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June 7, 2016

VIA ELECTRONIC AND FIRST CLASS MAIL

Administrative Law Judge Eranda Vero
Commonwealth of Pennsylvania Public Utility Commission
801 Market Street,
4th Floor, Suite 4063
Philadelphia, Pennsylvania 19107

RE: Community Utilities of Pennsylvania Inc. Water Division; Docket Nos. R-2016-2538660 and C-2016-2540738; **COMMUNITY UTILITIES OF PENNSYLVANIA INC. WATER DIVISION'S PREHEARING CONFERENCE MEMORANDUM**

Dear Judge Vero:

Enclosed is a copy of the Prehearing Conference Memorandum of Community Utilities of Pennsylvania Inc. Water Division in the above-captioned matter. The original of this document has been filed with the Secretary's Office and copies have been served in accordance with the attached Certificate of Service.

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

Very truly yours,

Thomas J. Sniscak (Attorney ID No. 33891)
Christopher M. Arfaa (Attorney ID No. 57047)
William E. Lehman (Attorney ID No. 83936)

Counsel for Community Utilities of Pennsylvania Inc.

TJS/WEL/das
Enclosure

cc: Rosemary Chiavetta, Secretary
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:		
Office of Consumer Advocate	:		
	:		
v.	:	Docket No.	R-2016-2538660
	:		C-2016-2540738
Community Utilities of Pennsylvania Inc.	:		
Water Divisions	:		

**PREHEARING CONFERENCE MEMORANDUM OF
COMMUNITY UTILITIES OF PENNSYLVANIA INC. WATER DIVISION**

TO: THE HONORABLE ERANDA VERO

On April 6, 2016, Community Utilities of Pennsylvania Inc. Water Division (“CUPA” or “Company”), filed Supplement No. 1 to Tariff Water - Pa. P.U.C. No. 1 to become effective June 5, 2016, containing proposed changes in rates, rules, and regulations calculated to produce \$427,817 (39.96%) in additional annual revenues from customers based on a historic test year ending December 31, 2015 and a future test year ending December 31, 2016. On April 19, 2016, the Office of Consumer Advocate (OCA) filed a Formal Complaint docketed at C-2016-2540738. On that same day, the Pennsylvania Public Utility Commission’s (“Commission”) Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance. By Order entered May 5, 2016, the Commission suspended the filing by operation of law until January 5, 2017, and instituted an investigation to determine the lawfulness, justness and reasonableness of the proposed rates, rules, and regulations.

On or about May 25, 2016, an E-serve Notice was issued by the Commission setting a Prehearing Conference in the above-captioned proceeding for Wednesday, June 8, 2016 before

the Honorable Eranda Vero (“ALJ Vero”). By Prehearing Conference Order dated May 26, 2016, ALJ Vero directed the parties to file Prehearing Conference Memoranda and to develop a schedule which includes Reply Briefs being filed by September 19, 2016.

Pursuant to ALJ Vero’s Prehearing Order, CUPA, by and through its attorneys in this matter, Hawke McKeon & Sniscak LLP, hereby submits its Prehearing Conference Memorandum.

a. Acceptance of Service

Service of paper documents in this proceeding shall be accepted on behalf of Community Utilities of Pennsylvania Inc. Water Division by:

Thomas J. Sniscak, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
Phone: 717-236-1300
Fax: 717-236-4841
tjsniscak@hmslegal.com

Counsel for CUPA also requests that any electronic service list utilized by the parties in this proceeding include Thomas J. Sniscak (tjsniscak@hmslegal.com), Christopher M. Arfaa (cmarfaa@hmslegal.com) and William E. Lehman (welehman@hmslegal.com). CUPA is willing to extend the same courtesy upon request of any other party for any e-mails or electronic service to the parties.

b. Settlement

The Parties will not be utilizing the Commission’s mediation process; however, CUPA will actively seek to participate in settlement discussions with the other parties. CUPA believes, at a minimum, that rate of return should be stipulated.

c. Discovery

CUPA has responded to extensive discovery requests received from Commission staff and the Office of Consumer Advocate to date. CUPA will work with the parties to develop a final discovery schedule.

d. Other Proposed Discovery Orders

Due to statutory time constraints in this proceeding, CUPA proposes modifications to the Commission's normal discovery timelines as were adopted in rate cases such as the water rate case for Appalachian Utilities Inc. (Docket No. R-2015-2478098). The Company also proposes the parties agree to accept service of all documents by email by 4:30 pm as satisfying in-hand delivery provided a hard copy is sent the same day by US Mail.

Discovery Modifications:

- A. Answers to interrogatories shall be served in-hand within best efforts for seven (7) calendar days and no later than ten (10) calendar days unless otherwise agreed to by the parties. Interrogatories served after 12:00 p.m. on a Friday or the day before a Commission holiday shall be deemed served on the next business day.
- B. Objections to interrogatories to be communicated orally within three (3) calendar days of service; unresolved objections shall be served on the propounding party in writing within five (5) calendar days of service of interrogatories.
- C. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
- E. Rulings over such motions shall be issued, if possible within seven (7) calendar days of the filing of the motion.

