



Thomas J. Sniscak
(717) 236-1300 x224
tjsniscak@hmslegal.com

Whitney E. Snyder
(717) 236-1300 x260
wesnyder@hmslegal.com

Bryce R. Beard
(717) 236-1300 x248
brbeard@hmslegal.com

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

May 24, 2019

VIA ELECTRONIC AND FIRST CLASS MAIL

Administrative Law Judge F. Joseph Brady
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120

RE: Community Utilities of Pennsylvania Inc. Wastewater Division; Docket Nos. R-2019-3008947, R-2019-3008948, C-2019-3009591, and C-2019-3009592;
**COMMUNITY UTILITIES OF PENNSYLVANIA INC. WATER AND
WASTEWATER DIVISION PREHEARING CONFERENCE
MEMORANDUM**

Dear Judge Brady:

Enclosed is a copy of the Prehearing Conference Memorandum of Community Utilities of Pennsylvania Inc. Water and Wastewater Divisions in the above-captioned matter. The original of this document has been filed with the Secretary's Office and copies have been served in accordance with the attached Certificate of Service.

If you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,

Thomas J. Sniscak (Attorney ID No. 33891)
Whitney E. Snyder (Attorney ID No. 316625)
Bryce R. Beard (Attorney ID No. 325837)

*Counsel for Community Utilities of Pennsylvania
Inc.*

WES/das
Enclosure

cc: Rosemary Chiavetta, Secretary
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission (water) : R-2019-3008947
Office of Consumer Advocate : C-2019-3009591

v.

Community Utilities of Pennsylvania, Inc. (water) :

and

Pennsylvania Public Utility Commission :
(wastewater) : R-2019-3008948
Office of Consumer Advocate : C-2019-3009592

v.

Community Utilities of Pennsylvania, Inc. :
(wastewater) :

**PREHEARING CONFERENCE MEMORANDUM OF
COMMUNITY UTILITIES OF PENNSYLVANIA INC. WATER AND WASTEWATER
DIVISIONS**

TO: THE HONORABLE F. JOSEPH BRADY:

Pursuant to the May 15, 2019 Prehearing Conference Order in these proceedings, Community Utilities of Pennsylvania, Inc. (CUPA), by and through its attorneys in this matter, Hawke McKeon & Sniscak LLP, submits this Prehearing Conference Memorandum. CUPA is addressing both its Water Division and Wastewater Division Rate filings herein and requests consolidation of this proceedings for the scheduling of testimony and hearings.

A. PROCEDURAL HISTORY

On April 1, 2019, CUPA filed Supplement No. 5 to Tariff Water - Pa. P.U.C. No. 1 to become effective June 1, 2019, containing proposed changes in rates, rules, and regulations calculated to produce \$362,019, or 26.34% in additional annual revenues from customers.

On April 1, 2019, CUPA also filed Supplement No. 3 to Tariff Wastewater - Pa. P.U.C. No. 1 to become effective June 1, 2019, containing proposed changes in rates, rules, and regulations calculated to produce \$378,770, or 20.8% in additional annual revenues from customers.

On May 1, 2019 the Office of Consumer Advocate (OCA) filed Formal Complaints to both the water and wastewater rate filings docketed at C-2019-3009591 and C-2019-3009592.

By Orders entered May 9, 2019, the Commission suspended both filings by operation of law until January 1, 2020 and instituted an investigation to determine the lawfulness, justness and reasonableness of the proposed rates, rules, and regulations.

On or about May 14, 2019, an E-serve Notice was issued by the Commission setting a Prehearing Conference in the above-captioned proceedings for May 28, 2019 before the Honorable Joseph Brady (“ALJ Brady”). By Prehearing Conference Order dated May 15, 2019, ALJ Brady directed the parties to file Prehearing Conference Memoranda.

B. MATTERS FOR DISCUSSION

1. A Proposed Plan and Schedule of Discovery

CUPA has responded and is responding to extensive discovery requests received from Commission staff, the Bureau of Investigation and Enforcement (BI&E), and the OCA. CUPA will work with the parties to develop a final discovery schedule.

Due to statutory time constraints in this proceeding, CUPA proposes modifications to the Commission’s normal discovery timelines as are commonly adopted in rate cases such as the

water rate case for Appalachian Utilities Inc. (Docket No. R-2015-2478098) and CUPA Water Division's last rate case (Docket No. R-2016-2538660). CUPA also proposes the parties agree to accept service of all documents by email by 4:30 pm as satisfying in-hand delivery provided a hard copy is sent the same day by US Mail.

Discovery Modifications:

- A. Answers to interrogatories shall be served in-hand within best efforts for seven (7) calendar days and no later than ten (10) calendar days unless otherwise agreed to by the parties. Interrogatories served after 12:00 p.m. on a Friday or the day before a Commission holiday shall be deemed served on the next business day.
- B. Objections to interrogatories to be communicated orally within three (3) calendar days of service; unresolved objections shall be served on the propounding party in writing within five (5) calendar days of service of interrogatories.
- C. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
- E. Rulings over such motions shall be issued, if possible within seven (7) calendar days of the filing of the motion.
- F. Responses to requests for document production, entry for inspection, or other purposes to be served in-hand within ten (10) calendar days.
- G. Requests for admission to be deemed admitted unless answered within seven (7) calendar days or objected to within five (five) calendar days of service.

2. Possibility of Settlement

CUPA will actively seek to participate in settlement discussions with the other parties. CUPA believes, at a minimum, that rate of return should be stipulated. CUPA will not be utilizing the Commission's mediation process.

