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March 27, 2019

Via Electronic Filing Before Noon

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

In re: Docket No. R-2019-3007103
Pa. P.U.C. v. Buck Hill Water Company

Dear Secretary Chiavetta:

We are counsel to Buck Hill Water Company in the above matter and are submitting, via electronic filing with this letter, the Company's Prehearing Conference Memorandum in connection with the Prehearing Conference to be held on March 29, 2019. Copies of the Prehearing Conference Memorandum are being served upon the persons and in the manner set forth on the certificate of service attached to it.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By 

Thomas T. Niesen

cc: Certificate of Service (w/encl.)
Michael Linko (via email, w/encl.)

**Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Administrative Law Judge
F. Joseph Brady Presiding**

Pennsylvania Public Utility Commission	:	R-2019-3007103
Office of Consumer Advocate	:	C-2019-3007947
	:	
v.	:	
	:	
Buck Hill Water Company	:	

**PREHEARING CONFERENCE MEMORANDUM
OF
BUCK HILL WATER COMPANY**

AND NOW, comes Buck Hill Water Company (“BHWC”), by its attorneys, and submits the following in connection with the Initial Prehearing Conference to be held on March 29, 2019:

History of the Proceeding

This proceeding concerns BHWC’s Supplement No. 32 to Tariff Water – Pa. P.U.C. No. 3 (“Supplement No. 32”) filed on January 11, 2019. Supplement No. 32 would increase BHWC’s annual water revenue by \$106,458 based on a future test year ending September 30, 2019. By Order entered March 14, 2019, at R-2019-3007103, the Pennsylvania Public Utility Commission (“Commission”) suspended Supplement No. 32 and instituted an investigation into the reasonableness of the proposed rates. The matter was assigned to Administrative Law Judge F. Joseph Brady.

Name, Address and Telephone Number of BHWC's Counsel

The name, postal and email addresses and telephone and fax numbers for BHWC's counsel for this matter are:

Thomas T. Niesen, Esquire
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 302
Harrisburg, PA 17101
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Email: tniesen@tntlawfirm.com

BHWC's Interest In This Proceeding

BHWC's interest in this proceeding is its Supplement No. 32 and the rates, rules and regulations presented in its Tariff No. 3.

Discovery

BHWC is not proposing a plan or schedule of discovery other than as set forth in Regulations at Title 52 of the Pennsylvania Code. All discovery has been answered. There is no outstanding discovery.

Possibility of Settlement

The Company, the Bureau of Investigation and Enforcement and the Office of Consumer Advocate are discussing the rate filing. The Office of Small Business has withdrawn its Complaint. It is realistic to suggest that settlement is likely to occur.

Issues

The fundamental issue in this proceeding is whether the rates proposed by BHWC in Supplement No. 32 are fair, just, reasonable, non-discriminatory and lawful. BHWC is unable to determine at this time all of the issues and sub-issues which, in the absence of settlement, will be raised by the Bureau of Investigation and Enforcement and the Office of

Consumer Advocate. Reference should be made to their respective Prehearing Memoranda for any issues they may be in a position to identify at this time. Nevertheless, it is reasonable to expect that, in the absence of settlement, the following general issues will be raised in the proceeding:

- A. Is BHWC's rate base claim reasonable?
- B. Is BHWC's rate of return claim reasonable?
- C. Are BHWC's claims for operating revenues, expenses, depreciation and taxes reasonable?
- D. Is BHWC's proposed rate design fair, reasonable, non-discriminatory and lawful?

It is BHWC's position that Supplement No. 32 and the supporting information submitted with it establish that each of the foregoing issues should be answered in the affirmative. BHWC submits that the rates, rules and regulations proposed in Supplement No. 32 are fair, just, reasonable, non-discriminatory and lawful and should be allowed to go into effect as proposed.

Amount of Hearing Time

BHWC believes that one day of hearing time would be needed.

BHWC's Witness and Areas of Testimony

BHWC intends to present the following witnesses:

<u>Statement</u>	<u>Witness</u>	<u>General Subject Matter</u>
1	Michael O'Shea	The Company
2	Dennis Kalbarczyk	Supplement No. 32 to Tariff Water - Pa. P.U.C. No. 3 and Supporting Information

Also filed with Supplement No. 32 on January 11, 2019 was the following BHWC exhibit:

BHWC Exhibit I - Supporting Information for Supplement No. 32
to Tariff Water - Pa. P.U.C. No. 3

BHWC respectfully reserves the right to present additional witnesses, testimony and exhibits as the matter progresses.

Schedule for Submission of Testimony, Hearings and Briefs

BHWC will work with Administrative Law Judge Brady and the parties to establish a mutually acceptable schedule for testimony, if litigation is required. A schedule for hearings and briefing is presented in the Prehearing Conference Order.

Public Input Hearings

Public Input Hearings do not appear to be warranted. After noticing its customers, BHWC held a Question and Answer Session in its service territory on February 18, 2019 to address customer questions about the rate filing. No customer complaints have been filed.

Respectfully submitted,

By 

Thomas T. Niesen, Esquire
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 302
Harrisburg, PA 17101

Attorney for
Buck Hill Water Company

Dated: March 27, 2019

**Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Administrative Law Judge
F. Joseph Brady, Presiding**

Pennsylvania Public Utility Commission	:	R-2019-3007103
Office of Consumer Advocate	:	C-2019-3007947
	:	
v.	:	
	:	
Buck Hill Water Company	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this 27th day of March 2019, served a true and correct copy of the Prehearing Conference Memorandum of Buck Hill Water Company, upon the persons and in the manner indicated below:

**VIA ELECTRONIC MAIL (BEFORE NOON) AND FIRST CLASS MAIL,
POSTAGE PREPAID**

The Honorable F. Joseph Brady
Administrative Law Judge
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