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January 14, 2011

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

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2011 JAN 14 PM 3:05
PA PUC
SECRETARY'S BUREAU

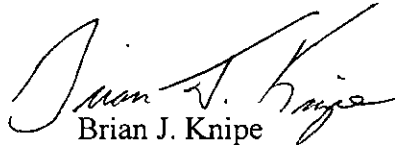
Re: *Jamal and Aisha McKay v. Pennsylvania-American Water Company*,
Docket No. C-2010-2185908

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company, I have enclosed for filing the original and three (3) copies of the *Prehearing Memorandum of Pennsylvania-American Water Company*.

Hard copies have been provided as indicated on the attached Certificate of Service.

Very truly yours,



Brian J. Knipe

For BUCHANAN INGERSOLL & ROONEY PC

BJK/kra

Enclosures

cc: Honorable Dennis J. Buckley (via e-mail and First-Class U.S. Mail, w/encls.)
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Jamal and Aisha McKay

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v.

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Docket No. C-2010-2185908

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Pennsylvania-American Water Company

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**PREHEARING MEMORANDUM OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

TO ADMINISTRATIVE LAW JUDGE DENNIS J. BUCKLEY:

By Telephonic Hearing Notice dated December 20, 2010, the Pennsylvania Public Utility Commission ("Commission") has scheduled an Initial Telephonic Hearing for this matter on January 26, 2011 at 10:00 a.m. Pennsylvania-American Water Company ("Pennsylvania-American" or "the Company"), by and through its attorneys, hereby submits this Prehearing Memorandum pursuant to Your Honor's Prehearing Order dated December 16, 2010.

I. INTRODUCTION AND HISTORY OF THE PROCEEDING

On June 30, 2010, Jamal and Aisha McKay ("Complainants") filed a complaint with the Commission against Pennsylvania-American. The complaint attaches a letter dated December 11, 2007 by counsel for Pennsylvania-American to memorialize a settlement of a previous complaint filed by Complainants against the Company at Docket No. F-02237533 (the "Settlement"). The Settlement provides for Pennsylvania-American to issue a credit of \$3,731.45 to the account of Aisha McKay, Account No. 24-1416642, and for Complainants to make monthly payments of \$200.00 toward the outstanding balance of Account No. 24-1416642 until the outstanding balance is paid in full. The complaint alleges that Pennsylvania-American is not following the terms of the Settlement, and requests that the Commission adjust Complainants' bill to the correct dollar amount. See Compl. ¶¶ 4.B, 5. On July 26, 2010,

Pennsylvania-American filed an answer to the complaint with new matter.

II. COUNSEL AND SERVICE LIST

Pennsylvania-American requests that for purposes of the service list in this proceeding, communications to the Company's attorneys be addressed as follows:

Brian J. Knipe
Buchanan Ingersoll & Rooney, P.C.
17 North Second Street, 15th Floor
Harrisburg, PA 17101-1503
Telephone: (717) 237-4820
Facsimile: (717) 233-0852
brian.knipe@bipc.com

III. WITNESSES AND SUBJECTS OF TESTIMONY

Pennsylvania-American intends to call the following witness:

Judy McCoy-Jordan
Billing & Collections Manager
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone: (717) 691-2111

Ms. Jordan will present testimony and exhibits regarding Pennsylvania-American's fulfillment of its obligations under the Settlement, the Company's confirmation of the fulfillment of its Settlement obligations to Complainants, and Complainants' own compliance with the terms of the Settlement.

Pennsylvania-American reserves the right to call additional witnesses to respond to other issues identified in Complainants' prehearing memorandum.

IV. ISSUES AND POSITIONS

The issue in this case is whether Pennsylvania-American fulfilled its obligations under the Settlement to issue the agreed-upon credit to Complainants' account and to implement the terms of the payment agreement. It is Pennsylvania-American's position that the Company

fulfilled all its obligations under the Settlement.

V. EVIDENCE

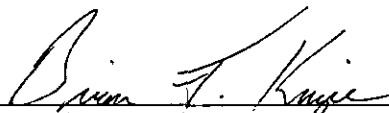
Pennsylvania-American will present testimony regarding the Company's fulfillment of its Settlement obligations. In addition, Pennsylvania-American will present exhibits establishing its compliance with the Settlement, including account records demonstrating application of the credit and implementation of the payment agreement, and communications to Complainants confirming that the Company fulfilled its obligations under the Settlement.

VI. SETTLEMENT

Pennsylvania-American has attempted to settle this matter with Complainants, and is willing to participate in further settlement discussions with Complainants to fully resolve this matter or to simplify or narrow the issues.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY, P.C.

By: 
Brian J. Knipe, ID No. 82854
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brian.knipe@bipc.com

Attorneys for
Pennsylvania-American Water Company

Dated: January 14, 2011

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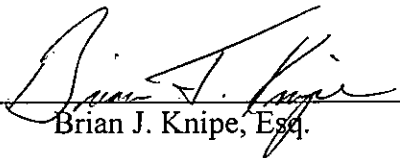
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

Via First-Class U.S. Mail

Jamal & Aisha McKay
7873 Country Place Drive
Lot G37
Tobyhanna, PA 18466

Dated this 14th day of January, 2011.



Brian J. Knipe, Esq.

Counsel for
Pennsylvania-American Water Company

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