PA - 1,874,300

\*Population estimated from 2010 Census

**Major population centers:** Harrisburg, Lancaster, York, Lebanon, Carlisle (all in Pennsylvania)

[Click here for the Lower Susquehanna Subbasin Maps & Data Atlas page.](#)

[Return to Subbasin Information main page.](#)



***Attachment 4***

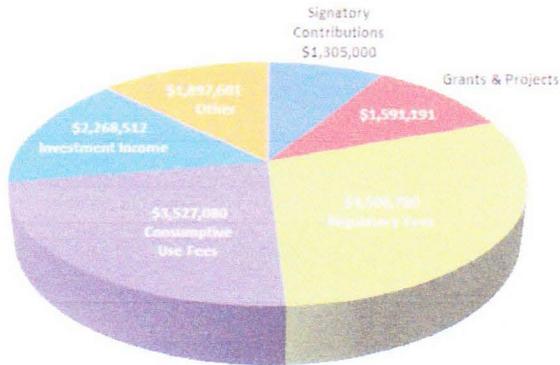
***(5 pages)***

SRBC Annual Report Review 1972-2016

Year	Total Revenue/Assets	Total Expenditures	Regulatory Fees	Water Quality Expenditure	Notes
1972	\$300,000				
1973	\$425,464	\$425,464			
1974	\$776,774	\$776,774			
1975	\$1,138,107	\$1,138,107			
1976	\$1,224,771	\$1,224,771			
1977	\$1,566,777	\$1,566,777			
1978	\$1,683,665	\$1,683,665			
1979	\$1,741,119	\$1,741,119			
1980	\$2,208,978	\$2,208,978			
1981	\$2,373,141	\$2,373,141			
1982	\$2,427,867	\$2,427,867			
1983	\$2,129,248	\$2,129,248			
1984	\$2,146,664	\$2,146,664			
1985	\$2,171,683	\$2,171,683			
1986	\$2,233,596	\$2,233,596			
1987	\$5,228,609	\$5,228,609			Cowanesque Lake Project
1988	\$5,686,050	\$5,686,050			Cowanesque Lake Project
1989	\$5,386,949	\$5,386,949			Cowanesque Lake Project
1990	\$3,804,118	\$3,804,118			Cowanesque Lake Project
1991	\$2,918,700	\$2,918,700			Cowanesque Lake Project
1992	No Annual Report Completed				
1993	\$1,804,673	\$1,635,721			Salary/Benefit Expenditure \$1,269,380 or 78% of Expenditures, MOST DETAILED REPORT*
1994	\$1,810,469	\$1,764,482			Salary/Benefit Expenditure \$1,329,041 or 75% of Expenditures
1995	\$2,549,342	\$2,112,591			Salary/Benefit Expenditure \$1,480,565 or 70% of Expenditures
1996	\$2,339,146	\$2,003,188	\$237,665		Salary/Benefit Expenditure \$1,493,614 or 75% of Expenditures
1997	\$2,215,441	\$2,205,686	\$221,483		Salary/Benefit Expenditure \$1,547,381 or 70% of Expenditures
1998	\$2,027,515	\$2,138,242	\$358,447		Salary/Benefit Expenditure \$1,597,220 or 75% of Expenditures
1999	\$2,624,905	\$2,327,992	\$467,630		Salary/Benefit Expenditure \$1,769,000 or 76% of Expenditures
2000	\$2,598,530	\$2,699,930	\$356,710		Salary/Benefit Expenditure \$1,541,715 or 57% of Expenditures
2001	\$3,363,839	\$3,450,000	\$200,439		Salary/Benefit Expenditure \$2,299,000 or 68% of Expenditures
2002	No Annual Report Completed				
2003	\$3,944,636	\$3,348,485	\$385,128		Salary/Benefit Expenditure \$2,408,482 or 72% of Expenditures
2004	\$3,614,024	\$3,518,083	\$375,199		Salary/Benefit Expenditure \$2,487,744 or 71% of Expenditures
2005	No Annual Report Completed				
2006	\$3,836,017	\$4,191,959	\$498,009		Salary/Benefit Expenditure \$2,898,212 or 69% of Expenditures
2007	\$5,026,658	\$4,851,135	\$929,026		Salary/Benefit Expenditure \$3,042,057 or 63% of Expenditures
2008	\$4,714,643	\$4,867,404	\$1,092,999		Salary/Benefit Expenditure \$3,107,645 or 64% of Expenditures
2009	\$7,084,451	\$6,181,922	\$2,421,431		Salary/Benefit Expenditure \$3,715,402 or 60% of Expenditures
2010	\$12,376,368	\$10,026,495	\$6,244,004		Salary/Benefit Expenditure \$4,536,464 or 45% of Expenditures
2011	\$16,455,610	\$15,639,169	\$10,992,733		Salary/Benefit Expenditure \$4,959,300 or 32% of Expenditures
2012	\$10,487,290	\$10,550,208	\$7,410,971		Salary/Benefit Expenditure \$5,927,212 or 56% of Expenditures
2013	\$14,094,409	\$14,094,409	\$5,108,929	\$2,258,538	Salary information not provided.
2014	\$15,096,164	\$15,096,164	\$4,506,780	\$2,370,384	Salary information not provided.
2015	\$13,284,062	\$13,284,062	\$5,316,119	\$2,389,839	Salary information not provided.
2016	\$13,876,101	\$13,876,101	\$5,685,637	\$2,686,079	Salary information not provided.

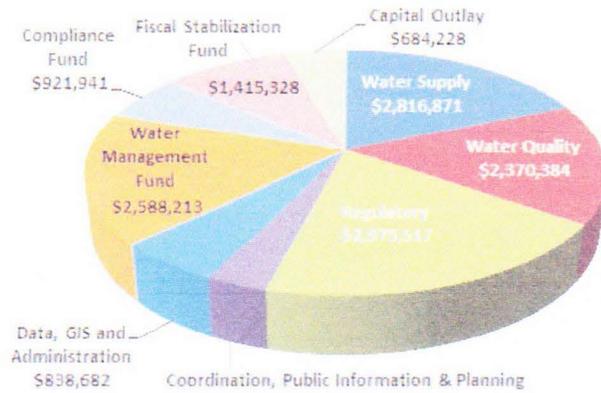
# Fiscal Year 2014 Summary

## Revenues



Total Revenue  
\$15,096,164

## Expenditures & Designations



Total Expenditures & Designations  
\$15,096,164

## SRBC Staff

### 2014 ANNUAL EXCELLENCE AWARD

Jason Zhang

### 2014 SPOTLIGHT AWARDS

John Balay

Andy Leakey

Jay Cook

Mike Sweitzer

#### EXECUTIVE STAFF

Andrew D. Dehoff, P.E.  
Executive Director

Andrew J. Gavin  
Deputy Executive Director

Marcia E. Ryneerson, MBA  
Director, Administration and Finance

#### REGULATORY COUNSEL

Jason Oyler

#### SECRETARY TO THE COMMISSION

Stephanie L. Richardson

#### MANAGERS

John W. Balay, P.H.  
Planning and Operations

Paula B. Ballaron, P.G.  
Policy Implementation and Outreach

Todd D. Eaby, P.G.  
Project Review

James P. Shallenberger  
Monitoring and Protection

Gordon D. Lauger  
Accounting

Brydon H. Lidle III  
Information Technology

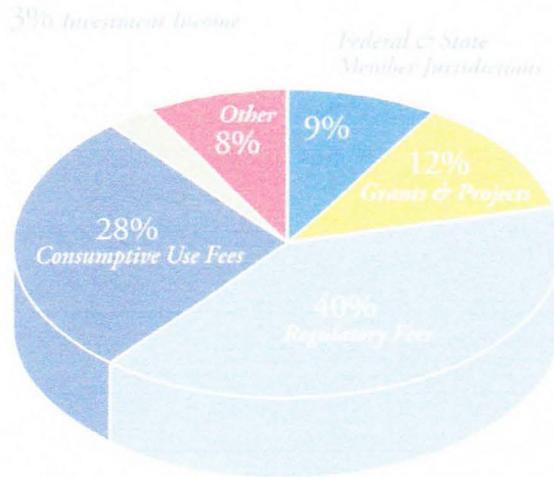
Eric R. Roof  
Compliance and Enforcement

