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July 27, 2017

## **VIA eFILING**

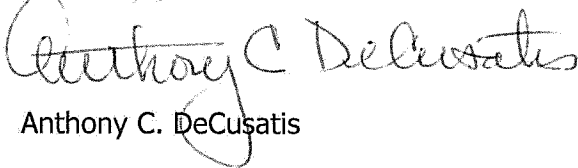
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v.  
Pennsylvania-American Water Company  
Docket No. R-2017-2595853**

Dear Secretary Chiavetta:

Enclosed for filing in the above-referenced matter is the **Supplemental Answer of Pennsylvania-American Water Company to the Petition to Intervene of the Commission on Economic Opportunity**. Copies have been served on all parties of record as indicated on the attached Certificate of Service.

Very truly yours,





Anthony C. DeCusatis

ACD/ap  
Enclosures

c: Per Certificate of Service (w/encls.)

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	:	
	:	
	:	
v.	:	<b>DOCKET NO. R-2017-2595853</b>
	:	
<b>PENNSYLVANIA-AMERICAN WATER COMPANY</b>	:	

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Supplemental Answer of Pennsylvania-American Water Company to the Petition to Intervene of the Commission on Economic Opportunity** on the following persons, in the manner specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC AND FIRST CLASS MAIL**

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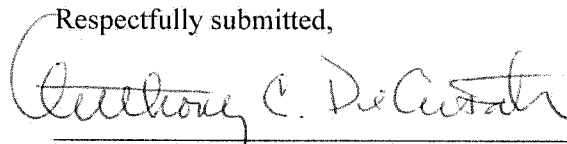
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Respectfully submitted,



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*Counsel for  
Pennsylvania-American Water Company*

Dated: July 27, 2017

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	:	
	:	
v.	:	<b>DOCKET NO. R-2017-2595853</b>
	:	
<b>PENNSYLVANIA-AMERICAN WATER COMPANY</b>	:	
	:	

**SUPPLEMENTAL ANSWER OF  
PENNSYLVANIA-AMERICAN WATER COMPANY  
TO THE PETITION TO INTERVENE OF  
THE COMMISSION ON ECONOMIC OPPORTUNITY**

On July 20, 2017, Pennsylvania-American Water Company (“PAWC” or the “Company”) filed an Answer (“Answer”) to the Petition to Intervene of the Commission on Economic Opportunity (“CEO”), which was served on July 13, 2017, in the above-captioned matter. Copies of the Company’s Answer were served upon the presiding Administrative Law Judges (“ALJs”) and the parties to this case, including CEO. In pertinent part, the Company’s Answer denied certain averments in CEO’s Petition to Intervene, affirmatively stated that PAWC did not object to CEO’s intervention in this case, and reserved the right to oppose positions and arguments that, during the course of litigation, might be advanced by CEO. A copy of PAWC’s as-filed Answer is attached hereto as Appendix A.

On July 21, 2017, the ALJs issued an Order expressing concerns that PAWC had provided a “very qualified ‘non-objection’” to CEO’s Petition to Intervene. The ALJs also stated that they have “other concerns that will be addressed in the Order ultimately determining whether the Petition to Intervene filed by CEO will be granted.” As a consequence, the Order provides that Answers must be filed to CEO’s Petition to Intervene no later than August 1, 2017, and any party not filing an Answer will be deemed to have waived any objection to CEO’s

intervention. PAWC appreciates the opportunity the ALJs are providing all parties to express and/or clarify their positions with regard to CEO's Petition to Intervene.

As previously noted, PAWC filed its Answer to CEO's Petition to Intervene on July 20, 2017. PAWC is filing this Supplemental Answer to clarify its Answer and attempt to address the concerns expressed by the ALJs in their Order about how PAWC previously described its position regarding CEO's intervention in this case. Thus, as a supplement to the response provided in PAWC's Answer filed on July 20, 2017, PAWC avers as follows:

1. PAWC wishes to clarify its response to Paragraph No. 6 of CEO's Petition to Intervene. While the Company does not admit that CEO is the only party that can represent the interests of low-income customers in this case, it recognizes that Section 5.72(a)(3) of the Commission's regulations<sup>1</sup> permits intervention based upon a showing that the petitioner has "[a]nother interest of such nature that participation . . . may be in the public interest". The Company acknowledges that CEO has been granted intervention in prior cases for utilities that furnish service in the Wilkes-Barre area.<sup>2</sup>

2. PAWC does not oppose the intervention of CEO.

3. PAWC's non-opposition is not subject to any qualifications. PAWC does not oppose CEO being afforded full intervenor status.

