



August 31, 2018

VIA E-FILING

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Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Borough of Indiana; Docket No. R-2018-3003141

Prehearing Memorandum of The Borough of Indiana

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of the Borough of Indiana. A copy of this document has been served in accordance with the attached Certificate of Service.

Please contact me if you have any questions regarding this filing. Thank you.

Sincerely,

COZEN O'CONNOR

A handwritten signature in blue ink that reads "Jonathan P. Nase".

By: Jonathan P. Nase

JPN:kmg

Enclosures

cc: Per Certificate of Service
Honorable Mary D. Long
Neva Stotler, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission

v.

Borough of Indiana

:
:
:
:
:
:

Docket No. R-2018-3003141

CERTIFICATE OF SERVICE

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


VIA E-MAIL AND FIRST CLASS MAIL:

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Representing the *Office of Small Business Advocate*

DATED: August 31, 2018



Jonathan P. Nase, Esquire
Counsel for *SUEZ Water Pennsylvania Inc.*

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge Mary D. Long

Pennsylvania Public Utility Commission, Office of Consumer Advocate	:	
	:	
v.	:	Docket Nos. R-2018-3003141, C-2018-3003732
	:	
Borough of Indiana	:	

**PREHEARING CONFERENCE MEMORANDUM
OF THE BOROUGH OF INDIANA**

AND NOW COMES, The Borough of Indiana (“Indiana”), pursuant to 52 Pa. Code § 5.222(d) and in compliance with the Prehearing Conference Order of the Honorable Administrative Law Judge Mary D. Long (the “Administrative Law Judge” or “ALJ”), dated August 29, 2018, to file this Prehearing Conference Memorandum in the above-captioned matter. In support thereof, Indiana states as follows:

I. INTRODUCTION AND PROCEDURAL HISTORY

1. Indiana is a borough located in Indiana County, Pennsylvania. It provides wastewater service to the public for compensation inside the borough limits and in White Township, Indiana County.

2. On June 28, 2018, Indiana filed proposed Supplement No. 11 to Sewer – Pa. P.U.C. No. 1 (“Supplement No. 11”), to be effective September 1, 2018. The tariff proposed to increase

Indiana's total annual operating revenues for wastewater service by approximately \$390,062, or 31.76%, per year. Indiana also filed the supporting data required by 52 Pa. Code § 53.52.

3. On August 16, 2018, counsel for the Bureau of Investigation and Enforcement ("I&E") entered her Notice of Appearance.

4. By Order entered August 23, 2018, the PUC suspended Supplement No. 11 by operation of law until April 1, 2019, unless otherwise directed by Order of the Commission.

5. Indiana and I&E agreed to enter into mediation in order to resolve this proceeding.

6. The ALJ issued her Prehearing Conference Order on August 29, 2018 notifying the parties that a Prehearing Conference is scheduled in this case for Wednesday, September 5, 2018 at 9:00 a.m.

7. In compliance with the Commission's Order of August 23, 2018, and due to the parties' agreement to engage in mediation, on September 4, 2018, Indiana filed Supplement No. 12 to Sewer-PA P.U.C. No. 1, suspending the rates in Supplement No. 11 until June 1, 2019.

II. COUNSEL

8. Counsel for Indiana are:

Jonathan P. Nase, Esq. (PA ID 44003)
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and

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III. SERVICE OF DOCUMENTS

9. Indiana's attorneys are authorized to accept service on behalf of Indiana in this proceeding. Indiana agrees to receive service of documents electronically in this proceeding.

IV. WITNESSES AND ISSUES

10. The subject matters listed below represent as complete a statement of issues and sub-issues as Indiana can provide at this stage of the proceeding. Further definition of contested issues by the parties will develop within the scope of the subject matters listed below during the course of the proceeding. As an overview of its case-in-chief, Indiana posits that the rate proceeding contains the following issues for which it has the burden of proof and which will be addressed in direct testimony:

- (a) Rate base;
- (b) Existing and future revenue;
- (c) Operating and maintenance expenses;
- (d) Rate of return;
- (e) Rate structure; and
- (f) Quality of service.

11. To address the above noted issues, Indiana presently intends to offer the following witnesses to testify in this proceeding on the following general subject matters:

WITNESS

AREAS OF EXPERTISE

- | | | |
|----|---------------------------------------|---|
| A. | David Fairman, Dir. Public Works | Overview and Operations |
| B. | Paul Cribbs, Plant Super. | Overview and Operations |
| C. | Kimberly Dorchak, CPA, CGFM | Cost of Service, Rate Allocation and Customer Rate Design |
| D. | Todd Banks, Engineer, Stiffler McGraw | Quality of Service |

12. Indiana reserves the right to call additional witnesses and present testimony on additional issues that may arise during the course of the proceeding.

V. DISCOVERY

13. To date, Indiana has received and responded to, or is in the process of responding to, numerous interrogatories from I&E and the Office of Consumer Advocate (“OCA”). Due to the Borough’s limited staff, Indiana encourages the use of informal discovery processes, particularly during the mediation period.

14. Indiana has agreed to mediation, and has consequently extended the suspension period by 60 days. To the extent that formal written discovery is required during the mediation period, Indiana respectfully requests that the parties be required to follow the Commission’s Rules of Administrative Practice and Procedure regarding discovery. As stated below, Indiana requests a further prehearing conference in the event that mediation is unsuccessful. If this matter must be litigated, modifications to the discovery rules should be considered at the further prehearing conference.

VI. PROTECTIVE ORDER

15. Indiana reserves the right to request a protective order if and when it becomes necessary during discovery.

VII. PROCEDURAL SCHEDULE

16. Indiana suggests that a further prehearing conference be held during the week of October 29, 2018. At that time, the parties can report to the ALJ on whether mediation has resolved, or is likely to resolve, these proceedings.

17. At the further prehearing conference, the parties should be directed to propose a litigation schedule, which would provide for reply briefs to be submitted on February 22, 2019.

18. At this time, Indiana sees no need for a public input hearing, due to limited public opposition to the proposed rate increase.

VIII. SETTLEMENT DISCUSSIONS

19. Indiana is open to a reasonable settlement of this proceeding and has, accordingly, agreed to participate in the Commission's mediation process.

Respectfully submitted,



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Date: August 31, 2018

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