## SUSQUEHANNA RIVER BASIN COMMISSION FISCAL YEAR 2015 FINANCIAL SUMMARY

*Fiscal Year 2015 Total*

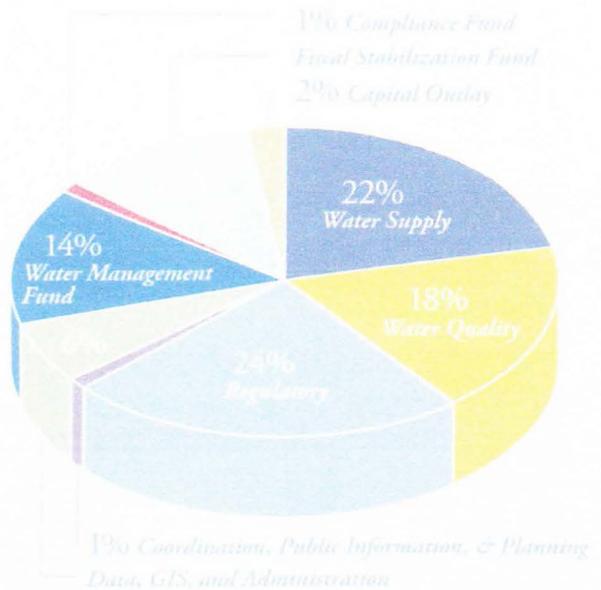
### REVENUE

Federal and State Member Jurisdictions	\$ 1,192,000
Grants and Projects	\$ 1,621,705
Regulatory Fees	\$ 5,316,119
Consumptive Use Fees	\$ 3,697,631
Investment Income	\$ 374,393
Other	\$ 1,082,214
<hr/>	
<b>TOTAL</b>	<b>\$ 13,284,062</b>



### EXPENDITURES

Water Supply	\$ 2,857,918
Water Quality	\$ 2,389,839
Regulatory	\$ 3,161,212
Coordination, Public Information, and Planning	\$ 128,286
Data, GIS, and Administration	\$ 854,245
Water Management Fund	\$ 1,899,962
Compliance Fund	\$ 165,498
Fiscal Stabilization Fund	\$ 1,541,032
Capital Outlay	\$ 286,070
<hr/>	
<b>TOTAL</b>	<b>\$ 13,284,062</b>



## SUSQUEHANNA RIVER BASIN COMMISSION FISCAL YEAR 2016 FINANCIAL SUMMARY

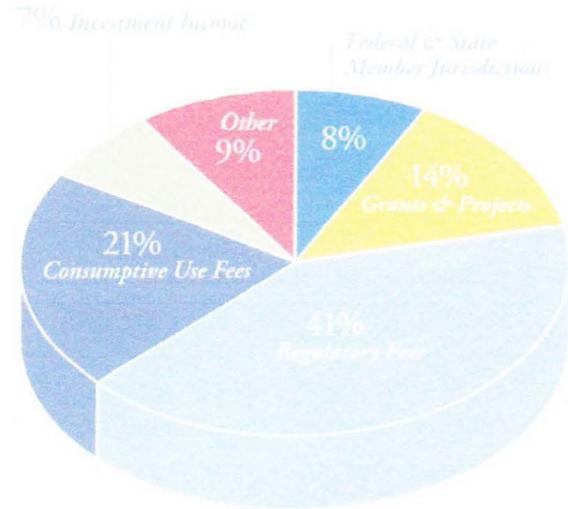
*Fiscal Year 2016 Total*

### REVENUE

Federal and State Member Jurisdictions	\$ 1,092,000
Grants and Projects	\$ 1,942,710
Regulatory Fees	\$ 5,685,637
Consumptive Use Fees	\$ 2,899,507
Investment Income	\$ 952,684
Other	\$ 1,303,563

---

TOTAL \$ 13,876,101

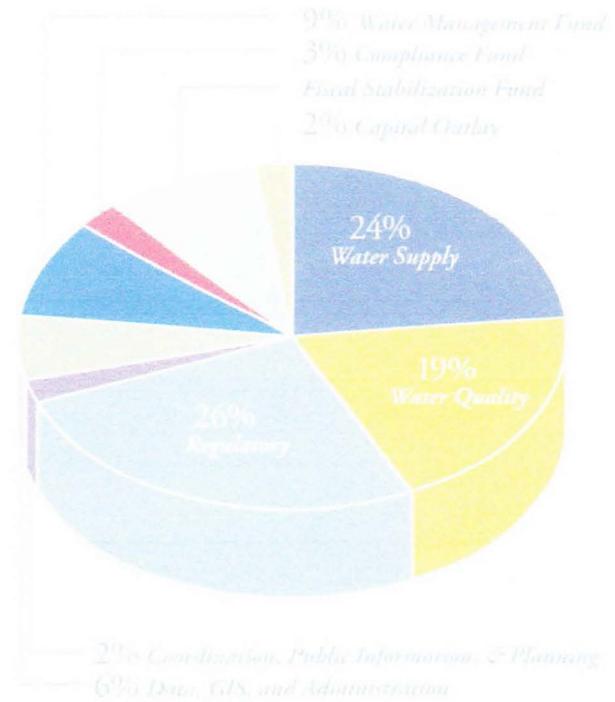


### EXPENDITURES

Water Supply	\$ 3,260,228
Water Quality	\$ 2,686,079
Regulatory	\$ 3,618,270
Coordination, Public Information, and Planning	\$ 313,642
Data, GIS, and Administration	\$ 808,383
Water Management Fund	\$ 1,269,490
Compliance Fund	\$ 371,820
Fiscal Stabilization Fund	\$ 1,251,377
Capital Outlay	\$ 296,812

---

TOTAL \$ 13,876,101



# Susquehanna Basin Water Use and Census Data

## Subbasin Key

Upper Susquehanna	
Chemung	
Middle Susquehanna	
West Branch Susquehanna	
Juniata	
Lower Susquehanna	

## Counties with the Largest Estimated Population Growths and Declines by Subbasins

County and State		1980	1990	1992	% Change 1980-1992
Tioga	NY	49,812	52,337	53,377	+7.2
Broome	NY	213,648	212,160	212,471	-0.6
Tioga	PA	40,973	41,126	41,605	+1.5
Chemung	NY	97,656	95,195	95,203	-2.5
Wyoming	PA	26,433	28,076	28,848	+9.1
Lackawanna	PA	227,908	219,039	217,484	-4.6
Centre	PA	112,760	123,786	126,602	+12.3
Cameron	PA	6,674	5,913	5,847	-12.4
Perry	PA	35,718	41,172	42,406	+18.7
Blair	PA	136,621	130,542	131,319	-3.9
Lancaster	PA	362,346	422,822	434,425	+19.9
Schuylkill	PA	160,630	152,585	152,846	-4.8

Water Use Category	Million Gallons Per Day (1995 estimates by USGS)
<b>Domestic</b>	
Total Withdrawals Plus Deliveries	290.25
<b>Industrial</b>	
Total Withdrawals Plus Deliveries	275.42
<b>Thermoelectric</b>	
Total Withdrawals	*3,212.1
<b>Mining</b>	
Total Withdrawals	107.33
<b>Commercial</b>	
Total Withdrawals Plus Deliveries	69.00
<b>Agriculture</b>	
Total Withdrawals	**87.07

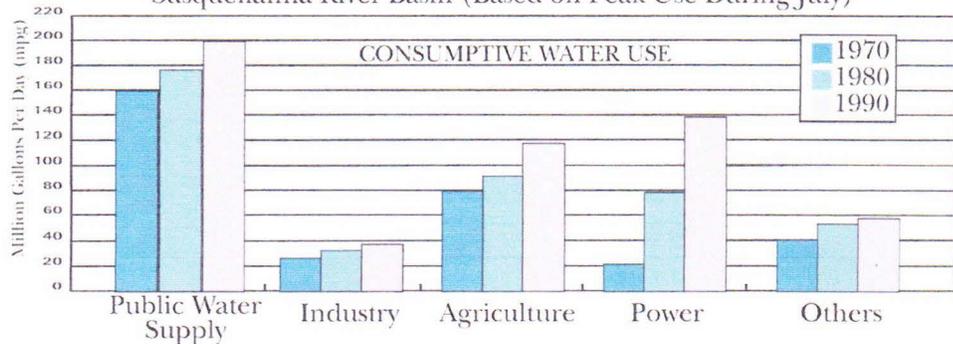
\* 1990 estimates by USGS  
\*\* 1990 estimates by SRBC

## Population Estimates by Subbasins\*

	1970	1980	1990	1992
	416,789	420,699	425,745	428,485
	240,774	237,846	235,409	236,945
	759,418	776,857	757,548	759,443
	354,355	384,474	386,509	391,689
	307,412	327,472	330,619	334,561
	1,448,060	1,591,590	1,709,693	1,747,529
<b>Total</b>	<b>3,526,808</b>	<b>3,738,938</b>	<b>3,845,523</b>	<b>3,898,652</b>

\* includes only counties that have all or about half the land area in the Susquehanna Basin

