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August 18, 2017

**VIA EMAIL AND FIRST CLASS MAIL**

Hon. Joel H. Cheskis  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Hon. Andrew M. Calvelli  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

RE: Columbia Water Company; Docket No. R-2017-2598203; **PREHEARING  
CONFERENCE MEMORANDUM OF THE COLUMBIA WATER COMPANY**

Dear Judges Cheskis and Calvelli:

Enclosed is a copy of the Prehearing Conference Memorandum of the Columbia Water Company in the above-captioned matter. The original of this document has been filed with the Secretary's Office and copies have been served in accordance with the attached Certificate of Service.

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

Very truly yours,

Thomas J. Sniscak  
Christopher M. Arfaa  
William E. Lehman

*Counsel to the Columbia Water Company*

WEL/das  
Enclosure

cc: Rosemary Chiavetta, Secretary (via efileing)  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2017-2598303
	:	
The Columbia Water Company	:	

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**PREHEARING CONFERENCE MEMORANDUM OF  
THE COLUMBIA WATER COMPANY**

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**TO: THE HONORABLE JOEL H. CHESKIS AND HONORABLE ANDREW M.  
CALVELLI**

On or about June 27, 2017, The Columbia Water Company (Columbia or Company), filed Supplement No. 86 to Tariff Water – Pa. P.U.C. No. 7, to become effective on August 29, 2017. This filing contained proposed changes in rates, rules, and regulations intended to produce \$923,668 in additional annual operating revenues. By Order entered August 3, 2017, the Pennsylvania Public Utility Commission (Commission) suspended the filing until March 29, 2018, and instituted an investigation to determine the lawfulness, justness and reasonableness of the proposed rates, rules, and regulations.

On or about August 4, 2017 an E-serve Notice was issued by the Commission setting a Prehearing Conference in the above-captioned proceeding for Friday, August 25, 2017 at 2:00 p.m., before the Honorable Joel H. Cheskis (ALJ Cheskis) and the Honorable Andrew M. Calvelli (ALJ Calvelli). By Prehearing Conference Order dated August 4, 2017, ALJ's Cheskis and Calvelli directed the parties to file Prehearing Conference Memoranda.

Pursuant to the ALJ's August 4, 2017 Order, Columbia, by and through its attorneys in this matter, Hawke McKeon & Sniscak LLP, hereby submits its Prehearing Conference Memorandum.

**a. Acceptance of Service**

Service of paper documents in this proceeding shall be accepted on behalf of Columbia by:

Thomas J. Sniscak, Esquire  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
Phone: 717-236-1300  
Fax: 717-236-4841  
[tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)

Counsel for Columbia also requests that any electronic service list utilized by the parties in this proceeding include Thomas J. Sniscak ([tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)), Christopher M. Arfaa ([cmarfaa@hmslegal.com](mailto:cmarfaa@hmslegal.com)) and William E. Lehman ([welehman@hmslegal.com](mailto:welehman@hmslegal.com)). Columbia is willing to extend the same courtesy upon request of any other party for any e-mails or electronic service to the parties.

**b. Settlement**

The Parties will not be utilizing the Commission's mediation process; however, Columbia will actively seek to participate in settlement discussions with the other parties.

**c. Discovery**

Columbia has responded to extensive discovery requests received from the Bureau of Investigation and Enforcement (I&E) and the Office of Consumer Advocate (OCA) to date. Columbia will work with the parties to develop a final discovery schedule.

**d. Other Proposed Discovery Orders**

Due to statutory time constraints in this proceeding, Columbia proposes modifications to the Commission's normal discovery timelines as were adopted in rate cases such as the water

rate case for Appalachian Utilities Inc. (Docket No. R-2015-2478098). The Company also proposes the parties agree to accept service of all documents by email by 4:30 pm as satisfying in-hand delivery provided a hard copy is sent the same day by US Mail.

Discovery Modifications:

- A. Answers to interrogatories shall be served in-hand within best efforts for seven (7) calendar days and no later than ten (10) calendar days unless otherwise agreed to by the parties. Interrogatories served after 12:00 p.m. on a Friday or the day before a Commission holiday shall be deemed served on the next business day.
- B. Objections to interrogatories to be communicated orally within three (3) calendar days of service; unresolved objections shall be served on the propounding party in writing within five (5) calendar days of service of interrogatories.
- C. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
- E. Rulings over such motions shall be issued, if possible within seven (7) calendar days of the filing of the motion.
- F. Responses to requests for document production, entry for inspection, or other purposes to be served in-hand within ten (10) calendar days.
- G. Requests for admission to be deemed admitted unless answered within seven (7) calendar days or objected to within five (five) calendar days of service.

**e. Service of Documents**

All due dates for any documents in this proceeding are in-hand the day they are due. Service of documents by email by 4:30 p.m on the due date will be considered in-hand if a hard copy is sent by the following day by First Class US Mail.

