

Elizabeth Rose Triscari

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November 12, 2019

VIA ELECTRONIC FILING

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

In Re: Indian Springs Water Company - Docket No. M-2019-3011972

Dear Secretary Chiavetta:

Pursuant to Administrative Law Judge Steven K. Haas Prehearing Order dated October 30, 2019, enclosed please find the Prehearing Memorandum of Pennsylvania-American Water Company. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Elizabeth Rose Triscari

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cc: The Honorable Steven Haas (via electronic mail and overnight mail)

All Parties on the Attached Certificate of Service (via electronic and first-class mail)

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Indian Springs Water Company Section 529

M-2019-3011972

Investigation

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PREHEARING CONFERENCE MEMORANDUM OF PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company ("PAWC"), pursuant to 52 Pa. Code §5.22(d) and in compliance with the Prehearing Conference Order of the Honorable Administrative Law Judge ("ALJ") Steven K. Haas, dated October 30, 2019, hereby files this Prehearing Conference Memorandum in the above captioned matter, and states as follows:

I. <u>INTRODUCTION & PROCEDURAL HISTORY</u>

On August 8, 2019, the Pennsylvania Public Utility Commission ("Commission") entered an Order initiating an investigation pursuant to 66 Pa. C.S. § 529, into whether the Commission should order a capable public utility to acquire the Indian Springs Water Company ("ISWC") water system ("529 Proceeding"). By that same order, the Commission appointed PAWC as receiver for ISWC for the pendency of the 529 Proceeding. On August 19, 2019, PAWC began its role as receiver for ISWC.

On August 16, 2019, counsel for ISWC entered a notice of appearance and letter petition requesting an expedited hearing.

The Office of Consumer Advocate filed a notice of intervention and public statement on August 21, 2019.

An initial prehearing conference was held on August 27, 2019, rather than an expedited hearing, at which time the parties discussed notice to customers and proximate providers.

The Commission's Bureau of Investigation and Enforcement ("I&E") entered a notice of

appearance on August 29, 2019.

Notice to ISWC customers of the 529 Proceeding and PAWC's receivership was mailed

by PAWC, as receiver for ISWC, on September 30, 2019. The Commission's Secretary served

notice to proximate service providers and proximate municipalities on October 1, 2019. Both

notices set a date to intervene of October 21, 2019.

On October 21, 2019, Glen Summit Company filed a Petition to Intervene.

A notice was issued on October 23, 2019, establishing a prehearing conference for this

matter for Wednesday, November 13, 2019 at 10:00 a.m. in Hearing Room 4 of the

Commonwealth Keystone Building in Harrisburg. ALJ Haas issued a Prehearing Conference

Order on October 30, 2019.

II. **COUNSEL**

Counsel for PAWC is:

Elizabeth Rose Triscari, Esq. (PA ID 306921)

Pennsylvania-American Water Company

852 Wesley Drive

Mechanicsburg, PA 17055

Phone: (717) 550-1574

Email: elizabeth.triscari@amwater.com

III. **SERVICE OF DOCUMENTS**

PAWC's attorney is authorized to accept service on behalf of PAWC in this proceeding.

PAWC requests hard copies of documents be served on Elizabeth Rose Triscari at the address

above. PAWC agrees to receive service of documents electronically in this proceeding.

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IV. ISSUES & PAWC'S POSITION

The ultimate issue in this proceeding is whether the Commission should order the acquisition of ISWC by a capable public utility pursuant to Section 529 of the Public Utility Code, or if other viable alternatives exist. Many customers of ISWC have drilled wells and disconnected from the water system or have plans to do so. PAWC, with ISWC's cooperation, are working to identify how many customers would remain after all planned wells are completed. Given the cost of the system improvements that would be required to bring the system into regulatory compliance and the few customers that may remain, abandonment of service may be the most economically feasible alternative for ISWC, provided that all customers have an alternative source of potable water, such as a well. The parties have discussed that alternative and are in settlement discussions to attempt to resolve the issues in this proceeding.

V. WITNESSES

PAWC has not at this time identified any witnesses. PAWC reserves the right to call witnesses, if necessary, and agrees to notify Judge Haas and the parties immediately should PAWC determine any witnesses will be called.

VI. <u>LITIGATION SCHEDULE</u>

PAWC requests that a litigation schedule not be adopted at this time to allow the parties to discuss a possible settlement of all issues and avoid costly litigation. PAWC will work with Judge Haas and all parties to develop a mutually agreeable litigation schedule if a settlement is not achieved.

V. <u>SETTLEMENT</u>

PAWC is willing to participate in settlement discussions in this matter and as previously mentioned such discussion have already commenced.

Respectfully submitted,

y: lizel

Elizabeth Rose Triscari, Esq. (PA ID 306921)

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Dated: November 12, 2019

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Indian Springs Water Company Section 529

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the above-referenced Prehearing Memorandum upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §1.54 (relating to service by a party).

Service by electronic and first-class mail addressed as follows on November 12, 2019

Christine Hoover, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Richard A. Kansaskie, Esquire
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street, Second Floor
Harrisburg, PA 17120

Louise A. Knight, Esquire 3610 Logan Court, Unit 3B Camp Hill, PA 1011

Elizabeth Rose Triscari, Esquire

Attorney ID No. 306921

Director, Corporate Counsel for

Pennsylvania-American Water Company

852 Wesley Drive

Mechanicsburg, PA 17055

Phone: 717-550-1574

Dated: November 12, 2019