## Growth of Specific Types of Peak Consumptive Water Use in the Susquehanna River Basin (Based on Peak Use During July)



## Economic Value of Certain Businesses in New York State and Pennsylvania Dependent on the Susquehanna Basin's Water Resources

Business Category	Value Added	No. of Establishments	No. of Employees	Value of Shipments	
Paper & Allied Products	\$ 4.3 billion	126	15,754	\$ 1.1 billion	Pennsylvania
Food & Kindred Products	3.9 billion	481	40,637	7.9 billion	New York
Industrial Machinery & Equipment	1.5 billion	658	27,526	2.6 billion	
Fabricated Metal Products	1.3 billion	464	27,106	2.4 billion	
Rubber & Misc. Plastics	790 million	183	15,076	1.6 billion	
Stone, Clay & Glass Products	674 million	245	12,389	1.2 billion	
Primary Metal Industries	635 million	119	18,348	1.6 billion	
Textile Mill Products	554 million	117	14,789	1.3 billion	
Industrial Machinery & Equipment	552 million	105	8,568	865 million	
Chemical & Allied Products	308 million	19	1,440	432 million	
Food & Kindred Products	291 million	44	2,281	835 million	
Paper & Allied Products	244 million	12	905	389 million	
Fabricated Metal Products	191 million	62	3,414	299 million	



*Attachment 5*

*(8 pages)*



# SUSQUEHANNA RIVER BASIN COMMISSION

4423 North Front Street • Harrisburg, Pennsylvania 17110-1788

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[www.srbc.net](http://www.srbc.net)

## REGULATORY PROGRAM FEE SCHEDULE

Effective July 1, 2016

Adopted by Resolution No. 2016-04, June 16, 2016

1. The Susquehanna River Basin Commission (Commission) requires payment of nonrefundable fees for the review of applications (see tables herein). The following categories of projects require approval by the Commission under the Susquehanna River Basin Compact (the "Compact") and Commission regulations found in 18 CFR Parts 801 and 806.
  - a. Consumptive uses, including all related administrative approvals under 18 CFR § 806.22.
  - b. Surface water and groundwater withdrawals, including any related aquifer testing plan evaluations, waiver requests, or aquatic resource surveys.
  - c. Diversions.
  - d. Hydroelectric projects.
  - e. Any other projects requiring the review and approval of the Commission under the Compact that do not involve a request for a quantity of water.
  - f. Other applications required under 18 CFR § 806.5.
  - g. Modifications to approvals under 18 CFR § 806.18.
2. If any project involves more than one of the above categories, a separate fee is required for each category.
3. Fees for Consumptive Use Mitigation and Annual Compliance and Monitoring are also set forth in this schedule.
4. The appropriate fee must be submitted to the Commission with the project application (see Paragraph 13 regarding an installment payment option). Failure to submit payment of the fee or submission of an insufficient fee with the application will result in its return to the project sponsor or, at the discretion of the Commission, an additional billing of the proper fee to the project sponsor. Except as otherwise provided in Paragraph 9, refunds will be

*A water management agency serving the Susquehanna River Watershed*

made for any portion of a fee payment submitted with the application that exceeds the appropriate amount identified on the tables herein. The Commission will not take action on a project application until the appropriate fees are paid.

5. Agencies of the member jurisdictions to the Compact with applicable member jurisdiction-wide authority, subject to the provisions of Paragraph 19, are exempt from project review fees. Political subdivisions of the member jurisdictions, as defined herein, are subject to these fees.
6. Agricultural water use projects, as defined in 18 CFR § 806.3, are exempt from the fees set forth in this schedule.
7. Public water systems owned and operated by a governmental authority, as defined in 18 CFR § 806.3, are eligible to pay the discounted fee amounts identified in the "Municipal Fee" category listed on the tables herein.
8. Groundwater remediation systems approved by an agency of a member jurisdiction shall pay a single withdrawal application fee based on the total requested quantity of withdrawal to create a single, localized depression within the groundwater table, regardless of the number of individual recovery wells being used in the system. Such systems shall also pay a single annual compliance and monitoring fee.
9. Fees paid in accordance with this schedule are nonrefundable, except as allowed for in Paragraph 14. Fees are not reduced nor any amount credited to the project sponsor if the Commission's approval authorizes a rate of withdrawal or quantity of water that is less than that requested by the project sponsor, or if application deficiencies cause Commission staff to terminate review of the application during the review process.
10. If instructed to submit paper application forms, project sponsors must complete and submit the enclosed Project Review Fee Worksheet (page 8) with their application payment.
11. When fees calculated in accordance with this schedule are deemed to be insufficient to cover costs associated with applications or compliance, or where technical assistance is otherwise provided at the request of the project sponsor, the project sponsor shall be responsible for all costs associated with actual hours worked by Commission staff, including an allocation of salary, fringe benefits and overhead costs. Projects which may require additional fees include, but are not limited to: withdrawals for power plants, out-of-basin diversions of water, and withdrawals from waterbodies identified under Commission Policy No. 2012-01 as Exceptional Quality or as Aquatic Resource Class 1 or 2. Efforts will be made to notify the project sponsor in advance if additional fees are anticipated.
12. The Commission may, for good cause shown, waive or partially waive any of the fees set forth herein for situations that include, but are not limited to: (a) an incentive for the use of impaired waters in accordance with Commission Resolution No. 2012-01; (b) applications that have previously undergone substantive analysis through member jurisdiction reviews or other previous and/or concurrent Commission reviews; and (c) certain technical considerations that reduce review requirements, such as multiple

sources that may be evaluated as a single source (e.g., a wellfield). The Executive Director is authorized to grant fee waivers or partial waivers of \$15,000 or less. Any requests for waivers or partial waivers for application fees related to projects proposing to use mine degraded water shall be considered in accordance with Commission Policy No. 2009-01. Applicants subject to financial constraints may consider the installment options set forth in Paragraph 13.

13. If the fees for any single application exceed \$25,000, or if the fees for a set of applications exceed \$50,000, project sponsors have the option of making installment payments. This option provides for the payment of up to three consecutive equal annual installments with interest thereon at a rate of prime<sup>1</sup> plus 2 percent, but not less than 5 percent per annum on the unpaid balance. The project sponsor should indicate that it intends to use this option when making application, and must submit an agreement for terms of payment in a form and manner prescribed by the Commission. Municipal project sponsors (see Paragraph 17) have the option of making installment payments for fees exceeding \$15,000 in total, and may make payments of up to five equal annual installments with interest thereon at a rate of prime<sup>1</sup> plus 2 percent, but not less than 5 percent per annum on the unpaid balance. The first annual installment is due at the time the application is submitted.
14. The Executive Director is authorized to refund up to 50 percent of the application fee, depending upon staff effort expended, if the project sponsor voluntarily withdraws an application prior to the commencement of technical review.
15. All projects approved by the Commission on or after January 1, 2010, including modifications, renewals, transfers and reissuances of approvals, shall also be subject to annual compliance and monitoring fees as set forth herein. Fees are due and payable within 30 days from the date of invoice.
16. The fee which is due is based upon the fee schedule in effect on the date that the application is submitted to the Commission.
17. For purposes of this fee schedule, municipalities are defined as political subdivisions of the member states, which shall include counties, townships, towns, boroughs, villages, cities, authorities, boards or any other organizations or public benefit corporations created by the member jurisdictions and not having jurisdiction-wide authority. When a municipality engages in private enterprise activities unrelated to traditional delivery of potable water to residences and businesses within its prescribed service area, fees associated with such activities will be subject to the standard fees applicable to any private enterprise.
18. Applications which are submitted in error, which contain significant errors requiring Commission staff support to correct, or which are withdrawn prior to the start of administrative review will incur an administrative fee of \$250 per application to cover costs associated with correcting the error(s). This fee will be subtracted from any refund payment that is made to a project sponsor for the associated application when a payment has been made.

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<sup>1</sup> Prime refers to the U.S. Prime Rate at the time of the installment payment request.

19. This fee schedule contains fee exemptions and discounts that are supported by member contributions and intended for applications submitted by jurisdictional agencies and municipalities. These exemptions and discounts may be adjusted based on actual member contributions received should they differ significantly from amounts requested.

