



COMMONWEALTH OF PENNSYLVANIA

May 6, 2016

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Joint Application of Pennsylvania-American Water Company and the Sewer Authority of the City of Scranton for Approval of (1) the Transfer, by Sale, of Substantially all of the Sewer Authority of the City of Scranton's Sewer System and Sewage Treatment Works Assets, Properties and Rights Related to its Wastewater Collection and Treatment System to Pennsylvania-American Water Company, and (2) the Rights of Pennsylvania-American Water Company to Begin to Offer or Furnish Wastewater Service to the Public in the City of Scranton and the Borough of Dunmore, Lackawanna County, Pennsylvania Docket No. A-2016-2537209

Dear Secretary Chiavetta:

I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Copies have been served on Administrative Law Judge David A. Salapa, on Administrative Law Judge Steven Haas, as well as on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sharon E. Webb'.

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: The Honorable David A. Salapa
The Honorable Steven Haas
Brian Kalcic
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Pennsylvania-	:	
American Water Company and the	:	
Sewer Authority of the City of Scranton	:	
for Approval of (1) the transfer, by sale,	:	
of substantially all of the Sewer Authority	:	
of the City of Scranton’s Sewer System	:	
and Sewage Treatment Works assets,	:	
properties and rights related to its	:	Docket No. A-2016-2537209
wastewater collection and treatment	:	
system to Pennsylvania-American Water	:	
Company, and (2) the rights of	:	
Pennsylvania-American Water Company	:	
to begin to offer or furnish wastewater	:	
service to the public in the City of	:	
Scranton and the Borough of Dunmore,	:	
Lackawanna County, Pennsylvania	:	

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence in this matter as follows:

Sharon E. Webb
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 202

Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
swebb@pa.gov

II. FILING BACKGROUND

The Joint Application was filed by Pennsylvania American Water Company (“PAWC” or “Company”) and the Sewer Authority of the City of Scranton (“Sewer Authority”)(collectively, “Joint Applicants”), with respect to (1) PAWC’s acquisition of substantially all of the assets, property and rights of the Sewer Authority’s sewer system and sewage treatment works related to, or used in connection with, its wastewater collection and treatment system; and (2) PAWC’s right to offer, render, furnish and supply wastewater service in the areas served by the Sewer Authority (“Proposed Acquisition”). By their Application, the Joint Applicants request the Commission’s approval of the Proposed Acquisition, pursuant to Chapter 11 of the Public Utility Code, 66 Pa. C.S. Ch. 11. The OSBA filed a Notice of Intervention and Protest on April 25, 2016.

II. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(314) 725-2511
(314) 725-2022 – Fax
excel.consulting@sbcglobal.net

The OSBA will participate in the case to assure that the interests of small business customers of the Company are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Joint Applicants and other parties through cross-examination of witnesses appearing for those parties and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of the small business consumers would be unjustifiably different than or disproportionate to the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The Joint Application raises issues of concern, relative to rates for acquired customers following the closing of the proposed acquisition, that may require the Commission to reject the Proposed Acquisition or to approve it only after imposing conditions. The OSBA submits that further information is required to determine the impact on small business customers.

The OSBA reserves the right to pursue additional issues after receiving and reviewing the Joint Applicants testimony and as issues arise throughout the proceeding.

IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail only is not acceptable.

V. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. HEARING AND BRIEFING SCHEDULE

The OSBA will continue to cooperate with other parties to develop a mutually acceptable procedural schedule. However, the OSBA notes that, as of the date of drafting of this pre-hearing memo, neither PAWC nor the Sewer Authority have served their Direct Testimony in support of the filing.

Respectfully submitted,



Sharon E. Webb
Assistant Small Business Advocate
Attorney ID # 73995

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(717) 783-2525
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Dated: May 6, 2016

**BEFORE THE
PUBLIC UTILITY COMMISSION**

**Joint Application of Pennsylvania-
American Water Company and the
Sewer Authority of the City of Scranton
for Approval of (1) the transfer, by sale,
of substantially all of the Sewer Authority
of the City of Scranton's Sewer System
and Sewage Treatment Works assets,
properties and rights related to its
wastewater collection and treatment
system to Pennsylvania-American Water
Company, and (2) the rights of
Pennsylvania-American Water Company
to begin to offer or furnish wastewater
service to the public in the City of
Scranton and the Borough of Dunmore,
Lackawanna County, Pennsylvania** :

Docket No. A-2016-2537209

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (unless other noted below) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable David A. Salapa
The Honorable Steven Haas
Administrative Law Judges
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Susan Simms Marsh, Esquire
Pennsylvania American Water Company
800 Hersheypark Drive
Hershey, PA 17033
(US mail)

DATE: May 6, 2016



Sharon Webb
Assistant Small Business Advocate
Attorney I.D. No. 73995