- F. Responses to requests for document production, entry for inspection, or other purposes to be served in-hand within ten (10) calendar days.
- G. Requests for admission to be deemed admitted unless answered within seven (7) calendar days or objected to within five (five) calendar days of service.

e. Service of Documents

CUPA proposes that all due dates for any documents in this proceeding are in-hand the day they are due. Service of documents by email by 4:30 p.m on the due date will be considered in-hand if a hard copy is sent the same day by First Class US Mail. Any pleading or discovery request served after noon on a Friday or day before a holiday shall be considered served the next business day.

f. Litigation Schedule

Attached hereto is a Proposed Litigation Schedule. CUPA will work with the other parties before the Prehearing Conference to try to develop a schedule mutually-agreeable among the parties for Your Honor's consideration.

g. Witnesses

CUPA may present testimony from the following persons as witnesses in this proceeding:

Steve Lubertozzi
2335 Sanders Road, Northbrook, IL 60062
smlubertozzi@uiwater.com

Justin Kersey
2335 Sanders Rd, Northbrook, IL 60062
JPKersey@uiwater.com

Brian Halloran
2335 Sanders Road, Northbrook, IL 60062
BHalloran@uiwater.com

Robert Guttormsen
2335 Sanders Road, Northbrook, IL 60062
RAGuttormsen@uiwater.com

CUPA's witnesses may testify about the background and development of CUPA's rate increase filing. They will address the reasons and calculations supporting the requested revenue increase and the allocation of the requested revenues among the various customer classes.

Bruce Haas
2335 Sanders Road, Northbrook, IL 60062
BTHaas@uiwater.com

Chuck Madison
570 Hallet Road, East Stroudsburg, Pa. 18301
CPMadison@uiwater.com

CUPA's witnesses may testify about the Company generally and general water system operations of the Company.

Dylan D'Ascendis
3000 Atrium Way | Suite 241 | Mount Laurel, NJ 08054
ddascendis@scottmadden.com

Mr. D'Ascendis may testify about the capital structure and rate of return.

CUPA reserves the right to adopt any testimony of other witnesses, in whole or in part, and to offer additional witnesses and exhibits as may be necessary to address the testimony, exhibits, or evidence that may be presented by any party in this proceeding.

h. Issues and Sub-Issues

The adjustments and reasons for the revenue, expense, rate base, and return are listed or appear in the Company's filing. CUPA intends to address issues involving: (1) the reasonableness of the revenue increase it is seeking in this proceeding; (2) the reasonableness of the proposed allocation of the requested increase among the various customer classes; (3) the reasonableness of the rate of return proposed by CUPA; and (4) general water system operations.

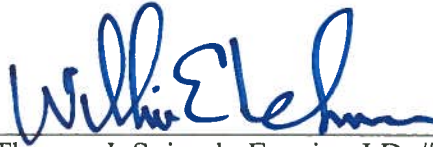
CUPA reserves the right to present additional testimony and exhibits on any other issues that may arise during the course of this proceeding.

i. Evidence

CUPA reserves the right to submit pre-filed direct testimony and associated exhibits addressing the issues identified in the preceding above. CUPA may also present additional testimony and exhibits after discovery or in response to testimony or exhibits introduced by any party or witness in this proceeding.

WHEREFORE, Community Utilities of Pennsylvania Inc. Water Division respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,



Thomas J. Sniscak, Esquire, I.D. #33891
Christopher M. Arfaa, Esquire, I.D. #57047
William E. Lehman, Esquire, I.D. #83936
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*Counsel for Community Utilities of Pennsylvania
Inc.*

Date: June 7, 2016

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No.	R-2016-2538660
Office of Consumer Advocate	:		C-2016-2540738
	:		
v.	:		
	:		
Community Utilities of Pennsylvania Inc.	:		
Water Divisions	:		

**PROPOSED LITIGATION SCHEDULE OF
COMMUNITY UTILITIES OF PENNSYLVANIA INC.**

Prehearing Conference	June 8, 2016
CUPA Direct Testimony	June 16, 2016
Other Parties Direct Testimony	July 12, 2016
CUPA Rebuttal Testimony	July 29, 2016
Surrebuttal Testimony	August 11, 2016
CUPA Rejoinder (Outline)	August 22, 2016 by noon
Hearings	August 23-24, 2016
Main Briefs	September 8, 2016
Reply Briefs	September 19, 2016
ALJ Decision	
Exceptions	
Reply Exceptions	
Suspension Period Ends	January 5, 2016

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

BY ELECTRONIC AND FIRST CLASS MAIL

Phillip C. Kirchner
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265
phikirchne@pa.gov

Christine Maloni Hoover
Kristine E. Marsilio
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921
choover@paoca.org
kmarsilio@paoca.org



Thomas J. Sniscak
Christopher M. Arfaa
William E. Lehman

Dated this 7th day of June, 2016.