**TABLE 1. PROJECT REVIEW AND MODIFICATION FEES**

<b>Project Category</b>	<b>Requested Quantities/Capacities<sup>1</sup></b>	<b>Standard Fee</b>	<b>Municipal Fee</b>
Consumptive Water Use	20,000 gallons per day (gpd) – 99,999 gpd 100,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 million gpd (mgd) – 5 mgd Over 5 mgd	\$ 3,050 6,125 12,150 36,350 60,625	\$ 2,440 4,900 9,720 29,080 48,500
Approval by Rule Consumptive Use; 18 CFR § 806.22(e)	20,000 gpd – 99,999 gpd 100,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd Over 999,999 gpd	\$ 1,550 3,075 8,075 see footnote <sup>2</sup>	\$ 1,240 2,460 6,460 see footnote <sup>2</sup>
Approval by Rule <sup>3</sup> Consumptive Use; 18 CFR § 806.22(f)	<u>Unconventional Natural Gas or Other Hydrocarbon Development</u> New Application Renewal Application  <u>Water Source:</u> Source Registration; Subsection (12) Source Approval; Subsection (13) Hydrocarbon Water Storage Facilities; Subsection (14)	\$ 8,075 2,075  530 1,125 2,575	Not Applicable   Not Applicable
Surface Water Withdrawals <sup>4,5</sup>	Less than 100,000 gpd 100,000 gpd – 249,999 gpd 250,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 5,300 7,950 10,600 13,250 15,875 34,500 34,500 + \$5,875 for each additional 1 mgd increment <sup>6,7</sup>	\$ 4,240 6,360 8,480 10,600 12,700 27,600 27,600 + \$4,700 for each additional 1 mgd increment <sup>6,7</sup>
Groundwater Withdrawals <sup>4,5</sup>	Less than 100,000 gpd 100,000 gpd – 199,999 gpd 200,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 8,225 12,375 16,550 20,675 24,775 53,785 53,785 + \$9,450 for each additional 1 mgd increment <sup>6,7</sup>	\$ 4,622 6,953 9,264 11,586 13,886 30,157 30,157 + \$5,296 for each additional 1 mgd increment <sup>6,7</sup>
<u>Diversions:</u> Into Basin	All quantities	\$ 10,125	\$ 8,100
Out of Basin	Less than 250,000 gpd 250,000 gpd or greater	10,125 30,350 +	8,100 24,280 +

**TABLE 1. PROJECT REVIEW AND MODIFICATION FEES (continued)**

<b>Project Category</b>	<b>Requested Quantities/Capacities<sup>1</sup></b>	<b>Standard Fee</b>	<b>Municipal Fee</b>
		consumptive use fee (unless not applicable)	consumptive use fee (unless not applicable)
Hydroelectric Projects (New or Re-licensing)	Greater than 10 megawatts (anything less subject to "all other projects" category below)	\$236,325 <sup>8</sup>	Not Applicable
All other projects requiring review and approval and not otherwise specified	All quantities or capacities	\$ 5,050	\$ 4,040
Minor Modifications		\$ 750	\$ 600
Aquatic Resource Survey <sup>5,9</sup>		\$ 5,875	\$ 4,700
Pre-Drill Well Site Review <sup>10</sup>		\$ 2,275	\$ 1,820
Aquifer Testing Plan <sup>4,11</sup>		\$ 5,125	\$ 3,832
Aquifer Testing Plan Waiver Request Evaluation <sup>4,11</sup>		\$ 5,125	\$ 3,832
Emergency Certificate		\$ 5,050	\$ 4,040
Transfer of Approval <sup>12</sup>		\$ 1,050	\$ 840
Re-issuance of Approval <sup>12</sup>		\$ 525	\$ 420

<sup>1</sup> Fees for new and renewal applications are based on the maximum withdrawal amount (on a peak day or 30-day average basis, as appropriate) requested in the application. Fees for modifications of approved projects, other than minor modifications as defined in 18 CFR § 806.18, are based on the increase in the requested quantity/capacity. When a modification other than a minor modification is requested that does not include an increase in quantities, the lowest fee for the applicable project category shall apply.

<sup>2</sup> Projects under 18 CFR § 806.22(e) which will require consumptive use of more than 999,999 gpd should consult with Commission staff prior to submitting an application. Fees for these projects will be subject to Paragraph 11 of this fee schedule, but in no case will pay less than \$8,075 (\$6,460 for municipal projects).

<sup>3</sup> Except where the project sponsor has an approved docket, any water source serving an Approval by Rule must be either registered or administratively approved, regardless of quantity.

<sup>4</sup> A separate fee is required for each withdrawal location, except for groundwater remediation systems that may be eligible for a single fee.

<sup>5</sup> An aquatic resource survey fee may be required for applications for surface water and groundwater withdrawals, or for modifications or renewals of approved withdrawals (see footnote 9).

<sup>6</sup> 1 mgd increment includes any amount from 1 gallon to the next mgd.

<sup>7</sup> The maximum calculation of a project fee for this category will be \$282,675.

<sup>8</sup> Fees for these projects will be subject to Paragraph 11 of this fee schedule. Additional fees will be assessed when actual costs exceed the fee. A refund will be issued when actual costs are less than the fee.

<sup>9</sup> Aquatic resource surveys will be conducted on streams when recent relevant data are not available to evaluate the potential impacts of a withdrawal. Commission staff will make that determination during the review of an application and will invoice this fee separately.

<sup>10</sup> Project sponsors may request a pre-drilling evaluation for proposed groundwater withdrawals. Fifty percent (50%) of the fee paid for a pre-drilling evaluation will be applied towards the aquifer testing plan fee for a well that was completed at the same borehole location identified in and evaluated with the pre-drilling well site review.

<sup>11</sup> If a waiver for an aquifer testing plan is requested and denied, the project sponsor will be required to develop an aquifer testing plan and pay an additional fee.

<sup>12</sup> The fee for transfers or re-issuances as defined under Commission regulation found in 18 CFR § 806.6 which occur simultaneously as part of a single transaction will be reduced by fifty percent (50%) when the number of transfers or re-issuances in the transaction equals 25 or more.

**TABLE 2. ANNUAL COMPLIANCE AND MONITORING FEE<sup>1,2</sup>**

<b>Facility Category</b>	<b>Standard Fee</b>	<b>Municipal Fee</b>
Hydroelectric	\$10,325	\$8,260
Withdrawal, Consumptive Use, Diversion	\$ 1,050	\$ 840
Approval by Rule / General Permit Notice of Intent	\$ 1,050	\$ 840

<sup>1</sup> Annual compliance and monitoring fees apply to each facility approved by the Commission on or after January 1, 2010, including modifications, renewals, transfers and reissuances of approvals that require Commission or Executive Director action on or after that date. Commission orders, including consent order and agreements, may include the annual compliance and monitoring fee where the order requires ongoing metering and reporting to the Commission or requires applications to be made to the Commission.

<sup>2</sup> All fees on this table will be invoiced by the Commission on or after July 1 of each year. During the first year, fees will be prorated by quarter on the basis of a fiscal year commencing July 1. Fees are due and payable within 30 days from the date of invoice. Facilities which submit rescission requests on or after July 1 of each year will owe the entire annual fee.

**TABLE 3. CONSUMPTIVE USE MITIGATION FEE**

<b>Project Category</b>	<b>Standard Fee</b>
Consumptive Use Mitigation Fee <sup>1</sup>	\$0.33 per 1,000 gallons consumed

<sup>1</sup> Consumptive use mitigation fees are paid by project sponsors electing to use such payments as their method of compliance with 18 CFR § 806.22(b). Such fees are deposited in the Commission's Water Management Fund and shall be used for planning, engineering, design, and construction phases of new projects, or the reformulation of existing reservoirs, or any other project or study initiated by the Commission to address the cumulative impact of consumptive water use or otherwise to support low flow management in the Susquehanna River Basin, as provided for in the Commission's Water Management Fund Policy, originally adopted as Policy No. 95-02, June 8, 2005, and amended by Resolution No. 2008-05, September 11, 2008.

## PROJECT REVIEW FEE WORKSHEET

**Project Sponsor:**

**Facility:**

**Municipality:**

**County:**

**State:**

	Project Category <sup>1</sup>	Source Location <sup>2</sup>	Requested Quantity (gpd) <sup>3</sup>	Municipal Fee (Yes/No)	Fee from Table
<sup>1</sup> Consumptive Water Use, Approval by Rule, Withdrawal, Diversion, etc. <sup>2</sup> Name of withdrawal point (not applicable for Consumptive Water Use); e.g., Well 2A, Trout Creek, etc. <sup>3</sup> Requested amount of water in gallons per day (gpd) based on peak 24-hour period or 30-day average, as appropriate.				<b>Amount Due</b>	
				<b>Amount Paid</b>	
				<b>Check Number</b>	



***Attachment 6***

***(9 pages)***

**Bedford Branch Office:** 124 South Richard Street, Bedford, PA 15522  
**Pittsburgh Branch Office:** 1 Forsythe Road, Presto, PA 15142  
**Harrisburg Branch Office:** 800 North Third Street, Suite 202, Harrisburg, PA 17102  
**Tel:** 814-695-7500, **Cell:** 814-577-9677, **Fax:** 814-695-7505

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**From:** Kyle Gallagher [<mailto:KyleG@pihwtr.com>]  
**Sent:** Wednesday, November 23, 2016 7:24 AM  
**To:** Steve Treschow  
**Subject:** Appalachian Pump Test

Good morning Steve, atleast it was until I read your email.