4. By not opposing CEO's intervention, PAWC is not agreeing with the positions that CEO articulated in its Petition to Intervene or the issues CEO expressed an intent to pursue. In short, by not objecting to CEO's intervention, PAWC is not, thereby, waiving its right to oppose, through its own witnesses' testimony or otherwise, any of the positions and arguments

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<sup>1</sup> 52 Pa. Code § 5.72(a)(3).

<sup>2</sup> See *Pa. P.U.C. v. PPL Elec. Util. Corp.*, Docket Nos. R-2012-2290597, *et al.* (Second Prehearing Order issued June 1, 2012, pp. 1 and 5, and Final Order entered Dec. 28, 2012, pp. 2 and 48-51).

CEO may hereafter advance in this case in CEO's testimony and/or exhibits, cross-examination of other parties' witnesses and briefs.

PAWC requests that the averments of this Supplemental Answer be considered with, and as a clarification to, its Answer filed on July 20, 2017 to CEO's Petition to Intervene.

Respectfully submitted,



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Dated: July 27, 2017

*Counsel for  
Pennsylvania-American Water Company*

## APPENDIX A

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	:	
v.	:	<b>DOCKET NO. R-2017-2595853</b>
<b>PENNSYLVANIA-AMERICAN WATER COMPANY</b>	:	

**ANSWER OF  
PENNSYLVANIA-AMERICAN WATER COMPANY  
TO THE PETITION TO INTERVENE OF  
THE COMMISSION ON ECONOMIC OPPORTUNITY**

Pennsylvania-American Water Company (“PAWC” or the “Company”), pursuant to 52 Pa. Code § 5.66, hereby answers the Petition to Intervene of the Commission on Economic Opportunity (“CEO”) served on July 13, 2017, in the above-captioned matter and states as follows:

1. Admitted.
2. Admitted.
3. The averments of Paragraph No. 3 are a request for relief to which an answer is not required.
4. Admitted.
5. The averments of Paragraph No. 5 are a request for relief and a statement of intent to which an answer is not required.
6. Denied as stated. It is denied that CEO’s participation in this proceeding is “required to protect . . . the substantial interests of the low income citizens it represents.” In further answer, the interests of all customers, including low-income customers, in assuring that the rates charged by the Company are just and reasonable and satisfy other applicable standards



set forth in the Pennsylvania Public Utility Code and in regulations and orders of the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) are represented by other parties in this case, including the Office of Consumer Advocate and the Bureau of Investigation and Enforcement. The Company does not, however, oppose the intervention of CEO with respect to issues that are properly within the scope of this base rate proceeding. The Company reserves the right to oppose the introduction of testimony or other evidence that it determines is not properly within the scope of this proceeding.

7. Denied as stated for the reasons set forth in the answer to Paragraph No. 6, above, which is incorporated herein by reference as if set forth at length.

8. Paragraph No. 8 is a statement of the relief CEO intends to pursue and its motivation for intervening in this proceeding. As such, Paragraph No. 8 is analogous to a request for relief, to which an answer is not required. In further answer, the Company reserves the right to oppose the introduction of testimony or other evidence by CEO that it determines is not properly within the scope of this proceeding.

9. Denied in part and admitted in part. It is admitted that the Commission has recognized that the public interest is served by programs designed to assist low-income and payment-troubled customers in obtaining and paying for water and wastewater service. It is denied that the Commission has ever imposed or recognized a rule or requirement that “any increase in rates should be accompanied by an increase in funding available to [a utility’s] low-income programs” or that it has previously found or determined that such a *per se* rule is necessary to assure a utility’s rates are “just and reasonable across all customer classes.” To the contrary, there are numerous cases in which utility rate increases have been approved without a

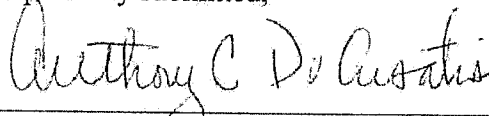
coordinate increase in the level of benefits furnished under such utilities' programs to assist low-income and payment troubled customers.

10. Admitted.

11. The averment of Paragraph No. 11 is an acknowledgment of the current status of this case and, as such, an answer is not required.

Although Pennsylvania-American Water Company, as set forth above, denies certain averments of CEO's Petition to Intervene, it does not oppose CEO's intervention in this case, subject to the reservation of rights by the Company in Paragraph Nos. 6-8, above.

Respectfully submitted,



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Dated: July 20, 2017

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