



January 17, 2019

Honorable Mary D. Long
Administrative Law Judge
Pennsylvania Public Utility Commission
301 Fifth Ave., Suite 220
Pittsburgh, PA 15222

Re: Joint Application of Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Peoples Gas Company LLC for all of the Authority and Necessary Certificates of Public Convenience to Approve a Change in Control of Peoples Natural Gas Company LLC, and Peoples Gas Company LLC by way of the Purchase of all of LDC Funding LLC's Membership Interests by Aqua America, Inc.

Docket Nos. **A-2018-3006061**
 A-2018-3006062
 A-2018-3006063

Dear Judge Long:

Enclosed, please find the **Prehearing Memorandum of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania's (CAUSE-PA)** in the above referenced proceeding.

Thank you for your consideration. Please contact me with any questions or concerns.

Very sincerely,

A handwritten signature in black ink that reads "John W. Sweet". The signature is written in a cursive style with a large, sweeping initial "J" and "S".

John W. Sweet
Counsel for CAUSE-PA

Cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Aqua America, Inc.,	:	
Aqua Pennsylvania, Inc., Aqua	:	
Pennsylvania Wastewater, Inc., Peoples	:	
Natural Gas Company LLC and Peoples	:	
Gas Company LLC for all of the	:	Docket Nos. A-2018-3006061
Authority and Necessary Certificates of	:	A-2018-3006062
Public Convenience to Approve a	:	A-2018-3006063
Change in Control of Peoples Natural	:	
Gas Company LLC, and Peoples Gas	:	
Company LLC by way of the Purchase of	:	
all of LDC Funding LLC's Membership	:	
Interests by Aqua America, Inc.	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the attached **Prehearing Memorandum of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania** upon the parties of record in the above-captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

VIA FIRST CLASS MAIL AND EMAIL

Honorable Mary D. Long
Administrative Law Judge
Pennsylvania Public Utility Commission
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Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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January 17, 2019

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Aqua America, Inc.,	:	
Aqua Pennsylvania, Inc., Aqua	:	
Pennsylvania Wastewater, Inc., Peoples	:	
Natural Gas Company LLC and Peoples	:	Docket Nos. A-2018-3006061
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Change in Control of Peoples Natural	:	
Gas Company LLC, and Peoples Gas	:	
Company LLC by way of the Purchase of	:	
all of LDC Funding LLC's Membership	:	
Interests by Aqua America, Inc.	:	

PREHEARING MEMORANDUM OF
THE COALITION FOR AFFORDABLE UTILITY SERVICE AND ENERGY EFFICIENCY
IN PENNSYLVANIA (*CAUSE-PA*)

Patrick M. Cicero, Esq.
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Kadeem G. Morris, Esq.
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January 17, 2019

I. INTRODUCTION

On January 4, 2019, Administrative Law Judge Mary D. Long issued a Prehearing Conference Order setting a prehearing conference for Friday, January 18, 2019 at 10:00 a.m., and requiring parties to file a Prehearing Memorandum no later than Thursday, January 17 at 12:00 p.m. In response, the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) through its counsel the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum.

II. HISTORY OF THE PROCEEDING

On November 13, 2018, Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc. (Collectively “Aqua”), Peoples Natural Gas Company LLC, and Peoples Gas Company LLC (Collectively “Peoples”) filed an Application seeking Commission approval of the following:

- a. The transfer of 100% of the issued and outstanding membership interests in LDC Funding, LLC, an indirect parent company of Peoples from LDC Parent, LLC to Aqua America, Inc.;
- b. the change in control of Peoples that would result from Aqua acquiring LDC Funding, LLC from LDC Parent, LLC; and,
- c. all other approvals or certificates appropriate, customary, or necessary under the Code to carry out the acquisition.

III. ISSUES TO BE ADDRESSED

CAUSE-PA is concerned about the impact that Aqua's proposed acquisition of Peoples will have on moderate and low income residential customers within both Aqua and Peoples service territories. Specifically, CAUSE-PA is interested in (a) whether there are actual and tangible affirmative benefits to low income ratepayers that will result from the acquisition, (b) whether the quality of service for Peoples' and Aqua's customers will improve as a result of this acquisition, (c) the impact the acquisition will have on future rates and terms/conditions of service of both Aqua and Peoples, and (d) the impact the acquisition will have on the required Universal Service programs of Peoples and Aqua. CAUSE-PA intends to address these issues through discovery, filing of testimony, and hearings, as well as any other issues that arise throughout the course of the litigation.

IV. WITNESSES

CAUSE-PA intends to present the following witness to testify in this matter, but reserves the right to call additional or substitute witnesses as may be warranted upon proper notice to Your Honor and the parties:

Harry Geller, Esq.
118 Locust Street
Harrisburg, PA 17101
hgellerpulp@palegalaid.net

Mr. Geller will testify about the issues identified above, as well as the current state of the People's and Aqua's low income programing and about the potential effects of the merger on low income customers.

If additional witnesses are identified, CAUSE-PA will notify the parties and the ALJ in advance of presenting their testimony.

V. DISCOVERY

CAUSE-PA is actively working with the other parties to reach an agreement on appropriate discovery modifications. Discussions are ongoing at the time of this filing.

VI. SETTLEMENT

CAUSE-PA is ready and willing to work with any and all of the other parties in this proceeding in an attempt to come to a full or partial settlement of the litigated issues.

VII. REPRESENTATION OF CAUSE-PA AND SERVICE

For purposes of the prehearing conference, CAUSE-PA's lead representative will be John W. Sweet, Esq. Service on CAUSE-PA may be made on its attorneys at the Pennsylvania Utility Law Project as follows:

Patrick M. Cicero, Esq.
John W. Sweet, Esq.
Elizabeth R. Marx, Esq.
Kadeem G. Morris, Esq.
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CAUSE-PA requests that requests that parties serve one hard copy on Pennsylvania Utility Law Project in addition to an electronic copy of all documents served in this proceeding.

VIII. LITIGATION SCHEDULE

CAUSE-PA is actively engaged in discussions with the other parties to reach an agreement on a litigation schedule. At the time of this filing, the parties have not reached consensus on a proposed schedule; however, we continue to work in good faith with the parties to reach a workable solution.

IX. CONCLUSION

CAUSE-PA respectfully requests that its Prehearing Memorandum be entered into the record of this proceeding.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA

A handwritten signature in black ink, appearing to read "John Sweet", with a stylized flourish above the name.

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