

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et	:	
al.	:	Docket No. R-2015-2506337
	:	C-2015-2514368
v.	:	C-2015-2515975
	:	
Twin Lakes Utilities, Inc.	:	

**PREHEARING MEMORANDUM OF
TWIN LAKES UTILITIES INC.**

Pursuant to the Public Utility Code, the Commission’s Rules of Administrative Practice and Procedure and the Prehearing Conference Order of Administrative Law Judge Eranda Vero dated January 5, 2016, Twin Lakes Utilities, Inc. (“Twin Lakes”), by and through its counsel, hereby submits its Prehearing Memorandum in the above-captioned proceedings as follows:

A. Procedural History

On or about November 13, 2015, Twin Lakes filed with the Public Utility Commission (“Commission”) Tariff Water-Pa. P.U.C. No. 4 to become effective January 16, 2016. Tariff Water-PA. P.U.C. No. 4 contains proposed changes in the Twin Lakes’ rates, rules, and regulations and sets forth a request to adjust current water rates in order to produce \$195,287 in additional annual revenues, a rate increase of approximately 257% for jurisdictional customers.

On November 23, 2015, the Office of Consumer Advocate (“OCA”) filed a formal complaint against the proposed rate adjustment at Docket No. C-2015-2514368. Also on November 23, 2015, the Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance. On December 2, 2015, Virginia W. Pfeiffer filed a Formal Complaint at Docket No. C-2015-2515975.

By Order issued on December 17, 2015, the Commission suspended the effective date of Tariff Water-Pa. P.U.C. No. 4 until August 16, 2016 and ordered an investigation into the rate change request. By the same Order the Commission assigned this matter to the Office of Administrative Law Judge for hearings.

On January 5, 2016, the Commission issued a notice to the parties of a Prehearing Conference scheduled for January 15, 2016.

As of this date, the parties have engaged in the exchange of information as part of the discovery process.

B. Issues

Twin Lakes intends to present evidence in support of its rate filing on the following general areas:

1. Rate Base – including plant in service, plant additions and depreciation
2. Rate of Return – including return on equity, cost of debt and capital structure
3. Revenues and Expenses
4. Cost of Service – including rate structure and rate design
5. Water Quality and Customer Service

The above issues list is not intended to be comprehensive or exhaustive, and Twin Lakes reserves the right to make reasonable amendments or modifications to the same as may be necessary and/or appropriate.

C. Witnesses

Twin Lakes intends to present direct and rebuttal testimony, as may be necessary and appropriate, of the witnesses listed below.

1. Robert K. Fullagar
2. Dennis W. Doll
3. Bruce O'Connor

Twin Lakes reserves the right to list and/or call additional witnesses, as may be necessary and appropriate. As soon as Twin Lakes has determined whether additional witnesses will be necessary, the presiding officer and all parties of record will be duly notified. Twin Lakes believes that two (2) days of hearings should be sufficient to present all the evidence in this case.

D. Exhibits

Twin Lakes intends to rely on the documents and exhibits that are part of the record in this matter and such documents and exhibits as are developed in the course of discovery in this proceeding. In addition, Twin Lakes intends to rely on the exhibits and documents filed and submitted by the other parties in the case. Twin Lakes does not anticipate filing any further exhibits at this time, but reserves the right to introduce additional exhibits if necessary and appropriate.

E. Public Input Hearing

If the Commission should deem it appropriate to schedule a public input hearing, Twin Lakes reserves the right to make a statement at such a hearing and respond to questions or claims from customers in the course of such a hearing.

F. Proposed Litigation Schedule

Twin Lakes respectfully proposes the following litigation schedule:

Prehearing Conference	January 15, 2016
Company Direct Testimony	January 22, 2016
Public Input Hearings	To Be Determined
Non-Company Direct	February 12, 2016
Rebuttal Testimony	March 9, 2016
Surrebuttal	March 17, 2016
Outline of Oral Rejoinder	March 21, 2016
Evidentiary Hearings	March 23 – 24, 2016
Close of Record	April 8, 2016
Main Briefs	April 28, 2016
Reply Briefs	May 9, 2016
End of Suspension Period	August 16, 2016

Twin Lakes offers the schedule set forth above as a recommendation only, and is willing to discuss the same with the parties of record to arrive at a mutually agreeable schedule that allows for the timely and expeditious resolution of this matter.

E. Modifications to Discovery Rules

Twin Lakes proposes modifications to the Commission’s discovery rules as they relate to this proceeding as follows. Responses to interrogatories and requests for production of documents will be due in ten (10) calendar days from the date of service. Objections will be due within five (5) calendar days of service of discovery requests, and motions to compel will be due

within (5) calendar days of service of objections. The parties agree to make good faith efforts to resolve discovery disputes informally prior to the filing of objections or motions to compel.

F. Stipulations and Settlement

Twin Lakes has not entered into any stipulations with any of the parties of record, and we are not prepared to make any stipulations at this time. However, Twin Lakes is willing and available to discuss settlement of this matter with all parties, and reserves the right to supplement this Prehearing Memorandum if stipulations are made or a settlement agreed to in the future as a result of the mediation process.

Respectfully submitted,



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