



COMMONWEALTH OF PENNSYLVANIA

July 23, 2014

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v. City of Lancaster - Bureau of
Water
Docket No. R-2014-2418872**

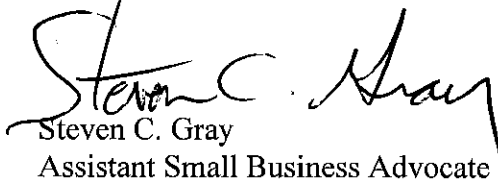
Dear Secretary Chiavetta:

I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosure

cc: Parties of Record
Brian Kalcic

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:
	:
v.	:
	:
CITY OF LANCASTER – BUREAU OF WATER	:
	:
	: DOCKET NO. R- 2014-2418872

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Steven C. Gray.

Please address all correspondence as follows:

Steven C. Gray, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@state.pa.us

II. FILING BACKGROUND

On June 6, 2014, the City of Lancaster – Bureau of Water (the “City”) filed Supplement No. 43 to Tariff Water-Pa. P.U.C. No. 6 (“Supplement No. 43”) with the Commission. Supplement No. 43, if approved by the Commission, would provide the City with a general rate increase in water rates of \$6,458,300 per year.

On June 27, 2014, the OSBA filed a Complaint against Supplement No. 43.

III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Brian Kalcic
Excel Consulting
Suite 720
225 South Meramec Avenue
St. Louis, MO 63105
(314) 725-2511
excel.consulting@sbcglobal.net

After an initial review of the materials submitted by the City, the OSBA has identified the following issues:

1. Whether the City’s cost-of-service methodology is appropriate;
2. Whether the City’s proposed outside-City class revenue allocation is cost-based; and
3. Whether the City’s proposal to modify its existing 3-tier, declining block rate structure is (i) reasonable and (ii) preferable to establishing separate rate schedules for its outside-City customer classes.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

The OSBA will participate in the case to assure that the interests of small business customers of the City are adequately represented and protected.

IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail only is not acceptable.

V. SETTLEMENT

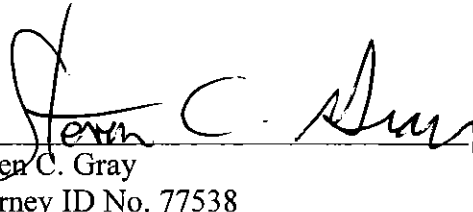
The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties have not reached agreement on a procedural schedule.

The OSBA respectfully requests that the evidentiary hearings take place in Harrisburg.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven C. Gray", written over a horizontal line.

Steven C. Gray
Attorney ID No. 77538
Assistant Small Business Advocate

For:

John R. Evans
Small Business Advocate

Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, PA 17101

Dated: July 23, 2014

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : **Docket No. R-2014-2418872**
City of Lancaster :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-filing, e-mail, and/or first-class mail (unless otherwise noted) upon the persons addressed below:

Hon. Angela T. Jones
Administrative Law Judge
Pa. Public Utility Commission
801 Market Street - #4063
Philadelphia, PA 19107
(215) 560-2105
(215) 560-3133 (fax)
angeljones@pa.gov

Christine Maloni Hoover, Esquire
Lauren M. Burge, Esquire
Office of Consumer Advocate
555 Walnut Street - 5th Floor
Harrisburg, PA 17101-1923
(717) 783-5048
(717) 783-7152 (fax)
choover@paoca.org
lburge@paoca.org
(E-mail and Hand Delivery)

John J. Gallagher, Esquire
711 Forrest Road
Harrisburg, PA 17112
(717) 599-5839
jgallagher@jglawpa.com

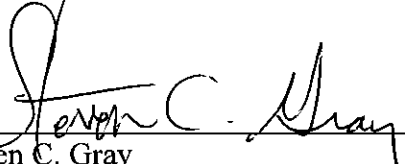
Regina L. Matz, Esquire
Bureau of Investigation and Enforcement
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105
(717) 787-1191
(717) 787-0481 (fax)
josimms@pa.gov
rmatz@pa.gov
(E-mail and Hand Delivery)

Thomas S. Catlin
Exeter Associates, Inc.
10480 Little Patuxent Parkway - #300
Columbia, MD 21044
topcat@exeterassociates.com
(E-mail Only)

Glenn Watkins
Technical Associates, Inc.
9030 Stony Point Parkway - #580
Richmond, VA 23235
watkinsg@tai-econ.com
(E-mail Only)

Scott J. Rubin
333 Oak Lane
Bloomsburg, PA 17815
scott.j.rubin@gmail.com
(E-mail Only)

Terry L. Fought
780 Cardinal Drive
Harrisburg, PA 17111
tlfengr@aol.com
(E-mail Only)



Steven C. Gray
Assistant Small Business Advocate
Attorney ID # 77538

Dated: July 23, 2014