

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Twin Lakes Utilities, Inc. For A
Commission Order Authorizing The
Acquisition of Twin Lakes Utilities, Inc. By
A Capable Public Utility Pursuant to Pa C.S
§ 529

Docket No P-2020-3020912

**REPLY BRIEF
ON BEHALF OF
TWIN LAKES UTILITIES, INC.**

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Dated: August 25, 2020

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Table of Contents

I. Argument.....	3
The Elements of OCA's Petition Have Been Clearly Met	
A.OCA’s Right to relief is clear.....	3
BThe Need for Relief is Immediate.....	4
C.The Injury would be Irreparable.....	4
D.The interim Emergency Relief Will Not Be Injurious to the Public Interest	4
II CONCLUSION	5

I ARGUMENT

I THE ELEMENTS OF OCA'S PETITION HAVE BEEN CLEARLY MET

A. OCA's Right to relief is clear

I&E and Aqua argue that the OCA's right to relief is not clear. Such a position is not only erroneous but in ignoring reality it is dangerous. These positions ignore the legal significance of the following Correspondence between Twin Lakes and Middlesex Water; On May 28, 2020 Middlesex issued a letter to Twin Lakes demanding from Twin Lakes the total amounts due on the three outstanding Unsecured Revolving Promissory Notes between Middlesex and Twin Lakes. A copy of this letter is attached as Appendix G to Twin Lakes Exhibit TL-1 (Petition for 529 approval) which was admitted into the record at August 21, 2020 hearing Twin Lakes MB at 4; On May 29, 2020 Twin Lakes issued a letter to Middlesex stating that it was unable to meet Middlesex's payment demand and did not expect to have the ability to satisfy any repayment of the three outstanding Notes. See Appendix H attached to Twin Lakes Exhibit TL-1 which was admitted at the hearing of August 21, 2020. TL MB at 5; Further, on June 1, 2020 Middlesex issued a letter notice of termination of the Service Agreement with Twin Lakes and that the termination would become effective on September 1, 2020, thereby leaving Twin Lakes with no system operator as of the termination date. TL MB at 5 Aqua's witness Mr. Clark stated that Aqua would not consider accepting a Receivership from a Company that is capable of providing safe and adequate service. Mr. Clark and Aqua are not aware that Twin Lakes does not have the financial or operational capability to provide safe and adequate service as shown in the foregoing discussion regarding the

correspondence between Middlesex and Twin Lakes. Additionally I&E and Aqua without discussion or legal citation assumed that the Commonwealth and its relevant Agencies have jurisdiction over Middlesex Water Company. Such an argument has been addressed in Twin Lake's Main Brief which directly refute that assumption. MB at III-B p5-7

B The Need for Relief is Immediate

I&E and Aqua both argue that the need for relief is not clear on the grounds that Twin Lakes is currently providing water service to its customers but such an argument ignores the reality of the continued operation of Twin Lakes, which is in jeopardy. Twin Lakes does not have sufficient sources of funding in which to operate the system as indicated in Mr. Fullagar's testimony. Tr P 102 L.19 through P -103 to 1.21 In addition, See the previously mentioned correspondence. I&E has consistently argued that the service provided by Twin Lakes is not adequate or safe. It is inconsistent for I&E to allege at this late date that it is otherwise.

C. The Injury would be Irreparable

For the reasons set forth above and in its Main Brief and Testimonies submitted in this case, Twin Lakes concurs with and concedes that OCA has presented compelling evidence that the injury to the customers of Twin Lakes would be irreparable to their health and their properties.

D. The Interim Emergency Relief Will Not Be Injurious to the Public Interest

The Emergency Relief of the Appointment of a Receiver will promote the Public Interest in that the customers will not suffer irreparable harm from

the termination of service by Twin Lakes. The PADEP witness testified that cessation of water service to the Twin Lakes customers would be a public health and safety issue. TR at 60-62 Also, as fully described in Twin Lakes Main Brief Pgs 8-10, there will not be a system operator on-site to monitor the system after September 1, 2020. For both the operational and financial reasons stated previously, if left on without adequate operational support after September 1, 2020, the system would be in imminent danger of failure, thereby resulting in a potentially catastrophic effect on public health and safety.

II. CONCLUSION

For all of the foregoing reasons, as well as the reasons expressed in the Twin Lake's Main Brief, the Petition for an Emergency Interim Order should be approved with the appointment of Receiver.

Respectfully submitted,



By: _____

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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 participants, listed below, in the manner indicated below, and in accordance with the requirements of § 1.54 (relating to service by a party).

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