I thought it would be in the 10-15 range.

If the well already has a pump installed could that dramatically reduce the cost if we were to use our equipment?

I also have a lot of historical data, well log, etc. readily available.

The PADEP performed a 48 hour pump test on this well in 1996 when they provided a permit for it.

Does your estimate include extra monitoring points, I am assuming this is in the form of monitoring wells?  
I believe that is a requirement to meet SRBC pump test guidelines.

Thank you for your time,  
Kyle

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**From:** Steve Treschow [<mailto:STreschow@lehmanengineers.com>]  
**Sent:** Tuesday, November 22, 2016 3:59 PM  
**To:** Kyle Gallagher <[KyleG@pihwtr.com](mailto:KyleG@pihwtr.com)>  
**Subject:**

Kyle,

Conservatively, we are looking at 35K for a 72-hour pump test. This includes background monitoring, testing, test analysis, and a summary report. The SRBC fees have gone up dramatically over the years and removing water is now a costly business. Just the permit fees are outrageous. Let me know if and when you need something formal. Thanks.

**Steven J. Treschow, P.G., CPG**  
*Geologic Services Director*



**Corporate Headquarters:** Post Office Box 419, Hollidaysburg, PA 16648  
**Bedford Branch Office:** 124 South Richard Street, Bedford, PA 15522  
**Pittsburgh Branch Office:** 1 Forsythe Road, Presto, PA 15142

June 6, 2017

Mr. Kyle Gallagher  
Appalachian Utilities, Inc.  
1674 Park Avenue  
Lock Haven, PA 17745

RE: Susquehanna River Basin Commission

Dear Mr. Gallagher:

In various correspondence, we discussed your recent interactions with the Susquehanna River Basin Commission (SRBC) concerning the water supply for the community you serve. After completing a preliminary review of the information you supplied, I provided you with a rough cost estimate to complete the work required by the SRBC. I know that you were shocked by the estimate (\$35,000), however, the review, withdrawal, and other fees charged by the SRBC have gone up dramatically over the last 10 years.

As part of our correspondence, you also asked that I share about my past experiences with the SRBC on similar projects. Due to client privacy issues, my comments will be general in nature.

As a general background, the SRBC was created for the *“conservation, utilization, management, and control of the water resources of the Susquehanna River Basin under comprehensive multiple purpose planning...”*. *This comprehensive planning administered by a basin wide agency will provide flood damage reduction, conservation and development of surface and ground water supply for municipal, industrial, and agricultural uses, development of recreational facilities in relation to reservoirs, lakes and streams, propagation of fish and game, promotion of forest land management, soil conservation, and watershed projects, protection and aid to fisheries, development of hydroelectric power potentialities, improved navigation, control of the movement of salt water, abatement and control of water pollution, and regulation of stream flows toward the attainment of these goals”*.

In general, New York and Maryland have not been largely involved with the direction of the SRBC since its inception. Therefore, for the most part, Pennsylvania directs the actions of the SRBC. This is an important fact to consider as the impact to business and the economy from the actions of the SRBC is likewise focused in Pennsylvania.

My experience with the SRBC consists of multiple projects in northeastern Pennsylvania. In particular, I will focus on one project with multiple groundwater withdrawals and a somewhat large daily consumptive use. For discussion purposes, we will call it Case #1.

## Case #1

The first part of the SRBC process involved aquifer testing and permitting of each withdrawal location. For discussion purposes, the costs associated with a single water withdrawal are as follows:

- Aquifer Test Plan Preparation and Submittal: Preparation of the aquifer testing plan by a Licensed Professional Geologist cost approximately \$5,000.00
- The SRBC fees for aquifer test plan review and approval was \$5,125.00
- Implementation and completion of the aquifer testing cost approximately \$18,500.00. (Please note that this site had historic monitoring points for use during the pump test and no new points had to be installed)
- Preparation of a Hydrogeologic Report by a Licensed Professional Geologist: Preparation of this report summarizing the aquifer testing was approximately \$15,000.00
- Groundwater Withdrawal Application: The completion of the groundwater withdrawal application was approximately \$2,000.00
- Notifications: Property owners within 2,500 feet of the withdrawal must be notified in writing of the proposed withdrawal. This cost was approximately \$2,000.00
- Meetings: The SRBC requested several meetings and conference calls for the particular project. In total, the costs for this communication was another \$2,000.00

Up to this point, the project costs were approximately **\$49,625.00**

If the groundwater withdrawal is approved, the next step in the process involves actual withdrawal and consumptive use of the water.

- For this project, the withdrawal requested was 100,000-250,000 gallons per day. The standard SRBC fee for this was \$7,950.00.00.
- Preparation of a Consumptive Use Application: The approximate cost for this was \$2,000.00.
- For this project, the consumptive use requested was 100,000-250,000 gallons per day. The standard SRBC fee for this was \$6,125.00.

The total project costs for permitting of a single well were approximately **\$65,700.00**. The property owner has two wells and the total project costs ended up just above **\$125,000.00**.

The property owner had utilized these wells historically for nearly 30 years without incident and had decreased their usage every year. Through water conservation, on-site treatment/re-use, and more efficient manufacturing processes, the facility reduced their consumption by 60-70% since the wells were installed in the early 1980s. As part of the aquifer testing plan, nearly 20 years of historical pumping information and the results of a historic aquifer test were provided to the SRBC for review. The intent was to demonstrate that another aquifer test was not necessary. However, if the owner would have requested a formal Aquifer Test Plan Waiver Evaluation, the SRBC fee for that would have been \$5,125.00. In the end, the SRBC insisted on a new aquifer test for each permitted well.

There are several important takeaways from this case example.

1. These costs didn't include the costs of the installation of the groundwater withdrawal wells themselves.
2. The costs could have been higher if additional monitoring points were required by SRBC or if surface water monitoring was deemed necessary.
3. The wells could have been considered one location, but SRBC decided to require testing on both withdrawal wells.
4. The SRBC has the ability to waive and/or reduce certain fees and this was not done.
5. The water that was previously extracted at no cost is now an additional cost to the business.
6. The total SRBC fees on this project were **\$38,400** (more than 30% of the project costs).
7. Even for a medium sized corporation, this expenditure was considerable. This project also took up a significant amount of time for several of their employees.

### Summary

The SRBC was created for numerous purposes, but has focused a majority of its efforts on groundwater and surface water withdrawal management. The protection of water resources is an important issue; however, common sense needs to be applied to each particular situation. In this case, sufficient historic information existed to re-permit the wells without an additional aquifer test or going through the entire SRBC process. The volume of the withdrawal was known and sufficient information was known to evaluate the impacts to regional groundwater/surface water resources without additional testing.

In summary, this project became about revenue for the SRBC and not about the protection and conservation of water resources. The SRBC fees for a typical project are potentially enough to bankrupt small companies. Rural water suppliers, small manufacturing, and other entities that require water to operate are facing an unfair financial burden to operate and some communities simply can't afford this overly burdensome regulation. In the western portion of Pennsylvania, the Pennsylvania Department of Environmental Protection (PADEP) regulates the use of water resources. The permitting procedure is very simple and there are virtually no costs.

In closing, I have spent nearly 20 years working in the fields on environmental remediation and contaminant hydrogeology in Pennsylvania. I believe in a common-sense approach to protecting our natural resources for future generations to enjoy. However, the current climate of the SRBC has become more focused on money and sustaining the commission versus the true protection of water resources in the Susquehanna River Basin. Thank you for your time and attention.

Sincerely,



Steven J. Treschow, P.G., CPG  
Licensed Professional Geologist

**Cost Estimate: Aquifer Testing and Permitting**  
*Appalachian Utilities, Inc.*  
*Woolrich Well*

**Prepare Aquifer Test Plan**

**\$11,000**

Work will include, but not be limited to:

Assembly of published and file data concerning geology of the well site; compilation of well construction and current pumping data; identification of potential monitoring points, including names, addresses and phone numbers for identified well owners; review of construction and testing data for the Woolrich well; review of historical pumping records for the well; and preparation of the aquifer testing plan in accordance with SRBC requirements.

**Aquifer Testing (Pumping Tests)**

**\$8,500**

Aquifer testing will include both a stepped drawdown test and a 72-hour constant rate test.

