

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWIN A. POPOWSKY
Consumer Advocate

January 20, 2010

Honorable David A. Salapa
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17105

Re: Pa. Public Utility Commission
v.
Pennsylvania Utility Company, Inc. (Water)
Docket No. R-2009-2103937/C-2009-2145052
Pennsylvania Utility Company, Inc. (Wastewater)
Docket No. R-2009-2103980/C-2009-2141385

Dear Judge Salapa:

Enclosed please find an original and one copy of the Prehearing Memorandum of the Office of Consumer Advocate in the above-referenced proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Sincerely yours,

A handwritten signature in cursive script that reads "Christ Maloni Hoover".

Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. #50026

Enclosures

cc: Secretary's Office of the PUC
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	Docket No. R-2009-2103937
	:	C-2009-2145052
	:	
PENNSYLVANIA UTILITY CO. (WATER)	:	Docket No. R-2009-2103980
	:	C-2009-2141385
PENNSYLVANIA UTILITY CO. (WASTEWATER)	:	

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the prehearing conference order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information.

I. ISSUES

On October 30, 2009, Pennsylvania Utility Company, Water Division (Company) filed a request to increase its annual base rate revenues by \$112,309 or 69.4%. Under the Company's request, the typical residential quarterly water bill (for 9,000 gallons per quarter) would increase from \$68.57 to \$120.36 per quarter, or 75.5%, or \$207 per year. On that same date, Pennsylvania Utility Company, Sewer Division (Company) filed a request to increase its annual base rate revenues by \$369,827 or 232.8%. Under the Company's request, the typical residential quarterly sewer bill (for 9,000 gallons of water

per quarter) would increase from \$68.57 to \$241.36 per quarter, or 252%, or \$691 per year. The Company serves approximately 560 customers in Lehman Township, Pike County.

The OCA is prepared to engage in mediation. In the event the Company's rate request is not resolved through mediation, after receipt of the Company's direct testimony, and responses to any remaining discovery, the OCA will file direct testimony that will set forth the specific issues to be addressed in this proceeding. At that time, the OCA will also be able to make and to quantify its specific recommendations. Generally, the OCA is reviewing issues related to rate of return, accounting, rate design and quality of service.

II. WITNESSES

The OCA intends to present the direct, rebuttal and surrebuttal testimony, as may be necessary, of the following witness in this proceeding. The OCA's witness will present testimony in written form and will also attach various exhibits, documents, and explanatory information that will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to the expert witness, as well as mailing a copy to counsel for the OCA.

General Accounting, Financial And Ratemaking Issues

Marilyn Kraus
Senior Regulatory Analyst
Office of Consumer Advocate
555 Walnut Street, Forum Place 5th Floor
Harrisburg PA 17101-1923

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The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

III. SERVICE ON THE OCA

The OCA will be represented in this proceeding by Senior Assistant Consumer Advocate Christine Maloni Hoover. One copy of all documents should be served on the OCA as follows:

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

Telephone (717) 783-5048
Fax (717) 783-7152

IV. DISCOVERY

The OCA is reviewing the Company's responses to the OCA initial discovery. As soon as the OCA determines whether additional discovery, including informal discovery, is needed, the OCA will issue the discovery. The OCA proposes modifying the time provided for answers to interrogatories in 52 Pa. Code § 5.342(d) from 15 to 10 days. Modifying the response time to 10 days after service would allow subsequent rounds of discovery to be completed more quickly and efficiently.

V. PUBLIC INPUT HEARINGS

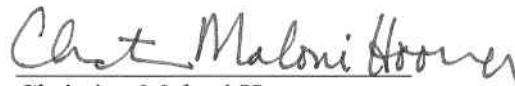
The OCA is aware of six formal complaints by customers in the water proceeding and four formal complaints by customers in the sewer proceeding. In addition, the OCA is aware of approximately 65 objections/comments filed in the water docket and

approximately 54 objections/comments filed in the wastewater docket at the PUC. Given the customers' complaints, objections, and the size of the proposed increase, the OCA requests a public input hearing be held in the service territory. The OCA will work with the parties, the ALJ, and the OALJ scheduling staff to find a mutually convenient time and location.

VI. SCHEDULE

The OCA will cooperate with the Company and other parties to develop a schedule for the submission of testimony, hearings and briefs. Attached is a schedule that proposes some revisions to the schedule attached to the ALJ's prehearing conference order.

Respectfully submitted,



Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026
E-Mail: CHoover@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
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DATED: January 20, 2010

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PENNSYLVANIA UTILITY COMPANY, INC.

Docket Nos. R-2009-2103937, R-2009-2103980

OCA Tentative Schedule

(Items in bold reflect change from ALJ's Tentative Schedule)

January 25, 2010	Initial Prehearing conference
Mid-March	Public Input hearing
March 15, 2010	Company serves written direct testimony
April 9, 2010	All other parties serve written direct testimony
April 26, 2010	All parties serve written rebuttal testimony
May 11, 2010	All parties serve written surrebuttal testimony
May 18-20, 2010	Hearings
June 10, 2010	Main Briefs filed and served
June 22, 2010	Reply Briefs filed and served

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission

v.

Pennsylvania Utility Company (Water)

Docket No. R-2009-2103937

C-2009-2145052

Pennsylvania Utility Company (Wastewater)

Docket No. R-2009-2103980

C-2009-2141385

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Office of Consumer Advocate upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 20th day of January 2010.

SERVICE BY ELECTRONIC MAIL and IN PERSON

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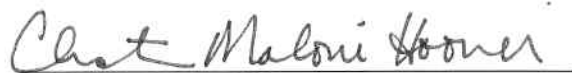
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