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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,"<sup>1</sup> 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

<sup>&</sup>lt;sup>1</sup> 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,<sup>2</sup> 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.

<sup>&</sup>lt;sup>2</sup> March 25, 2022 Letter from Aqua to the Commission.

Respectfully submitted,

/s/ Whitney E. Snyder

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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

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