GeoServices will complete the following:

Secure temporary discharge approval from DEP; set up transducers and data loggers in monitoring wells; oversee and interpret step testing of the well; provide instruction to Appalachian Utilities, Inc. (AUI) personnel in conduct of required monitoring tasks; consult daily with AUI personnel during conduct of the constant rate test; remove transducers and data loggers from monitoring network. Costs include rental of up to six (6) transducers and data loggers.

Typically, the cost to complete aquifer testing at an operational pumping well is in the range of \$14,000. However, given AUI's desire to use its personnel where possible, the costs have been reduced given our understanding of AUI's capabilities. It is expected that AUI will complete the following as part of the aquifer testing:

- Set up discharge for water not used by the system during conduct of the tests;
- Digitally or manually record flow totals at least once per hour during the entire 72-hour test and adjust to the original pumping rate as needed;
- Digitally and manually record water levels in the test well;

- Manually confirm water levels in all monitoring wells and piezometers at least once every six hours;
- Monitor flow cell or water quality metering setup to ensure proper recording. Take manual measurements of water quality hourly;
- Remove water quality meter from flow cell to check surface water quality once per day and prior to and at the conclusion of the test;
- Plot water level data (GeoServices will provide AUI with a plot setup prior to start of the testing);
- Periodically confirm that no scour or erosion is occurring as a result of the discharge. Periodically, photograph the discharge and receiving stream to document absence of scour or impacts to the stream; and
- Consult with GeoServices at least once per day on status of the test.

### **Prepare Hydrogeologic Report**

**\$14,000**

GeoServices will prepare a Hydrogeologic Report in conformance with requirements of the SRBC.

The Hydrogeologic Report includes a description of the geologic setting, analysis of aquifer test results, evaluation of aquifer parameters (e.g., transmissivity, storage, specific capacity), and prediction of drawdown and potential impacts to neighboring ground water users and surface flows (if applicable). It also includes graphs and plots of data, and maps.

### **Application**

**\$2,600**

GeoServices will complete the Ground Water Withdrawal Application with assistance and information provided by AUI. It is expected that AUI will complete Form 72 and applicable portions of the application.

### **Notifications**

The Application requires the identification of all property owners located within 2,500 feet of the Subject Well and preparation of individual letters to notify all property owners of the withdrawal, even though the well has been operational for many years and even though all of the residences may be supplied with public water. In addition, local, county and state agencies must be notified of the withdrawal via certified mailings. Costs for this work depend on the number of notifications and the level of effort to be contributed by AUI. Based on notification of up to 500 residences and assuming that GeoServices completes all the notifications, costs may range up to **\$2,500**.



### **Meetings with SRBC**

Meetings will be billed on a per meeting basis at **\$1,100 per meeting**.

### **SRBC Fees**

The SRBC charges for review of the Aquifer Test Plan and for processing the permit. The ATP review fee is fixed (\$5,125) while the project review fees are dependent on the volume of withdrawal. A schedule of SRBC fees (with our comments) is attached for your information.

### **Cost Summary**

Total costs for testing and permitting the Woolrich well are in the range of \$36,100 to \$39,700 if GeoServices prepares all the notifications and attends a meeting at the SRBC. These costs do not include fees payable to the SRBC.

**TABLE 1. PROJECT REVIEW AND MODIFICATION FEES**

Project Category	Requested Quantities/Capacities <sup>1</sup>	Standard Fee	Municipal Fee
Consumptive Water Use	20,000 gallons per day (gpd) – 99,999 gpd 100,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 million gpd (mgd) – 5 mgd Over 5 mgd	\$ 3,050 6,125 12,150 36,350 60,625	\$ 2,440 4,900 9,720 29,080 48,500
Approval by Rule Consumptive Use; 18 CFR § 806.22(e)	20,000 gpd – 99,999 gpd 100,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd Over 999,999 gpd	\$ 1,550 3,075 8,075 see footnote <sup>2</sup>	\$ 1,240 2,460 6,460 see footnote <sup>2</sup>
Approval by Rule <sup>3</sup> Consumptive Use; 18 CFR § 806.22(f)	<u>Unconventional Natural Gas or Other Hydrocarbon Development</u> New Application Renewal Application  <u>Water Source:</u> Source Registration: Subsection (12) Source Approval: Subsection (13) Hydrocarbon Water Storage Facilities: Subsection (14)	\$ 8,075 2,075  530 1,125 2,575	Not Applicable   Not Applicable
Surface Water Withdrawals <sup>4,5</sup>	Less than 100,000 gpd 100,000 gpd – 249,999 gpd 250,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 5,300 7,950 10,600 13,250 15,875 34,500 34,500 + \$5,875 for each additional 1 mgd increment <sup>6,7</sup>	\$ 4,240 6,360 8,480 10,600 12,700 27,600 27,600 + \$4,700 for each additional 1 mgd increment <sup>6,7</sup>
Groundwater Withdrawals <sup>4,5</sup>  <u>FOR EACH LOCATION</u>	Less than 100,000 gpd 100,000 gpd – 199,999 gpd 200,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 8,225 12,375 16,550 20,675 24,775 53,785 53,785 + \$9,450 for each additional 1 mgd increment <sup>6,7</sup>	\$ 4,622 6,953 9,264 11,586 13,886 30,157 30,157 + \$5,296 for each additional 1 mgd increment <sup>6,7</sup>
Diversions: Into Basin  Out of Basin	All quantities  Less than 250,000 gpd 250,000 gpd or greater	\$ 10,125  10,125 30,350 –	\$ 8,100  8,100 24,280 +

DEPENDING ON WELL SEPARATION AND OPERATIONAL CONSIDERATIONS, A TWO-WELL WELLFIELD MAY BE CONSIDERED AS A SINGLE LOCATION.

**TABLE 1. PROJECT REVIEW AND MODIFICATION FEES (continued)**

Project Category	Requested Quantities/Capacities <sup>1</sup>	Standard Fee	Municipal Fee
		consumptive use fee (unless not applicable)	consumptive use fee (unless not applicable)
Hydroelectric Projects (New or Re-licensing)	Greater than 10 megawatts (anything less subject to "all other projects" category below)	\$236,325 <sup>8</sup>	Not Applicable
All other projects requiring review and approval and not otherwise specified	All quantities or capacities	\$ 5,050	\$ 4,040
Minor Modifications		\$ 750	\$ 600
Aquatic Resource Survey <sup>5,9</sup>	(NOT DONE VERY OFTEN)	\$ 5,875	\$ 4,700
Pre-Drill Well Site Review <sup>10</sup>	(IF REQUESTED BY AUI)	\$ 2,275	\$ 1,820
Aquifer Testing Plan <sup>4,11</sup>		\$ 5,125	\$ 3,832
Aquifer Testing Plan Waiver Request Evaluation <sup>4,11</sup>		\$ 5,125	\$ 3,832
Emergency Certificate		\$ 5,050	\$ 4,040
Transfer of Approval <sup>12</sup>		\$ 1,050	\$ 840
Re-issuance of Approval <sup>12</sup>		\$ 525	\$ 420

<sup>1</sup> Fees for new and renewal applications are based on the maximum withdrawal amount (on a peak day or 30-day average basis, as appropriate) requested in the application. Fees for modifications of approved projects, other than minor modifications as defined in 18 CFR § 806.18, are based on the increase in the requested quantity capacity. When a modification other than a minor modification is requested that does not include an increase in quantities, the lowest fee for the applicable project category shall apply.

<sup>2</sup> Projects under 18 CFR § 806.22(e) which will require consumptive use of more than 999,999 gpd should consult with Commission staff prior to submitting an application. Fees for these projects will be subject to Paragraph 11 of this fee schedule, but in no case will pay less than \$8,075 (\$6,460 for municipal projects).

<sup>3</sup> Except where the project sponsor has an approved docket, any water source serving an Approval by Rule must be either registered or administratively approved, regardless of quantity.

<sup>4</sup> A separate fee is required for each withdrawal location, except for groundwater remediation systems that may be eligible for a single fee.

<sup>5</sup> An aquatic resource survey fee may be required for applications for surface water and groundwater withdrawals, or for modifications or renewals of approved withdrawals (see footnote 9).

<sup>6</sup> 1 mgd increment includes any amount from 1 gallon to the next mgd.

<sup>7</sup> The maximum calculation of a project fee for this category will be \$282,675.

<sup>8</sup> Fees for these projects will be subject to Paragraph 11 of this fee schedule. Additional fees will be assessed when actual costs exceed the fee. A refund will be issued when actual costs are less than the fee.

