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File #: 168019

June 22, 2018

VIA ELECTRONIC FILING

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission, et al. v. The York Water Company
Docket Nos. R-2018-3000019 & C-2018-3002564 & C-2018-3002811**

Secretary Chiavetta:

Enclosed for filing is The York Water Company's Prehearing Conference Memorandum in the above-captioned proceeding. Copies will be provided as indicated on the enclosed Certificate of Service.

Respectfully submitted,



Devin Ryan

DTR/se
Enclosures

cc: Honorable Benjamin J. Myers (*Via Email & First Class Mail*)
Certificate of Service

CERTIFICATE OF SERVICE

R-2018-3000019

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

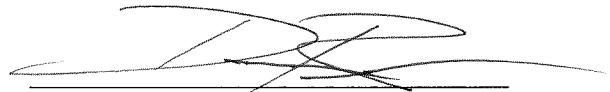
VIA E-MAIL AND FIRST CLASS MAIL

Erin L. Gannon, Esquire
Hayley E. Dunn, Esquire
Harrison W. Beitman, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Steven C. Gray, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

John M. Coogan, Esquire
Bureau of Investigation and Enforcement
PA Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Date: June 22, 2018


Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2018-3000019
Office of Consumer Advocate	:		C-2018-3002564
Office of Small Business Advocate	:		C-2018-3002811
	:		
v.	:		
	:		
The York Water Company	:		

**PREHEARING CONFERENCE MEMORANDUM OF
THE YORK WATER COMPANY**

TO ADMINISTRATIVE LAW JUDGE BENJAMIN J. MYERS:

The York Water Company (“York Water” or the “Company”) hereby files this Prehearing Conference Memorandum in the above-captioned matter in accordance with the Prehearing Conference Order issued by Administrative Law Judge Benjamin J. Myers (“ALJ”) on June 15, 2018, and states as follows:

I. INTRODUCTION

On May 30, 2018, York Water filed with the Pennsylvania Public Utility Commission (“Commission”) Supplement No. 130 to its Tariff Water – Pa. P.U.C. No. 14 (“Supplement No. 130”) and Supplement No. 6 to Tariff Wastewater – Pa. P.U.C. No. 1 (“Supplement No. 6”), along with supporting information required by 52 Pa. Code §§ 53.52 and 53.53. In Supplement No. 130, York Water proposes a general increase in water rates of \$6,398,961 per year, and in Supplement No. 6, the Company proposes a general increase in wastewater rates of \$288,623 per year. By Order entered February 10, 2017, at Docket No. P-2017-2582839, York Water was granted permission to file a single case that combined water and wastewater revenue

requirements. York Water is proposing to allocate a portion of the wastewater revenue requirement to water customers pursuant to 66 Pa. C.S. § 1311(c).

The rate increases are due, in part, to the return and depreciation requirements resulting from new or replacement facilities that have been or will be placed in service by the end of the fully projected future test year. The Company projects that it will place into service \$26,012,176 in new or replacement water and wastewater facilities during 2018, and \$21,020,082 in 2019 and the first two months of 2020. These facilities include standpipe, booster station and pumping equipment upgrades, improvements to the Company's water and wastewater treatment facilities that will make them more efficient, improvements to the impounding of dams as required by the Pennsylvania Department of Environmental Protection ("DEP"), the replacement or relining of aging water mains, the replacement and rehabilitation of aging sewer mains and manholes, and the replacement of other infrastructure. The Company also must recover costs for increasing expenses, such as wages, benefits, chemicals, materials, and supplies.

On June 7, 2018, the Office of Consumer Advocate ("OCA") filed a Notice of Appearance, Complaint, and Public Statement. York Water subsequently filed a letter indicating that it was not filing an answer to the Complaint pursuant to 52 Pa. Code § 5.61(d) because it was associated with a rate proceeding.

On June 11, 2018, the Commission's Bureau of Investigation and Enforcement ("I&E") filed a Notice of Appearance.

On June 14, 2018, the Commission entered an Order suspending Supplement No. 130 and Supplement No. 6 by operation of law until March 1, 2019, unless otherwise directed by Order of the Commission.

On June 15, 2018, a Prehearing Conference Order was issued, scheduling the prehearing conference for June 26, 2018, at 1:00 PM in Hearing Room 2 of the Commonwealth Keystone Building, 400 North Street, Harrisburg, PA and directing the parties to file prehearing memoranda on or before June 22, 2018.

On June 19, 2018, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance, Complaint, Public Statement, and Verification.

II. SERVICE OF DOCUMENTS

The Prehearing Conference Order provides that each participant shall list one person for entry on the service list. Please list Devin T. Ryan on the service list on behalf of York Water.

Mr. Ryan’s contact information is as follows:

Devin T. Ryan, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101
Phone: 717-612-6052
Fax: 717-731-1985
E-mail: dryan@postschell.com

York Water also requests that Michael W. Hassell, Esquire be included on all electronic mail sent in this proceeding. Mr. Hassell’s e-mail address is mhassell@postschell.com.

