



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

May 12, 2021

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission, v.
Community Utilities of Pennsylvania - Wastewater
Docket No. R-2021-3025207

I&E Prehearing Conference Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Conference Memorandum** for the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. *Due to the temporary closing of the PUC's offices, I&E is only providing electronic service.* Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Allison C. Kester'.

Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 93176
(717) 783-7998
akaster@pa.gov

ACK/jfm
Enclosures

cc: Hon. Dennis J. Buckley, OALJ-Harrisburg (*via email only*)
Per Certificate of Service

or 37.4%. By Order entered May 6, 2021, the Commission suspended the filing by operation of law until January 12, 2022, unless permitted by Commission Order to become effective at an earlier date.

On April 15, 2021, the Office of Small Business Advocate filed a Formal Complaint. I&E filed its Notice of Appearance on April 26, 2021. On May 7, 2021, the Office of Consumer Advocated filed its Formal Complaint.

A prehearing conference is scheduled for Thursday, May 13, 2021, at 10 a.m. with Administrative Law Judge Dennis J. Buckley presiding. I&E submits this timely Memorandum in compliance with the First Prehearing Order dated May 11, 2021.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this case:

Rate of Return

- Overall Rate of Return
- Cost of Debt
- Cost of Equity
- Capital Structure

Operating and Maintenance Expenses

- Taxes Other Than Income
- Income Taxes
- Amortization of Rate Case Expense
- Salaries, Wages, and Benefits
- Sludge Hauling and Sewer Rodding
- Purchased Power
- Chemical Expense
- Materials, Supplies, and Other Maintenance Expense
- Contractual Services – Other
- Transportation Expenses
- Insurance – Other
- Office Utilities, Supplies, and Other Office Expenses
- Testing and Miscellaneous Expense

Rate Base/Rate Design

- Plant Additions
- Accrued Depreciation
- Customer Charges
- Miscellaneous Service Revenue
- Inflow and Infiltration
- Scale Back of Rates

The list is as complete as can be made at this time. I&E reserves the right to address other issues, as it deems appropriate if any such relevant issues arise.

III. WITNESSES

I&E expects to call the following expert witnesses at these dockets without being limited thereto:

- Christopher Keller, Fixed Utility Financial Analyst: Rate of Return
- Eryan Sakaya, Fixed Utility Valuation Engineer: Rate Base/Rate Design
- Zachari Walker, Fixed Utility Financial Analyst: O&M Expenses
- Christine Wilson, Fixed Utility Financial Analyst Supervisor: O&M Expenses

I&E witnesses may be contacted through the information listed above for Ms. Kaster.

The witness list is provided without the benefit of complete discovery or analysis of the positions of other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the names of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the base rate filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other

public documents and reports. However, there may be issues of Commission policy or legal representation that are not properly the subject of testimony or there may be factual issues that are clear on the record and need not be supported by testimony. I&E reserves the right to dispense with testimony, when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

I&E agrees with the proposed modifications to the Commission's Rules of Practice and Procedure for the conduct of discovery presented in the Company's Prehearing Memorandum.

VI. SCHEDULE

I&E is committed to cooperating with all parties and with Judge Buckley to finalize an acceptable procedural schedule.

VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs during the closure of Commission offices, and consistent with Paragraph 8 of the Commission's March 20, 2020 Emergency Order,¹ I&E will both only serve and accept electronic delivery of documents. Upon re-opening of Commission offices, and only on a forward-moving basis from that point onward, I&E requests parties provide a follow-up hard copy provided by regular first-class mail in addition to electronic delivery.

¹ Docket No. M-2020-3019262, *Re: Suspension of Regulatory and Statutory Deadlines; Modification to Filing and Service Requirements*.

VIII. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to work with the parties to reach a resolution of any or all issues. In the event settlement discussions fail to result in a complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,

A handwritten signature in black ink that reads "Allison C. Kaster". The signature is written in a cursive style with a large, stylized "A" and "K".

Allison C. Kaster
Deputy Chief Prosecutor
PA Attorney ID No. 93176

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
(717) 783-7998
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Dated: May 12, 2021

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
	:	
v.	:	Docket No. R-2021-3025207
	:	
Community Utilities of Pennsylvania –	:	
Wastewater	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Conference Memo** dated May 12, 2021, in the manner and upon the person listed below.

Served via Electronic Mail Only

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