



COMMONWEALTH OF PENNSYLVANIA

October 5, 2020

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. The City of Bethlehem – Water Department
Supplement No. 15 Tariff Water- Pa P.U.C. No. 6 / Docket No. R-2020-3020256**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding. I respectfully request that a copy of any documents filed in this case also be shared with our witness at the address below:

Mr. Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
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,

/s/ Steven C. Gray

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

cc: Brian Kalcic
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2020-3020256
	:	
The City of Bethlehem – Water	:	
Department Supplement No. 15 Tariff	:	
Water- Pa P.U.C. No. 6	:	

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers 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 these proceedings. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in this matter as follows:

Steven C. Gray, Esq.
Senior Supervising
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
Forum Place 1st Floor
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@pa.gov

II. FILING BACKGROUND

On July 31, 2020, the City of Bethlehem – Water Department (“Bethlehem Water” or the “Company”) filed Supplement No. 15 to Tariff Water Pa. P.U.C. No. 6 (“Supplement No. 6”), with the Commission. The rates set forth in Supplement No. 6, if approved by the Commission, would increase Bethlehem Water’s annual jurisdictional revenues by \$908,421.

The OSBA filed a Complaint on August 27, 2020.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

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

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

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

After an initial review of the materials submitted by Bethlehem Water, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the Company’s overall proposed increases to Inside-City and Outside-City customers of 13.2% and 10.9%, respectively, are reasonable and appropriate;
2. Whether the Company’s cost-of-service study methodology is appropriate;
3. Whether the Company’s cost-of-service study properly incorporates the results of its customer class demand study;
4. Whether the Company’s proposed increases to Outside-City customer classes are

cost based; and

5. Whether the Company's proposed rate design for Outside-City customers is appropriate.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement. At the time of this writing, hard copy delivery of documents to the OSBA is not possible. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

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

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are discussing a proposed procedural schedule.

In light of the Governor's restrictions on travel for offices under his jurisdiction, the OSBA respectfully requests that any in-person evidentiary hearings take place in Harrisburg.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray, Esq.
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

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Forum Place 1st Floor
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Dated: October 5, 2020

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Department Supplement No. 15 Tariff	:	
Water- Pa P.U.C. No. 6	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*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 Steven K. Haas
Pennsylvania Public Utility Commission
400 North Street
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Harrisburg, PA 17120
sthaas@pa.gov

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DATE: October 5, 2020

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
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