York Water’s attorneys are authorized to accept service on behalf of York Water in this proceeding. York Water requests that the Commission and all parties of record serve copies of all discovery requests and answers, correspondence, Commission Orders, and any other documents issued in this proceeding on its attorneys in Harrisburg, Pennsylvania.

III. WITNESSES AND ISSUES

Below is a list of the witnesses and the areas of their testimony comprising York Water’s initial direct case in this proceeding. The subject matters listed below as further detailed in the

Company's testimony represent as complete a statement of issues that York Water can provide at this stage of the proceeding. Further definition of the issues will be developed during the course of the proceeding.

	Witness	Stmt Nos.	Summary of Issues Addressed
1.	Jeffrey R. Hines, President and Chief Executive Officer The York Water Company 130 East Market Street York, PA 17401-7089 Tel: 717.845.3601	1	History of the Company; Unaccounted For Water General Financing of Capital Requirements; Quality of Service; and Acquisition Activity.
2.	Joseph T. Hand, Chief Operating Officer The York Water Company 130 East Market Street York, PA 17401-7089 Tel: 717.845.3601	2	Operations; Low-Income Customer Assistance; Quality of Service; Plant Additions; Plant Retirements; and Incentive Program
3.	Matthew E. Poff Chief Financial Officer The York Water Company 130 East Market Street P.O. Box 15089 York, PA 17401-7089 Tel: 717.845.3601	3 103 3W 103W	Statement of Operations; Operating Revenues; Operating Expenses; Operating Income Taxes; Taxes Other than Income Taxes; Measures of Value (excluding accrued depreciation); Rate of Return; and Balance Sheet.
4.	Daniel E. Coppersmith, Jr. Financial Analyst The York Water Company 130 East Market Street York, PA 17401-7089 Tel: 717.845.3601	4 104 4W 104W	Utility Plant; Statement of Operations; and Measures of Value.
5.	John J. Spanos Senior Vice President Gannett Fleming 207 Senate Avenue Camp Hill, PA 17011 Tel: 717.763.7211	105	Depreciation Studies.

- | | | | |
|----|---|-----|--|
| 6. | Paul R. Moul
Managing Consultant
P. Moul & Associates, Inc.
251 Hopkins Road
Haddonfield, NJ 08033
Tel: 856.428.7515 | 106 | Cost of Capital; and
Fair Rate of Return. |
| 7. | Paul R. Herbert
President
Gannett Fleming
207 Senate Avenue
Camp Hill, PA 17011
Tel: 717.763.7211 | 107 | Cost of Service Allocation
Study; and
Rate Design. |

The testimony and exhibits fully support York Water's proposed rate increases as well as the design of rates to recover those increases from customers. York Water reserves the right to present testimony on additional issues and subject matters that may arise during the course of the proceeding.

IV. DISCOVERY

To date, the Company has received multiple sets of interrogatories from the parties and is in the process of responding to them. York Water also encourages the use of informal discovery processes as the proceeding progresses. The Company is not aware of any discovery issues and does not propose any special orders regarding discovery.

V. PROTECTION OF CONFIDENTIAL INFORMATION

York Water will submit a Motion for Protective Order for consideration by the ALJ. The Company will seek the concurrence of the other parties as to the form of the Protective Order before submitting the Motion.

VI. LITIGATION SCHEDULE

York Water has consulted with counsel for I&E, OCA, and OSBA about a proposed procedural schedule. The Company's understanding is that the parties have agreed to the following schedule:

Prehearing Conference	June 26, 2018
Other Parties Direct Testimony	August 23, 2018
Rebuttal Testimony	September 20, 2018
Surrebuttal Testimony	October 4, 2018
Rejoinder Outlines	October 10, 2018
Hearings	October 15-17, 2018
Main Briefs	November 7, 2018
Reply Briefs	November 21, 2018

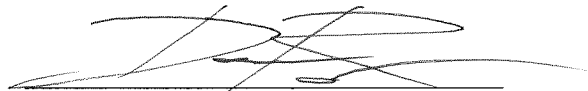
With regard to the schedule, the Company is not aware of any substantial public interest being expressed that would warrant the scheduling of a public input hearing. Nonetheless, York Water is not opposed to a public input hearing being held, provided it is scheduled sufficiently in advance of the due date for rebuttal testimony to allow York Water to respond, if necessary, to matters presented at a public input hearing.

VII. SETTLEMENT DISCUSSIONS

York Water is available for settlement discussions with the other Parties. The Company expects to undertake settlement negotiations at the earliest time available.

York Water has been very successful in the past in working with other parties to achieve settlements, and York Water is confident that these past working relationships will continue. As a result, York Water does not perceive any need to include specific dates for settlement conferences in the procedural schedule.

Respectfully submitted,



Michael W. Hassell (ID # 34851)

Devin T. Ryan (ID # 316602)

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Of Counsel:

Post & Schell, P.C.

Date: June 22, 2018

Counsel for The York Water Company