

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

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September 10, 2010

Honorable Katrina Dunderdale
PA Public Utility Commission
Office of Administrative Law Judge
Piatt Place, Suite 220
301 Fifth Avenue
Pittsburgh, PA 15222

Re: Pa. Public Utility Commission
v.
Total Environmental Solutions, Inc.
Treasure Lake Water
Docket Nos. R-2010-2171918/C-2010-2191449
Total Environmental Solutions, Inc.
Treasure Lake Sewer
Docket Nos. R-2010-2171924/C-2010-2191421

Dear Judge Dunderdale:

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 "Christine 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.	:	
	:	
TOTAL ENVIRONMENTAL SOLUTIONS, INC., TREASURE LAKE WATER	:	Docket No. R-2010-2171918 C-2010-2191449
	:	
TOTAL ENVIRONMENTAL SOLUTIONS, INC., TREASURE LAKE SEWER	:	Docket No. R-2010-2171924 C-2010-2191421

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 June 30, 2010, Total Environmental Solutions, Inc., Treasure Lake Water Division (TESI-Water) filed a request to increase its annual base rate revenues by \$376,183 or 62.2%. Under TESI-Water's request, the typical residential monthly water bill (for 3,500 gallons per month) would increase from \$14.30 to \$32.66 per month, or 128.4%. Availability rates would decrease by 61.5%, from \$3.04 to \$1.17 per month.

On that same date, Total Environmental Solutions, Inc., Treasure Lake Sewer Division (TESI-Sewer) filed a request to increase its annual base rate revenues by \$268,150 or 25.6%. Under the Company's request, the typical residential monthly sewer

bill (for 3,500 gallons of water per month) would increase from \$27.76 to \$42.44 per month, or 52.9%. Availability rates would decrease by 49% from \$4.53 to \$2.31 per month.

TESI-Water and TESI-Sewer (collectively referred to as the Company) serve approximately 2,105 residential and commercial usage customers and 3,455 availability customers in a portion of Sandy Township, Clearfield County.

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
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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

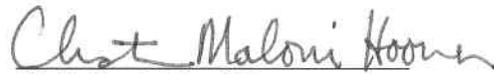
The OCA is aware of 12 formal complaints by customers in the water proceeding and 4 formal complaints by customers in the sewer proceeding. In addition, the OCA is aware of approximately 17 objections/comments filed in the water docket and approximately 87 objections/comments filed in the wastewater 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. Based on the dates provided by the ALJ, the OCA proposes the hearings be held during the week of November 7. The OCA's proposed location is the clubhouse located in Treasure Lake. If that location is not available, the OCA will work with the OALJ and the Company to find a suitable location in the service territory.

VI. SCHEDULE

The parties have developed a proposal schedule for the submission of testimony, hearings and briefs. See attached.

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

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DATED: September 10, 2010

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PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
TOTAL ENVIRONMENTAL SOLUTIONS, INC.,
TREASURE LAKE WATER AND SEWER DIVISIONS
Docket Nos. R-2010-2171918, R-2010-2171924

Proposed Schedule

September 13, 2010	Initial Prehearing conference
September 24, 2010	Company serves written direct testimony(by noon)
October 18, 2010	All other parties serve written direct testimony
November 4, 2010	All parties serve written rebuttal testimony
Week of November 7, 2010	Public Input hearing
November 12, 2010	All parties serve written surrebuttal testimony
November 15, 2010	Outline of oral rejoinder
November 17-18, 2010	Hearings
December 13, 2010	Main Briefs filed and served
December 20, 2010	Reply Briefs filed and served

CERTIFICATE OF SERVICE

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
	:	
v.	:	
	:	
TOTAL ENVIRONMENTAL SOLUTIONS, INC., TREASURE LAKE WATER	:	Docket No. R-2010-2171918 C-2010-2191449
	:	
TOTAL ENVIRONMENTAL SOLUTIONS, INC., TESI TREASURE LAKE SEWER	:	Docket No. R-2010-2171924 C-2010-2191421

I hereby certify that I have this day served a true copy of the 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 10th day of September 2010.

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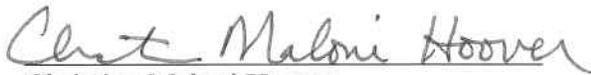
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