<sup>9</sup> Aquatic resource surveys will be conducted on streams when recent relevant data are not available to evaluate the potential impacts of a withdrawal. Commission staff will make that determination during the review of an application and will invoice this fee separately.

<sup>10</sup> Project sponsors may request a pre-drilling evaluation for proposed groundwater withdrawals. Fifty percent (50%) of the fee paid for a pre-drilling evaluation will be applied towards the aquifer testing plan fee for a well that was completed at the same borehole location identified in and evaluated with the pre-drilling well site review.

<sup>11</sup> If a waiver for an aquifer testing plan is requested and denied, the project sponsor will be required to develop an aquifer testing plan and pay an additional fee.

<sup>12</sup> The fee for transfers or re-issuances as defined under Commission regulation found in 18 CFR § 806.6 which occur simultaneously as part of a single transaction will be reduced by fifty percent (50%) when the number of transfers or re-issuances in the transaction equals 25 or more.



*Attachment 7*

*(11 pages)*

Subject: Anadarko E&P Company, LP - Approved Source Application For The Use of Water Obtained From Appalachian Utilities, Inc. (PWS #4180067)

Effective January 28, 2011, and pursuant to 18 CFR Section 806.22(f)(12)(ii), the Susquehanna River Basin Commission (Commission) hereby approves the source application filed by Anadarko E&P Company, LP (hereinafter "project sponsor"), for the use of water obtained from Appalachian Utilities, Inc. (PWS #4180067), located in Pine Creek Township, Clinton County, Pennsylvania.

As a result of this approval, and pursuant to 18 CFR Section 806.22(f)(11), the project sponsor may utilize this source for natural gas development at any drilling pad site for which it has an effective Approval by Rule issued by the Commission, subject to any approval or authorization required by the Commission's (host) member state to utilize such source.

The project sponsor may obtain water from this source in an amount not to exceed the amount established in the commitment letter submitted as part of its approval. The project sponsor may only increase the committed amount with proper notification to and prior approval from the Commission.

The project sponsor shall record on a daily basis, and report quarterly on a form and in a manner prescribed by the Commission, the quantity of water obtained from this source.

The project sponsor shall demonstrate to the Commission annually, by means of a commitment letter or other documentation acceptable to the Commission, that all sources approved under 18 CFR §806.22(f)12(ii) intend to continue to supply water to the project sponsor. The project sponsor shall notify the Commission, in writing, within two (2) weeks of any termination of source water agreements. The project sponsor may increase the committed amount with proper notification to and approval from Commission staff prior to any consumptive water use.

If you have any questions regarding the approval, please feel free to contact me at extension 227 or Eric Roof at extension 209.

Thank you,

Glenda Miller

Glenda Miller

Supervisor - Approval By Rule Program

Susquehanna River Basin Commission

1721 North Front Street

Harrisburg, PA 17102

717-238-0425 Ext. 227

Fax: 717-909-0468

[www.srbc.net](http://www.srbc.net) <<http://www.srbc.net/>>

Anadarko Confidentiality Notice: This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this communication in error, please immediately notify sender by return e-mail and destroy the communication. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited.



# SUSQUEHANNA RIVER BASIN COMMISSION

1721 North Front Street • Harrisburg, Pennsylvania 17102-2391  
Phone (717) 238-0423 • Fax (717) 238-2436  
Web <http://www.srbc.net>

## Source (12)(ii) Application Pursuant to 18CFR §806.22(f)(12)(ii)

Source Name: APPALACHIAN UTILITIES  
INC (4180067)

NOI #: NOI-2010-0825

Invoice #: 14485

### 1. Project Sponsor:

Co. Name: ANADARKO E&P COMPANY LP  
Address: PO BOX 1330

City: HOUSTON State: TX Zip: 77251-1330  
Contact Person: ANGELA NORRIS Title: SR RESERVOIR ENGINEER  
Telephone: 832-636-1123 Fax:  
Mobile: E-mail: [angela.norris@anadarko.com](mailto:angela.norris@anadarko.com)

### 2. Water Sources:

#### Public Water Supplies:

Permit Holder: APPALACHIAN UTILITIES INC  
Address: P.O. Box 118

City: Woolrich State: PA Zip: 17779  
Contact: Frank Sargent Title: President  
Telephone: 570-769-7644 Fax:  
E-mail: [mountainman\\_pa\\_02@verizon.net](mailto:mountainman_pa_02@verizon.net)

---

Permitted System Capacity: 1.1520  
Current Average System Demand: 0.3020 mgd  
Historic Peak System Demand: 0.5410 mgd

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Type of Water Being Supplied: Raw Water  
Anticipated maximum daily amount transported from the public water supplier: 0.5000 mgd

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State Permit Number(s): 4180067  
SRBC Docket Number(s) (If applicable):

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Description of Public Water Supply Connection:

Anadarko will collect water at the discharge point located at Latitude  
41.17518°N and Longitude -77.32596°W. The withdrawal will be solely  
**Location:** from Well #6 located near the corner of PA 150N and US 220N.  
**Latitude:** N° 41.175180 **Longitude:** W° -77.325960

**Type:** Hydrant

**Metered by:** Supplier

**Meter Make:** Neptune

**Model:** Tru-Flo

**Serial #:** EC3BR6G85G45

**3. Required Attachments:**

<b>Public Water Supplier letter or agreement(s)</b>	
Appalachian Utilities PSW Confirmation Letter.pdf	<a href="#">view</a>

**Commitment Letter Start Date:** 8/15/2010 **Commitment Letter End Date:** 8/14/2011

Map showing location of source.

<b>Map showing location of source</b>	
Water Source Map.pdf	<a href="#">view</a>

**4. Name and Signature of Project Sponsor:**

The undersigned representative of the project sponsor certifies, under penalty of law (or perjury), as provided by 18 Pa. C. S. 4904, Section 210.45, of the New York Penal Law, Section 9-101 Maryland Crimes Code and 28 U.S.C. 1746, and attests that the information contained herein and all information accompanying this application is true and correct, and they are authorized to act as representatives of the project sponsor. Upon submission, the project sponsor shall be responsible for paying all fees associated with this application. These fees are payable to SRBC in all cases and will not be refunded, including cases where the application is denied, terminated or withdrawn.

**Project Sponsor Representative:** Angela Norris

**Date:** 9/14/2010

**Signature:** Angela Norris

**Title:** Sr Reservoir Engineer

**Company:** Anadarko E&P Company LP

**5. Municipal, County, State:**

As required by 18CFR §806.22(f), the project sponsor shall, no later than 10 days after submission of a Notice of Intent (NOI), notify each municipality in which the project is located, the county planning agency of each county in which the project is located, and appropriate state agencies of the member state in which the project is located. If a drilling pad is in multiple municipalities or counties, a notice will need to be sent to each agency.

All notices required under this section shall contain sufficient description of the project including location, date the NOI was submitted, the NOI number, the purpose of the project, and the Commission's mailing address, electronic mail address and phone number (please refer to the Public Notice Guidelines for sample language) as well as a printed copy of the submitted application. The project sponsor has provided the

Commission with a notarized proof of publication with the following upload(s):

a. Municipallity:

File Name	
Township Notification Letter.pdf	<a href="#">view</a>
Township UPS.pdf	<a href="#">view</a>
Township UPS Delivered.pdf	<a href="#">view</a>

b. County:

File Name	
County Notification Letter.pdf	<a href="#">view</a>
County UPS.pdf	<a href="#">view</a>
County UPS Delivered.pdf	<a href="#">view</a>

c. State Gas Well Permltting Office:

File Name	
DEP Notification Letter.pdf	<a href="#">view</a>
DEP UPS.pdf	<a href="#">view</a>
DEP UPS Delivered.pdf	<a href="#">view</a>

d. State Public Water Supply Office:

File Name	
Water Use Notification Letter.pdf	<a href="#">view</a>
Water Use UPS.pdf	<a href="#">view</a>
Water Use UPS Delivered.pdf	<a href="#">view</a>

**6. Publication of Notice:**

As required by 18CFR §806.22(f), the project sponsor shall, no later than 10 days after submission of a Notice of Intent (NOI) to the Commission, publish a notice in a newspaper of general circulation in the location of the project.project.

The notice shall contain sufficient description of the project including location, date the NOI was submitted, the NOI number, the purpose of the project, and the Commission's mailing address, electronic mail address and phone number (please refer to the Public Notice Guidelines for sample language).

The project sponsor has provided the Commission with a notarized proof of publication with the following upload(s)

Notarized proof of publication for newspaper notice:

File Name	
Proof of Publication.pdf	<a href="#">view</a>

**7. Contiguous Property Owner Notification:**

As required by 18CFR §806.22(f), the project sponsor shall, no later than 10 days after submission of a Notice of Intent (NOI) to the Commission, notify each contiguous property owner.

