

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

August 8, 2022

VIA ELECTRONIC FILING

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

> Re: Application of Aqua Pennsylvania Wastewater, Inc. pursuant to Sections 1102, 1329 and 507 of the Public Utility Code for approval of the acquisition by Aqua of the wastewater system assets of the Delaware County Regional Water Quality Control Authority; Docket No. A-2019-3015173; SUNOCO PARTNERS MARKETING & TERMINALS, L.P./ENERGY TRANSFER PREHEARING CONFERENCE MEMORANDUM

Dear Secretary Chiavetta:

Attached for filing with the Commission is Sunoco Partners Marketing & Terminals, L.P./Energy Transfer's Prehearing Conference Memorandum in the above-referenced proceedings. If you have any questions regarding this filing, please contact the undersigned.

Very truly yours,

/s/ Whitney E. Snyder

Thomas J. Sniscak Kevin J. McKeon Whitney E. Snyder Melissa A. Chapaska Phillip D. Demanchick

Counsel for Sunoco Partners Marketing & Terminals, L.P./Energy Transfer

WES/das

Enclosure

cc: Honorable F. Joseph Brady (fbrady@pa.gov) Pamela McNeal (pmcneal@pa.gov) Per Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILIT COMMISSION

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Application of Aqua Pennsylvania Wastewater, Inc. pursuant to Sections 1102, 1329 and 507 of the Public Utility Code for approval of the acquisition by Aqua of the wastewater system assets of the Delaware County Regional Water Quality Control Authority

Docket No. A-2019-3015173

PREHEARING CONFERENCE MEMORANDUM OF SUNOCO PARTNERS MARKETING & TERMINALS, L.P.

TO THE HONORABLE F. JOSEPH BRADY:

Pursuant to 52 Pa. Code § 5.222(d) and the Initial Prehearing Conference on Remand Order Sunoco Partners Marketing & Terminals, L.P./Energy Transfer ("SPMT") submits this prehearing conference memorandum.

A. IDENTIFICATION AND STATUS OF ANY ONGOING LITIGATION RELATED TO THIS CASE

SPMT is not a party to litigation before the Commission or in any other forum related to this proceeding. SPMT is aware of the County of Delaware's (County) appeal to the Commonwealth Court of the Pennsylvania Public Utility Commission's (PUC or Commission) Order in this proceeding dated March 30, 2021, as well as litigation involving the County, Delaware County Regional Water Quality Control Authority (DELCORA), and Aqua Pennsylvania Wastewater, Inc. (Aqua) in the Delaware County Court of Common Pleas. SPMT defers to the parties participating in those proceedings as to the status of those proceedings.

B. NEED FOR ADDITIONAL DIRECT AND REBUTTAL TESTIMONY

SPMT submits that substantial additional testimony is required in this remand proceeding. The Commission's Order was clear that the remand is to address any matters necessary and appropriate "so as to permit a *full evaluation* of the Application pursuant to Sections 1102, 1329, and 507 of the Code,"¹ not solely changes to the trust and the impact of Aqua's stipulations with various municipalities, which are both significant, complicated issues in their own right.

The PUC's remand order was issued March 30, 2021, based on a record that closed November 2020. Thus, approximately 21 months have elapsed since the record closed. The question before the Commission is whether the Application satisfies the requisite standards now, given the passage of time and events that have occurred since the close of the prior record. At this point, the parties need to examine whether the transaction itself may have changed in that time. Other issues include potential impacts of the ongoing litigation between the County, DELCORA, and Aqua that involved the County seeking to dissolve DELCORA, the municipal stipulations and objections thereto, the stipulation with Kimberly-Clark Corporation and Kimberly-Clark Pennsylvania, LLC (Kimberly-Clark), other outstanding issues regarding what property is actually part of the proposed transaction, the extent of financial changes to both Aqua and DELCORA and how those changes may impact evaluation of the proposed transaction, any altered terms of the transaction such as purchase price, and any actions (or lack thereof) that Aqua has taken to resolve Highly Confidential issues that SPMT raised in this proceeding. In sum, SPMT believes significant additional discovery and testimony is needed to determine whether the proposed transaction is in the public interest as the transaction exists now as opposed to 21 months ago.

