



COMMONWEALTH OF PENNSYLVANIA

August 4, 2017

E-FILED

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

Re: Petition of Pennsylvania-American Water Company for Approval of Tariff Changes and Accounting and Rate Treatment Related to Replacement of Lead Customer-Owned Service Pipes/ Docket No. P-2017-2606100

Dear Secretary Chiavetta:

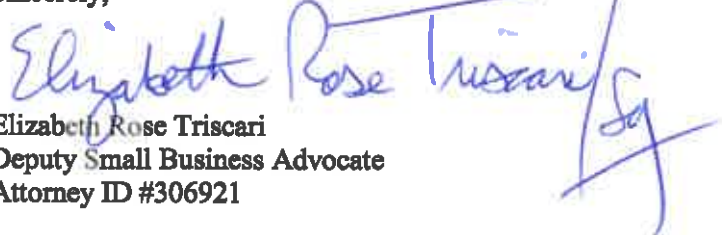
I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding. I respectfully request that a copy of any documents filed in this case be shared as well with our Witness at the address below.

Mr. Brian Kalcic
Excel Consulting
225 S. Meramec Avenue- Suite 720-T
St. Louis, MO 63105
(314) 725-2511 / (314) 725-2022 – Fax
excel.consulting@sbcglobal.net

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

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

Sincerely,


Elizabeth Rose Triscari
Deputy Small Business Advocate
Attorney ID #306921

Enclosures

cc: The Honorable Elizabeth H. Barnes
Mr. Brian Kalcic
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Pennsylvania-American Water	:	
Company for Approval of Tariff Changes	:	
And Accounting and Rate Treatment	:	Docket No. P-2017-2606100
Related to Replacement of Lead	:	
Customer-Owned Service Pipes	:	

**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 Deputy Small Business Advocate Elizabeth Rose Triscari. Please address all correspondence as follows:

Elizabeth Rose Triscari, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
etriscari@pa.gov

II. FILING BACKGROUND

On May 22, 2017, the Pennsylvania-American Water Company (“PAWC” or the “Company”) filed a petition to approve tariff changes that will allow PAWC to replace lead customer-owned “Service Pipes” (as defined in Rule 2.12 of PAWC Tariff-Water Pa. P.U.C. No.4) and recover associated costs (“Petition”).

Answers to the Petition were filed by the Office of Consumer Advocate (“OCA”) and the Commission’s Bureau of Investigation and Enforcement (“I&E”) on June 12, 2017.

On June 15, 2017, the OSBA filed a Notice of Intervention and Public Statement.

Administrative Law Judge (“ALJ”) Elizabeth H. Barnes was assigned to this proceeding and issued a Prehearing Order on June 19, 2017, informing the parties that the initial Prehearing Conference on this case will be held on August 8, 2017. The OSBA submits this prehearing memorandum in accordance with that order.

III. WITNESS

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

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

The OSBA requests that all parties provide courtesy copies of all documents, including discovery, testimony and briefs, upon Mr. Kalcic, simultaneously with service upon the OSBA.

IV. IDENTIFICATION OF ISSUES

The OSBA is participating in this case to ensure that the interests of small business customers of PAWC are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of PAWC and other parties, primarily through discovery, cross-examination of witnesses appearing for those parties, filing of testimony, and briefing of the issues that arise in this proceeding.

The OSBA will particularly focus on issues where the impact upon the interests of PAWC's small business customers would be unjustifiably different from or disproportionate to the impact on other classes of customers, or is otherwise lacking in reasonableness or basic fairness.

At this time, the OSBA is concentrating on the following issues:

1. Whether PAWC will be able to realize sufficient economies of scale to ensure that the average cost of lead service line replacements under its proposed Replacement Plan – Part 2 are reasonable; and
2. Whether the Company should be permitted to recover all of its Replacement Plan – Part 2 costs in the event that the average cost of service line replacements under Replacement Plan – Part 2 exceed the average cost of service line replacement under Replacement Plan – Part 1.

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

IV. SERVICE OF DOCUMENTS

The OSBA agrees to accept electronic mail delivery of documents on the due date as satisfying the in-hand requirement, *provided that such documents are followed by hard copy delivery to OSBA by first class mail*. Service by electronic mail *only* is not acceptable. The OSBA requests that such hard copies are also provided to its 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. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witness identified above.

V. DISCOVERY

The OSBA will work with the Presiding Officer and the other parties to develop any mutually acceptable discovery modifications.

VI. SETTLEMENT

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

VII. PROCEDURAL SCHEDULE

The OSBA will work with the Presiding Officer and the other parties to develop a mutually acceptable procedural schedule.

Respectfully submitted,



Elizabeth Rose Triscari
Attorney ID No. 306921
Deputy Small Business Advocate

For:

John R. Evans
Small Business Advocate

Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Dated: August 4, 2017

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Pennsylvania-American Water	:	
Company for Approval of Tariff Changes	:	
And Accounting and Rate Treatment	:	Docket No. P-2017-2606100
Related to Replacement of Lead	:	
Customer-Owned Service Pipes	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Elizabeth H. Barnes
Administrative Law Judge
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
ebarnes@pa.gov
(Email and Hand Delivery)


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Erin L. Gannon, Esquire
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Susan Simms Marsh, Esquire
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DATE: August 4, 2017



Elizabeth Rose Triscari
Deputy Small Business Advocate
Attorney I.D. No. 306921