The notice shall contain sufficient description of the project including location, date the NOI was submitted, the NOI number, the purpose of the project, and the Commission's mailing address, electronic mail address and phone number (please refer to the Public Notice Guidelines for sample language); the notice will need to include a map clearly showing the drilling pad location.

The Project Sponsor must submit to the Commission a keyed contiguous property owner map with respect to the well pad location, a corresponding list of property owners and addresses (as currently recorded in the county tax office), and a sample notification letter as sent to the contiguous property owners.

Keyed contiguous property owner map:

File Name	
Waiver Letter to SRBC.pdf	<a href="#">view</a>

Corresponding list of contiguous property owners and addresses:

File Name	
Waiver Letter to SRBC UPS.pdf	<a href="#">view</a>

Sample of notification letter:

File Name	
Waiver Letter to SRBC UPS Delivered.pdf	<a href="#">view</a>

**8. SRBC Form #55:**

The Project Sponsor shall, also provide certification on a form (Form #55) provided by the Commission that it has made such notification as required in 5, 6, and 7 above. Until these items are provided to the Commission, processing of the application will not proceed.

File Name	
Form 55.pdf	<a href="#">view</a>

### ANADARKO E&P COMPANY LP

ANGELA NORRIS  
PO BOX 1330  
HOUSTON, TX 77251-1330

# INVOICE

Date: 9/14/2010  
Invoice #: 14485  
Due Date: 9/21/2010

## PAID

Approval #: Add Source (12)(II) (NOI-2010-0825)  
NOI #: NOI-2010-0825

DESCRIPTION	AMOUNT
New Source Registration - Other Source: Fee for the addition of source APPALACHIAN UTILITIES INC	1000.00
<b>Credits:</b>	0.00
<b>Payments:</b>	1000.00
<b>Refunds:</b>	0.00
<b>TOTAL:</b>	0.00

Remit payment to:

SRBC General Fund  
P.O. Box 4582  
Harrisburg, PA 17111-4582

Note: Please put your NOI Number and Invoice Number on the check.

Susquehanna River Basin Commission  
1721 North Front Street  
Harrisburg, PA 17102-2391  
Phone: (717) 238-0423 - Fax: (717) 238-2436  
Website: <http://www.srbc.net> - E-mail: [compliance@srbc.net](mailto:compliance@srbc.net)  
Monitoring data website: <https://services.srbc.net/reporting>

ANADARKO E&amp;P COMPANY LP

1201 LAKE ROBBINS DRIVE • THE WOODLANDS, TEXAS 77380

P.O. Box 1330 • HOUSTON, TEXAS 77251-1330



To:  
Pine Creek Township  
31 Municipal Dr  
Avis, PA 17721

**Re: Notice of Intent (NOI-2010-0825) for Consumptive Use of water from Appalachian Utilities, Inc, located in Pine Creek Township, Clinton County, PA**

Notice is hereby given that on September 14, 2010, Anadarko E&P Company LP has filed a Notice of Intent (NOI) (NOI-2010-0825) with the Susquehanna River Basin Commission (SRBC) seeking to consumptively use water obtained from Appalachian Utilities, Inc, located in Pine Creek Township, Clinton County, Pennsylvania pursuant to 18 CFR Section 806.22(f)(ii). This water will be used to support the drilling and development of natural gas well(s) on drilling pad(s) located within the Susquehanna River Basin. The Approved Source List for Natural Gas Development can be found at [www.srbc.net](http://www.srbc.net).

Comments referring to the NOI number above should be submitted to the attention of Mr. Andrew Dehoff, Susquehanna River Basin Commission, 1721 North Front Street, Harrisburg, Pennsylvania 17102-2391, telephone: 717-238-0423, at ext. 221, or Eric Roof at ext. 209, fax: 717-909-0468, email: [adehoff@srbc.net](mailto:adehoff@srbc.net) or [eroof@srbc.net](mailto:eroof@srbc.net). Please include the above NOI number on any correspondence.

Sincerely,

A handwritten signature in cursive script that reads "Angela Norris".

Angela Norris

Anadarko E&P Company LP

Enclosures: 1) NOI-2010-0825  
2) Site Location Map

# Proof of Publication

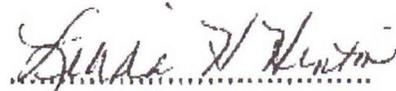
STATE OF PENNSYLVANIA } SS  
CLINTON COUNTY

Before me, a Notary in and for the County aforesaid, personally appeared Robert O. Rolley, Jr. who being duly sworn according to law, doth depose and say that he is Publisher of The Lock Haven Express, a general newspaper established on the First Day of March 1882, and published at Lock Haven, in Clinton County, Pennsylvania, and that the advertisement of which a copy is attached hereto, was published in the regular editions and issues of said newspaper on the following dates,..... September 16, 2010.....

And in all respects as ordered; and that the affiant is not interested in the subject matter of the notice and that all of the allegations of the statement as to the time, place and character of publication are true.

.....Publisher

Sworn and subscribed before me this 16th.....day of September....., A.D. 2010.

.....  
Notary Public

My Commission expires

NOTARIAL SEAL  
LINDA H. HINTON, Notary Public  
Lock Haven, Clinton County, PA  
My Commission Expires May 21, 2011

Notice is hereby given that on September 14, 2010, Anadarko E&P Company LP has filed a Notice of Intent (NOI) (NOI-2010-0628) with the Susquehanna River Basin Commission (SRBC) seeking to consummately use water obtained from Appalachian Utilities, Inc. located in Pine Creek Township, Clinton County, Pennsylvania pursuant to 18 CFR Section 806.22(f)(8). This water will be used to support the drilling and development of natural gas well(s) on drilling pad(s) located within the Susquehanna River Basin. The Approved Source List for Natural Gas Development can be found at [www.srb.com](http://www.srb.com).

Comments referring to the NOI number above should be submitted to the attention of Mr. Andrew Dehoff, Susquehanna River Basin Commission, 1721 North Front Street, Harrisburg, Pennsylvania 17102-2391, telephone: 717-238-0423, ext. 221, or Eric Roof at ext. 209, fax: 717-909-0468, email: [adehoff@srb.com](mailto:adehoff@srb.com) or [eroof@srb.com](mailto:eroof@srb.com). Please include the above NOI number on any correspondence.

ANADARKO E&amp;P COMPANY LP

1201 LAKE ROBBINS DRIVE • THE WOODLANDS, TEXAS 77380

P.O. Box 1330 • HOUSTON, TEXAS 77251-1330



September 14, 2010

Glenda Miller - ABR Program  
Susquehanna River Basin Commission  
1721 North Front Street  
Harrisburg, Pennsylvania 17102-2391

**Application for Waiver of Contiguous Notice Provisions for NOI-2010-0825**

Dear Ms. Miller:

Anadarko E&P Company LP requests a waiver of the contiguous property owner notification regulations for the application to consumptively use water from the Appalachian Utilities, Inc (NOI-2010-0825), located in Pine Creek Township, Clinton County, Pennsylvania for Marcellus Shale natural gas operations in the Susquehanna River Basin. Anadarko E&P Company LP believes that requiring notice to all property owners serviced by this public water system would be unnecessary and overly burdensome for the project area involved.

Thank you for your review of our request. Please feel free to contact me at 832-636-1123 or via email at [angela.norris@anadarko.com](mailto:angela.norris@anadarko.com) if you would like any additional information or if you have any questions.

Yours truly,

A handwritten signature in cursive script that reads "Angela Norris".

Angela Norris  
Sr. Reservoir Engineer  
832.636.1123  
[Angela.norris@anadarko.com](mailto:Angela.norris@anadarko.com)



# Susquehanna River Basin Commission

*a water management agency serving the Susquehanna River Watershed*

## CERTIFICATION OF NOTIFICATION UNDER SRBC REGULATION 18 CFR §806.15

NAME OF PROJECT: Add A Source – Appalachian Utilities, Inc

LOCATION: Pine Creek Township Clinton Pennsylvania  
(municipality) (county) (state)

I, Angela Norris, the sponsor of the above named project, or the duly authorized officer or agent of the same, do hereby certify to the Susquehanna River Basin Commission (SRBC) that, pursuant to the requirements of SRBC Regulation 18 CFR §806.15, notification of the filing of an application for this project has been made to area and regional news media, the county planning agency, and contiguous property owners.

IN WITNESS WHEREOF, I have signed this certificate in the space below on the date indicated.

Date: 9/21/10

Angela Norris  
Signature

SR Reservoir Engineer  
Title

(832) 636-1123 (832) 636-5851  
Telephone Fax