

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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March 27, 2019

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

Re: Pa. Public Utility Commission  
v.  
Buck Hill Water Company  
Docket No. R-2019-3007103

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Very truly yours,

A handwritten signature in blue ink that reads "Christine Maloni Hoover".

Christine Maloni Hoover  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50026  
E-Mail: [CHoover@paoca.org](mailto:CHoover@paoca.org)

Enclosures:

cc: Honorable F. Joseph Brady  
Certificate of Service  
\*269026

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
v. : Docket No. R-2019-3007103  
Buck Hill Water Company :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 27<sup>th</sup> day of March 2019.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

Richard Kanaskie, Esquire  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

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

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

/s/ Christine Maloni Hoover  
Christine Maloni Hoover  
Senior Assistant Consumer Advocate  
PA Attorney I.D. #50026  
Email: [CHoover@paoca.org](mailto:CHoover@paoca.org)

Counsel For:  
Office of Consumer Advocate  
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Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
Date: March 27, 2019  
\*269028

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2019-3007103
	:	
Buck Hill Water Company	:	

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**PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE**

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Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. §333 and in response to the Prehearing Conference Order issued by Administrative Law Judge (ALJ) Brady in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

**I. HISTORY OF THE PROCEEDING**

On January 11, 2019, Buck Hill Water Company (Company) filed Supplement No. 32 to Tariff Water - Pa. P.U.C. No. 3, to become effective April 1, 2019. The Company, by filing this tariff supplement, seeks Commission approval to make rate changes that would increase the level of rates that it charges for providing water service to its customers.

The proposed tariff contained changes in rates calculated to recover an estimated annual increase in base rate revenues of \$106,458. This represents an approximate 34.57% increase in the Company's annual revenues. Under the Company's proposal, the proposed base rates for an average customer using 7,000 gallons per quarter would increase

from \$207.80 to \$279.64, or by 34.57%. The Company serves approximately 313 customers in the Township of Barrett, Monroe County.

On February 15, 2019, the OCA filed a Formal Complaint (C-2019-3007947) against the proposed increase in rates and a Notice of Appearance. The Office of Small Business Advocate filed a Formal Complaint on February 26, 2019. On March 21, the OSBA filed a letter seeking to withdraw its Formal Complaint.

By Order entered on March 14, 2019, the Commission initiated an investigation into the lawfulness, justness and reasonableness of the proposed rates in Supplement No. 32 to Tariff Water - Pa. P.U.C. No. 3, and suspended the effective date until November 1, 2018 by operation of law.

The Commission assigned the case to Administrative Law Judge Brady. The OCA files this prehearing memorandum in accordance with the Prehearing Conference Order dated March 14, 2019.

## **II. ISSUES**

After completing discovery and any follow up discovery, and after receiving the Company's direct testimony, the OCA will file direct testimony that will set forth the specific issues to be addressed in this proceeding. At that time, the OCA will also be able to make and to quantify its specific recommendations. Generally, the OCA is reviewing issues related to rate base, revenues, and expense claims, rate of return, including capital structure, cost of debt, and cost of equity, rate design, tariff rules and regulations, and quality of service.

## **III. WITNESSES**

The OCA intends to present the direct, rebuttal and surrebuttal testimony, as may be necessary, of the following witness in this proceeding. Each witness will present testimony in written form and will attach various exhibits, documents, and explanatory information, which

will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to the expert witness responsible for that area of the case, as well as mailing a copy to counsel for the OCA:

**Accounting/Regulatory Policy/Rate of Return/Rate Design:**

Ashley Everette, Regulatory Analyst  
Office of Consumer Advocate  
Forum Place, 5th Floor  
555 Walnut Street  
Harrisburg, PA 17101  
AEverette@paoca.org

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, the ALJ and all parties of record will be notified.

**IV. SETTLEMENT**

The OCA is willing to participate in settlement discussions.

**V. DISCOVERY**

To date, the OCA has served two sets of interrogatories on the Company. The OCA is reviewing the responses that have been provided. As soon as the OCA determines whether additional discovery, including informal discovery, is needed, the OCA will issue the discovery.

**VI. PUBLIC INPUT HEARING**

The OCA is not requesting a public input hearing at this time, however, if public requests arise such that a public input hearing may be necessary, the OCA will notify the ALJ and the parties and make the request.

## **VII. SERVICE ON THE OCA**

The OCA will be represented in this proceeding by Senior Assistant Consumer Advocate Christine Maloni Hoover. Two copies of all documents should be served on the OCA as follows:

Christine Maloni Hoover  
Senior Assistant Consumer Advocate  
Email: [CHoover@paoca.org](mailto:CHoover@paoca.org)

Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Telephone: (717) 783-5048  
Fax: (717) 783-7152

## VIII. PROPOSED LITIGATION SCHEDULE

The OCA is willing to work with the parties and the ALJ to arrive at a schedule for litigation.

Respectfully Submitted,



Christine Maloni Hoover  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50026  
E-Mail: Choover@paoca.org

Counsel for:  
Tanya J. McCloskey  
Acting Consumer Advocate

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March 27, 2019  
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