**f. Litigation Schedule**

Attached hereto is a Proposed Litigation Schedule. Columbia will work with the other parties before the Prehearing Conference to develop a mutually-agreeable final schedule.

**g. Witnesses**

Columbia may present testimony from the following persons as witnesses in this proceeding:

**Gary Shambaugh**, Managing Principal  
Shambaugh Utility Consulting, LLC  
1260 Mountain View Road  
Shermans Dale, Pa. 17090  
(717) 991-4180  
[garysham1@comcast.net](mailto:garysham1@comcast.net)

Mr. Shambaugh will testify about the background and development of Columbia's rate increase filing. He will address the reasons and calculations supporting the requested revenue increase, the allocation of the requested revenues among the various customer classes, and the requested rate of return.

**Richard A. Michelfelder, Ph.D.**  
President  
EXP 1, LLC  
844 West Shore Drive  
Brigantine, New Jersey 08203  
(609) 214-0986  
[richmich@rutgers.edu](mailto:richmich@rutgers.edu)

Mr. Michelfelder will testify to the development and analysis of the cost of service study, which involves classifying, functionalizing, and allocating by rate classes the components of the test year revenue requirement. He will also opine on the use of the cost of service study results for guiding proposed rate structure and design.

**Dylan D'Ascendis, Director**  
Scott Madden Management Consultants  
3000 Atrium Way, Suite 241  
Mount Laurel, NJ, 08054  
[ddascendis@scottmadden.com](mailto:ddascendis@scottmadden.com)

Mr. D'Ascendis will testify on the subject of cost of capital and support for the development of the Company's capital structure and rate of return.

**David T. Lewis, P.E.**  
Vice President and General Manager  
Columbia Water Company  
220 Locust Street  
P.O. Box 350  
Columbia, PA 17512  
(717) 684-2188  
[DLewis@columbiawater.net](mailto:DLewis@columbiawater.net)

Mr. Lewis will testify about the Company generally and general water system operations of the Company.

Columbia requests that all discovery questions and answers, as well as all written testimony be served on Mr. Lewis, Mr. Shambaugh, Mr. D'Ascendis and Mr. Michelfelder. Columbia is willing to extend the same courtesy upon request of other parties to this proceeding.

Columbia reserves the right to adopt any testimony of other witnesses, in whole or in part, and to offer additional witnesses and exhibits as may be necessary to address the testimony, exhibits, or evidence that may be presented by any party in this proceeding.

**h. Issues and Sub-Issues**

The adjustments and reasons for the revenue, expense, rate base, and return are listed or appear in the Company's filing. Columbia intends to address issues involving: (1) the reasonableness of the revenue increase it is seeking in this proceeding; (2) the reasonableness of the proposed allocation of the requested increase among the various customer classes; and (3) the reasonableness of the rate of return proposed by Columbia.

Columbia reserves the right to present additional testimony and exhibits on any other issues that may arise during the course of this proceeding.

**i. Evidence**

Columbia reserves the right to submit pre-filed direct testimony and associated exhibits addressing the issues identified in the preceding above. Columbia may also present additional testimony and exhibits after discovery or in response to testimony or exhibits introduced by any party or witness in this proceeding.

WHEREFORE, the Columbia Water Company respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,



Thomas J. Sniscak, Esq., I.D. #33891  
Christopher M. Arfaa, Esquire, I.D. #57047  
William E. Lehman, Esquire, I.D. #83936

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[cmarfaa@hmslegal.com](mailto:cmarfaa@hmslegal.com)  
[welehman@hmslegal.com](mailto:welehman@hmslegal.com)

*Counsel to the Columbia Water Company*

Date: August 18, 2017

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2013-2360798
	:	
The Columbia Water Company	:	

**PROPOSED LITIGATION SCHEDULE OF  
THE COLUMBIA WATER COMPANY**

Prehearing Conference	August 25, 2017
Columbia Direct Testimony	September 11, 2017
Other Parties Direct Testimony	October 10, 2017
Columbia Rebuttal Testimony	October 24, 2017
Surrebuttal Testimony	November 1, 2017
Columbia Rejoinder (Outline)	November 6, 2017
Hearings	November 7-8, 2017
Main Briefs	November 30, 2017
Reply Briefs	December 8, 2017
ALJ Decision	
Exceptions	
Reply Exceptions	
Suspension Period Ends	March 29, 2018

## 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 52 Pa. Code § 1.54 (relating to service by a party).

### BY ELECTRONIC & FIRST CLASS MAIL

Scott B. Granger, Esquire  
Erika L. McLain, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
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Harrisburg, PA 17105-3265  
[sgranger@pa.gov](mailto:sgranger@pa.gov)  
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Harrisburg, PA 17101  
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Thomas J. Sniscak  
Christopher M. Arfaa  
William E. Lehman

Dated this 18<sup>th</sup> day of August, 2017.