C. NEED FOR ADDITIONAL WITNESSES

At this time, SPMT does not anticipate presenting additional witnesses, but reserves its right to do so if it deems necessary in response to information produced in discovery, issues or evidence raised by other parties. SPMT intends to present testimony as needed from the following

¹ March 30, 2021 Remand Order at Ordering Paragraph 2, Order at p. 16 and Order at n.7.

witnesses who testified previously in this proceeding: Edward Human, Howard Woods, and Kevin Smith.

D. SCHEDULING DEADLINES FOR ADDITIONAL BRIEFS AND REPLY BRIEFS

SPMT is willing to cooperate with the other parties to reach a mutually agreeable schedule. Any schedule must provide enough time for discovery and rounds of responsive testimony to fully examine the proposed transaction as it exists now. SPMT notes that while Aqua sought from the Commission an order specifying an accelerated schedule on remand,² neither the PUC's March 30, 2021 Remand Order nor the PUC's July 26, 2022 Order Lifting Stay of Remand Proceedings granted such relief and therefore it was denied. Aqua voluntarily waived the statutory deadline with no contingencies on March 10, 2021. This matter must proceed on a schedule that allows for full development of all issues by all parties.

E. NEED FOR ADDITIONAL PUBLIC INPUT HEARINGS

SPMT takes no position on whether additional public input hearings are necessary or appropriate.

F. SCHEDULING NEW EVIDENTIARY HEARINGS

See SPMT Position on Additional Brief and Reply Briefs in Section D.

² March 25, 2022 Letter from Aqua to the Commission.

Respectfully submitted,

/s/ Whitney E. Snyder

Thomas J. Sniscak, Esq. (PA ID No. 33891) Kevin J. McKeon, Esq. (PA ID No. 30428) Whitney E. Snyder, Esq. (PA ID No. 316625) Melissa A. Chapaska, Esq. (PA ID No. 319449) Phillip D. Demanchick Jr., Esq. (PA ID No. 324761) Hawke, McKeon & Sniscak LLP 100 North Tenth Street Harrisburg, PA 17101 Tel: (717) 236-1300 tjsniscak@hmslegal.com kjmckeon@hmslegal.com machapaska@hmslegal.com pddemanchick@hmslegal.com

Dated: August 8, 2022

Attorneys for Sunoco Partners Marketing & Terminals, L.P./Energy Transfer

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the forgoing document upon the

persons listed below in accordance with the requirements of § 1.54 (relating to service by a party).

VIA ELECTRONIC MAIL ONLY

Alexander R. Stahl, Esquire Aqua Pennsylvania 762 W. Lancaster Avenue Bryn Mawr, PA 19010 astahl@aquaamerica.com <i>Counsel for Aqua Pennsylvania Wastewater,</i> <i>Inc.</i>	Samantha L. Newell, Esquire Patrick F. Seymour, Esquire Michael P. Clarke, Esquire Rudolph Clarke, LLC Seven Neshaminy Interplex Suite 200 Trevose, PA 19053 snewell@rudolphclarke.com pseymour@rudolphclarke.com mclarke@rudolphclarke.com <i>Counsel for Delaware County Regional Water</i> <i>Quality Control Authority</i>
Christine Maloni Hoover, Esquire Erin L. Gannon, Esquire Harrison G. Breitman, Esquire Office of Consumer Advocate 555 Walnut Street, 5 th Floor Harrisburg, PA 17101 OCADELCORA@paoca.org	Gina L. Miller, Esquire Erika L. McLain, Esquire Bureau of Investigation and Enforcement Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120 ginmiller@pa.gov ermclain@pa.gov
Steven C. Gray, Esquire Office of Small Business Advocate 555 Walnut Street, 1 st Floor Harrisburg, PA 17101 sgray@pa.gov	Kenneth D. Kynett, Esquire Charles G. Miller, Esquire Petrikin, Wellman, Damico, Brown & Petrosa 109 Chesley Drive Media, PA 19063 kdk@petrikin.com cgm@petrikin.com

