



October 30, 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

Further Prehearing Memorandum of The Borough of Indiana

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Further 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 **Further 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: October 30, 2018


Jonathan P. Nase, Esquire

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge Mary D. Long

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

**FURTHER 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 Order of the Honorable Administrative Law Judge Mary D. Long (the “Administrative Law Judge” or “ALJ”), dated September 5, 2018, to file this Further 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. If the proposed tariff supplement

becomes effective, Indiana will benefit from an opportunity to recover an estimated annual increase in base rate revenues of \$880,920 from its customers. Of this amount, \$390,062 is attributable to customers outside Indiana. Indiana also filed the supporting data required by 52 Pa. Code § 53.52.

3. On July 31, 2018, the OCA filed a formal complaint against the proposed increase in rates and a Notice of Appearance.

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

5. 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.

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

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

8. 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.

9. A Prehearing Conference was held in this matter on September 5, 2018. The ALJ issued her Prehearing Order on September 5, 2018 to memorialize the matters decided and agreed-upon by the parties.

10. At this time, Indiana is not aware of any *pro se* complainants or any other parties to this proceeding other than Indiana, I&E and OCA.

II. STATUS OF NEGOTIATIONS

11. The parties attended a mediation session on September 25, 2018. Since that date, the parties have continued their settlement discussions. Although the parties have made considerable progress, they have not yet reached an agreement. Indiana is open to continuing settlement discussions as the case moves forward.

III. LITIGATION SCHEDULE

12. Indiana is not aware of any substantial interest in conducting a public input hearing in Indiana's service territory.

13. The parties have agreed to the following litigation schedule:

Further Prehearing Conference	October 31, 2018
Indiana's Direct Testimony	November 2, 2018
Other Parties' Direct Testimony	November 30, 2018
Rebuttal Testimony	December 19, 2018
Surrebuttal Testimony	January 10, 2019
Rejoinder Outline	January 14, 2019
Hearings	January 23-24, 2019
Main Briefs	February 6, 2019
Reply Briefs	February 15, 2019

IV. WITNESSES AND ISSUES

14. 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) Revenues;

- (c) Expenses;
- (d) Rate of return;
- (e) Rate structure; and
- (f) Quality of service.

15. 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
<p>A. Roland Francis Pretreatment Coordinator Borough of Indiana 80 North Eighth Street Suite 102 Indiana, PA 15701 (724) 465-6691</p>	<p>Overview and quality of service</p>
<p>B. Dennis Kalbarczyk Utility Rate Resources 910 Piketown Rd. Harrisburg, PA 17112 (717) 469-7232</p>	<p>Rate base, revenues, expenses, rate of return, rate structure</p>
<p>C. Kimberly Dorchak, CPA, CGFM Kotzan CPA & Associates, P.C. 334 Budfield Street, Suite 180 Johnstown, PA 15904 (814) 269-4912</p>	<p>Rate base and rate structure</p>

16. 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

17. The ALJ's Prehearing Order established modified discovery procedures. Indiana is unaware of any need to further modify discovery procedures at this time.

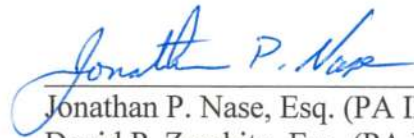
VI. PROTECTIVE ORDER

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

VII. SETTLEMENT DISCUSSIONS

19. Indiana remains open to a reasonable settlement of this proceeding.

Respectfully submitted,



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Date: October 30, 2018

Counsel for *The Borough of Indiana*