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**VIA eFILING**

June 3, 2020

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

*Re: Pennsylvania Public Utility Commission v. Pennsylvania-American Water Company  
Docket Nos. R-2020-3019369 and R-2020-3019371*

Dear Secretary Chiavetta:

Please find enclosed AK STEEL CORPORATION'S PREHEARING MEMORANDUM for filing in the above-captioned proceeding.

By copy of this letter, all parties listed on the Certificate of Service have been served.

Respectfully submitted,

/s/ Michael L. Kurtz  
Michael L. Kurtz, Esq.. (PA Attorney I.D. #71687)  
Kurt J. Boehm, Esq.  
Jody Kyler Cohn, Esq.  
BOEHM, KURTZ & LOWRY  
COUNSEL FOR AK STEEL CORPORATION

MLKkew

cc: The Honorable Charles E. Rainey, Jr. (email only [crainey@pa.gov](mailto:crainey@pa.gov) )  
The Honorable Conrad A. Johnson (email only [cjohnson@pa.gov](mailto:cjohnson@pa.gov) )  
Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2020-3019369 (Water)
vs.	:	R-2020-3019371 (Wastewater)
Pennsylvania American Water Company	:	

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**PREHEARING MEMORANDUM OF  
AK STEEL CORPORATION**

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Pursuant to Administrative Law Judge Johnson’s May 22, 2020 Prehearing Conference Order, AK Steel Corporation (“AK Steel”) submits this Prehearing Memorandum.

**1. History of Proceeding**

On April 29, 2020, Pennsylvania American Water Company (“PAWC” or “the Company”) initiated this case proposing a multi-year increase to its water and wastewater rates pursuant to 66 Pa. C.S. § 1308(d). PAWC proposes to increase its total annual operating revenues by \$138.6 million over two years. Specifically, PAWC proposes to increase rates by approximately \$92.4 million, or 12.9% in 2021; and \$46.2 million, or 5.8% in 2022. AK Steel filed its Petition to Intervene and Notice of Appearance on June 2, 2020.

**2. Representation of AK Steel**

AK Steel is represented by the following attorneys in this matter:

Michael L. Kurtz, Esq. (PA Attorney I.D. #72752)

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

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### **3. Issues Raised by AK Steel**

AK Steel is the largest industrial customer on the Company's system. The rates paid by AK Steel for water service will be significantly affected if the Commission approves the rate increase requested. AK Steel alleges that the information filed in support of the Company's proposed rate increase is insufficient to establish that the rates to be collected are just and reasonable. AK Steel also alleges that the rate structure proposed by the Company may result in large industrial customers subsidizing other rate classes. AK Steel intends to address these issues and recommend specific changes to the Company's proposal through the testimony of its expert witness.

### **4. Testimony of AK Steel**

AK Steel intends to submit the testimony of its expert witness Richard Baudino. Mr. Baudino will likely address revenue requirement as well as revenue allocation and rate design issues pertaining to the Industrial class. Mr. Baudino's contact information is listed below:

Richard A. Baudino  
J. Kennedy & Associates  
1347 Frye Road  
Westfield, NC 27053  
Ph: (770) 992-2027 Fax: (770) 992-0806  
[rbaudino@jkenn.com](mailto:rbaudino@jkenn.com)

### **5. Discovery**

AK Steel supports the standard discovery modifications requested by the Office of Consumer Advocate.

6. **Procedural Schedule**

AK Steel is not aware of any agreement among the parties concerning the procedural schedule, but commits to work with the parties and the Commission to craft a schedule that is acceptable to all participants.

Respectfully submitted,

/s/ Kurt J. Boehm

Michael L. Kurtz, Esq. (PA Attorney I.D. #71687)

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**ATTORNEYS FOR AK STEEL CORPORATION**

June 3, 2020

## CERTIFICATE OF SERVICE

I hereby certify that on this 3<sup>RD</sup> day of June, 2020 I served a true copy of AK STEEL CORPORATION'S PREHEARING MEMORANDUM via email only upon the parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54:

/s/ Michael L. Kurtz

Michael L. Kurtz, Esq. (PA Attorney I.D. # 71687)

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Jody Kyler Cohn, Esq.

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