Adeolu A. Bakare, Esquire Robert F. Young, Esquire Kenneth R. Stark, Esquire McNees Wallace & Nurick LLC P.O. Box 1166 Harrisburg, PA 17108-1166 abakare@mcneeslaw.com ryoung@mcneeslaw.com kstark@mcneeslaw.com

Counsel for Delaware County Cynthia Pantages C&L Rental Properties, LLC P. O. Box 516 Lake Harmony, PA 18624 cyndipantages@gmail.com

Edward Clark, Jr. Treasure Lake Property Owners Assoc. 13 Treasure Lake Dubois, PA 15801 gm@treasurelake.us

John F. Povilaitis, Esquire Alan M. Seltzer, Esquire Buchanan Ingersoll & Rooney 409 North Second Street Suite 500 Harrisburg, PA 17101-1357 John.povilaitis@bipc.com Alan.seltzer@bipc.com

Counsel for Aqua-Pennsylvania Wastewater, Inc.

Ross Schmucki 218 Rutgers Avenue Swarthmore, PA 19081 rschmucki@gmail.com

Robert W. Scott, Esquire Robert W. Scott, P.C. 205 North Monroe Street P.O. Box 468 Media, PA 19063 rscott@robertwscottpc.com

Counsel for the Borough of Ambler

Justin G. Weber, Esquire Michelle M. Skjoldal, Esquire Troutman, Pepper, Hamilton & Saunders, LLP 100 Market Street Suite 200 P.O. Box 1181 Harrisburg, PA 17108 Justin.weber@troutman.com Michelle.skjoldal@troutman.com

Counsel for Kimberly-Clark Corp. & Kimberly-Clark Pennsylvania, LLC

Jason T. Ketelsen, Esquire Troutman, Pepper, Hamilton & Saunders, LLP 3000 Two Logan Square 18th & Arch Street Philadelphia, PA 19103 Jason.ketelsen@troutman.com

Counsel for Kimberly-Clark Corp. & Kimberly-Clark Pennsylvania, LLC

Joseph L. Vullo, Esquire Burke, Vullo, Reilly & Roberts 1460 Wyoming Avenue Forty Fort, PA 18704 jlvullo@bvrrlaw.com

Counsel for Southwest Delaware County Municipal Authority

John McLaughlin, Esquire Tiffany R. Allen, Esquire Benjamin Patchen Esquire Campbell Durrant, P.C. One Belmont Avenue, Suite 300 Bala Cynwyd, PA 19004 jmclaughlin@cdblaw.com tallen@cdblaw.com bpatchen@cdblaw.com Marc Machlin, Esquire Troutman, Pepper, Hamilton & Saunder, LLP 2000 K Street Suite 600 Washington, DC 20006 Marc.machlin@troutman.com

Counsel for Kimberly-Clark Corp. & Kimberly-Clark Pennsylvania, LLC

Lawrence and Susan Potts 11 Chestnut Street P.O. Box 522 Lake Harmony, PA 18624 Susie01213@aol.com

Counsel for Receiver for the City of Chester

Patricia Kozel 15 Hazzard Run Road Lake Harmony, PA 18624 Pattyk6@icloud.com Peter Ginoplus P.O. Box 197 Lake Harmony, PA 18624 pete@kidderfax.com

/s/ Whitney E. Snyder

Thomas J. Sniscak, Esquire Kevin J. McKeon, Esquire Whitney E. Snyder, Esquire Melissa A. Chapaska, Esquire

Dated: August 8, 2022