3. Issues

The adjustments and reasons for the revenue, expense, rate base, and return are listed or appear in the Company's filings. CUPA intends to address issues involving: (1) the reasonableness of the revenue increases it is seeking in this proceeding; (2) the reasonableness of the proposed allocations of the requested increases among the various customer classes; (3) the reasonableness of the rates of return proposed by CUPA; and (4) general water and wastewater system operations.

CUPA reserves the right to present additional testimony and exhibits on any other issues that may arise during the course of this proceeding.

4. Amount of Hearing Time

CUPA believes that two days will be sufficient for hearing in this matter.

5. Witnesses

CUPA may present testimony from the following persons as witnesses in this proceeding:

Steve Lubertozi
2335 Sanders Road, Northbrook, IL 60062
smlubertozi@uiwater.com

Justin Kersey
2335 Sanders Rd, Northbrook, IL 60062
JPKersey@uiwater.com

Brian Halloran
2335 Sanders Road, Northbrook, IL 60062
BHalloran@uiwater.com

Robert Guttormsen
2335 Sanders Road, Northbrook, IL 60062
RAGuttormsen@uiwater.com

Bruce Haas
2335 Sanders Road, Northbrook, IL 60062
BTHaas@uiwater.com

Chuck Madison
570 Hallet Road, East Stroudsburg, Pa. 18301
CPMadison@uiwater.com

Scott Miller, CPA
Baker Tilly Municipal Advisors, LLC
8365 Keystone Crossing, Suite 300, Indianapolis, IN, 46240-2687
Scott.Miller@bakertilly.com

John P. Trogonoski
Concentric Energy Advisors, Inc.
293 Boston Post Road West, Suite 500, Marlborough, MA 01752
jtrogonoski@ceadvisors.com

6. Schedule for Submission of Testimony, Hearings and Briefs

CUPA has reviewed the schedule proposed in the May 15, 2019 Prehearing Conference Order, and respectfully requests modification to that schedule as shown below. The schedule proposed in that Order did not include a date for CUPA to submit the remainder of its direct testimony.¹ CUPA's proposed schedule largely tracks the schedule adopted in its 2016 rate case. The CUPA will work with the other parties before the Prehearing Conference to try to develop a schedule mutually-agreeable among the parties for Your Honor's consideration.

¹ Because CUPA's rate increase filings are not in excess of \$1 million, it was not required to file its direct testimony with its initial tariff supplement. *See* 52 Pa. Code § 53.53(c). CUPA only provided testimony on rate of return with its initial tariff supplement filings.

Rate Filing	April 1, 2019
Prehearing Conference	May 28, 2019
Company Direct Testimony	June 14, 2019
Other Parties Direct Testimony	July 17, 2019
Rebuttal Testimony	August 2, 2019
Surrebuttal Testimony	August 14, 2019
Outline of Expected Oral Rejoinder	August 20, 2019 (noon)
Evidentiary Hearings (in Harrisburg)	August 22-23, 2019
Main Briefs	September 13, 2019
Reply Briefs	September 23, 2019
Commission Public Meeting	December 19, 2019
End of Suspension Period	January 1, 2020

7. Public Input Hearings

CUPA submits that public input hearings are not necessary in these proceedings because substantial public interest has not been shown. The Commission’s policy statement regarding public input hearings states:

If the Commission determines that substantial public interest in a rate proceeding has been shown, at least one public input hearing will be held in the utility’s service area.

52 Pa. Code § 69.321(b).

To date, CUPA is not aware of any customers that have filed any complaints, letters, or other opposition to CUPA’s rate increases in these proceedings.

8. Any Other Appropriate Matter

a. Acceptance of Service and Lead Attorney

Service of paper documents in this proceeding shall be accepted on behalf of CUPA by:

Thomas J. Sniscak, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
Phone: 717-236-1300
Fax: 717-236-4841
tjsniscak@hmslegal.com

Mr. Sniscak will be the lead attorney for CUPA in these proceedings. Counsel for CUPA also requests that any electronic service list utilized by the parties in this proceeding include Thomas J. Sniscak (tjsniscak@hmslegal.com), Whitney E. Snyder (wesnyder@hmslegal.com) and Bryce R. Beard (brbeard@hmslegal.com). CUPA is willing to extend the same courtesy upon request of any other party for any e-mails or electronic service to the parties.

b. Service of Documents

CUPA proposes that all due dates for any documents in this proceeding are in-hand the day they are due. Service of documents by email by 4:30 p.m on the due date will be considered in-hand if a hard copy is sent the same day by First Class US Mail. Any pleading or discovery request served after noon on a Friday or day before a holiday shall be considered served the next business day.

Respectfully submitted,



Thomas J. Sniscak, Esquire, Attorney ID No. 33891
Whitney E. Snyder, Esquire, Attorney ID No. 316625
Bryce R. Beard, Esquire, Attorney ID No. 325837
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
Phone: 717-236-1300
Fax: 717-236-4841
tjsniscak@hmslegal.com
wesnyder@hmslegal.com
brbeard@hmslegal.com

*Counsel for
Community Utilities of Pennsylvania Inc.*

Date: May 24, 2019

CERTIFICATE OF SERVICE

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

BY ELECTRONIC AND FIRST CLASS MAIL

Allison C. Kaster
Deputy Chief Prosecutor
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
akaster@pa.gov

Christine Maloni Hoover, Esquire
Phillip D. Demanchick, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
choover@paoca.org
pdemanchick@paoca.org

BY FIRST CLASS MAIL

Office of Small Business Advocate
Commerce Building, Suite 202
300 North 2nd Street
Harrisburg, PA 17101



Thomas J. Sniscak
Whitney E. Snyder
Bryce R. Beard

Dated this 24th day of May, 2019