



COMMONWEALTH OF PENNSYLVANIA

November 4, 2021

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. City of Lancaster – Water Department /
Docket No. R-2021-3026682**

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.

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/ Erin K. Fure

Erin K. Fure
Assistant Small Business Advocate
Attorney ID No. 312245

Enclosures

cc: Parties of Record
Brian Kalcic

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3026682
	:	
City of Lancaster — Water Department	:	
	:	

**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 Assistant Small Business Advocate Erin K. Fure.

Please address all correspondence as follows:

Erin K. Fure
Assistant Small Business Advocate
Office of Small Business Advocate
555Walnut Street, 1st Floor
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
efure@pa.gov

II. FILING BACKGROUND

On September 30, 2021, the City of Lancaster—Bureau of Water (“City”) filed Supplement No. 46 to Tariff Water – Pa. P.U.C. No. 6 (“Tariff No. 6”), to become effective on November 30, 2021. The City’s proposed Supplement No. 46 to Tariff No. 6, seeks approval for rates designed to produce an annual revenue increase of \$4,024,593.

On October 5, 2021, the Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance.

The Office of Consumer Advocate (“OCA”) filed Notices of Appearance and a Complaint on October 14, 2021.

The OSBA filed a Notice of Appearance and Complaint on October 20, 2021. The OSBA’s Complaint was docketed at C-2021-3029188.

By Order entered October 28, 2021, the proposed Supplement No. 46 to Tariff No. 6 was suspended by operation of law until June 29, 2022. The Commission ordered an investigation into the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Supplement No. 46 to Tariff No. 6.

On October 29, 2021, a Notice was issued that a telephonic pre-hearing conference was scheduled for November 5, 2021 at 10:00 a.m. before Administrative Law Judge (“ALJ”) Darlene Heep. ALJ Heep issued a Prehearing Conference Order on November 1, 2021.

III. IDENTIFICATION OF WITNESSES 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

After an initial review of the materials submitted by the City, the OSBA has identified the following issues:

1. Whether the City's class cost-of-service methodology is appropriate;
2. Whether the City's proposed outside-City class revenue allocation is cost based;
3. Whether the City's proposed outside-City rate design would result in unjust and/or unreasonable rates; and
4. Whether the City's proposal to recover 100% of the fully allocated cost of Public Fire Protection service from outside-City customers is just and reasonable.

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

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the City and other parties through discovery, through the cross-examination of witnesses appearing for those parties, through the filing of testimony, and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of the City's small business consumers would be unjustifiably different than, or disproportionate to, the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the 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. The OSBA requests that electronic copies be provided to its witness identified above. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witnesses identified above.

V. DISCOVERY

The OSBA does not propose any discovery modifications in this proceeding, but will work with the parties to develop any mutually agreeable 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

The OSBA has cooperated with the other parties to develop a procedural schedule. The OSBA is in agreement with the schedule proposed by the OCA.

Respectfully submitted,

/s/ Erin K. Fure
Erin K. Fure
Assistant Small Business Advocate
Attorney ID No. 312245

Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: November 4, 2021

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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	:	
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	:	
City of Lancaster — Water Department	:	
	:	

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).

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/s/ Erin K. Fure

Erin K. Fure
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Attorney ID # 312245

Dated: November 4, 2021