

2. The names, business addresses, and telephone numbers of the witnesses the Joint Applicants expect to call at a future scheduled evidentiary hearing and the subject matter of each witness' testimony is as follows:

<u>NAME</u>	<u>CONTACT INFORMATION</u>	<u>SUBJECT MATTER</u>
James J. Becker	Economic Progress Alliance of Crawford County 789 Bessemer St. Meadville, PA 16335 Attn: James Becker Tel:	a. Status of Trustees, losses sustained in operating the water system, and water system operations, bankruptcy and sale.
Todd Joseph	Conneaut Lake Park Water Corp., Inc. 713 Broad Acres Rd. Narbeth, PA 19072 Attn: Todd Joseph Tel:	a. Purchase and ability to operate water system.
Chris Greenberg	Keystone Water Systems 3285 S. Main St. Sandy Lake, PA 16145 Attn: Chris Greenberg Tel: (724)376-7013	a. Operation and repair of water system.
Name of contractor(s) that completed repairs to System	DC Plumbing and Contracting 11008 W. Townline Rd. Conneaut Lake, PA 16316	a. Repairs of water system.
L. Ashley Porter, P.E. (?)	Porter Consulting Engineers, P.C. 552 State St. Meadville, PA 16335 Attn: L. Ashley Porter Tel: (814)337-4447	a. Location of water system.
John C. Swick, Esq.	Shafer Law Firm 890 Market St. Meadville, PA 16335 Attn: John C. Swick, Esq. Tel: (814)7244540	a. Bankruptcy matters.

Dave Hull, Esq.	DEP Northwest Regional Office 230 Chestnut St. Meadville, PA 16335 Tel: (814)332-6695	a. Discussion with PUC regarding sale of water system in bankruptcy.
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3. The issues and sub-issues which the Joint Applicants intend to address, and their position on each such issue and sub-issue, are as follows:

a. The granting of a Certificate of Public Convenience to CLP is necessary or proper for the service, accommodation, convenience, or safety of the public:

- i. Both the Trustees before the transfer of the system at the Bankruptcy Court, and CLP after said transfer, have ensured proper service to customers of the system by employing the same Certified Operator. The Certified Operator has continually provided for the safe and consistent service of water to customers.
- ii. The system was sold, as approved by the Bankruptcy Court, to Keldon Holdings, LLC. The sale is final, and cannot be unwound. The Commission received notice of the sale, and did not timely object. Keldon subsequently transferred the water system internally to its wholly owned subsidiary that was acquired with the assets of the water system from the Trustees.
- iii. Due to long-term mismanagement of the system, which was at times operated on a voluntary donation basis, the system has long-term deferred maintenance and is in need of significant repairs and upgrades. Despite this, both the Trustees and CLP, through the Certified Operator, have maintained safe and adequate service for customers.

- iv. Pursuant to Order of the Bankruptcy Court, all assets of the Trustees were sold and the funds were distributed to the creditors. As such, the Trustees have no assets with which they can manage, repair, operate, or replace the System. In addition, prior to bankruptcy, the Trustees were making significant contributions to the system to enable it to continue operating. CLP can provide continuity of service to the public, whereas the Trustees cannot.
- b. The granting of a Certificate of Public Convenience to CLP is in the public interest:
 - i. The Buyer, Keldon Holdings, LLC, was the only bidder for the Park's assets—including the system. After waiting a period to hear objections, the Bankruptcy Court approved the sale. Absent the sale, the System would effectively have no operator, as the Park was no longer operating and did not have the revenue or assets to subsidize the system. Accordingly, there is a public need for CLP—as the only party ready, willing, and able—to operate the system.
 - ii. CLP has hired a Certified Operator—the same one hired by the Trustees before the sale—to operate the System. The Certified Operator is qualified and has the technical capabilities to operate the system, having done so for over 5½ years already. The Certified Operator has all certifications necessary to operate the System, and his company is responsible for 33 water and wastewater systems. The Certified Operator has been diligently testing the water quality, repairing the system, and ensuring adequate service to the customers.

- iii. As previously mentioned, the Trustees, post-Bankruptcy sale, have no assets. As a result, the Trustees do not have the financial capability to operate the system. Keldon, on the other hand, owns all assets formerly of the Trustees, including CLP and the System. It is in Keldon's best interest to have a system which can serve the development Keldon seeks to achieve. Keldon and the Trustees have approached third parties to gauge their interest in taking over the system, however none of the third parties have any interest in the system. As a result, Keldon, via CLP, is the only party with the financial capability to operate the system.
- iv. Keldon/CLP and the Certified Operator they employ to operate the system, have the experience, fitness, managerial organization, and financial resources to ensure proper service.
- v. Customers' rates will not be increased in conjunction with the pending application. Rather, the application maintains the current tariff, which has been in place for over 20 years. The tariff is not sustainable, in part due to the basis for the rate structure and subsequent changes to the customer makeup. However, petitioning for a new tariff to obtain a rate structure that allows for reliable and safe service into the future, along with long past-due repairs to the system, is not part of this application, and we have been advised by the PUC that any such rate increase would need to occur in a different proceeding after a Certificate is granted.

- vi. There is no increase or decrease of service to the public as a result of this pending application, however, the system can accommodate additional connections into the future.
- c. The granting of the Petition for Abandonment of the Trustees is proper because:
- i. Approval of the Petition for Abandonment is necessary and proper for the following reasons:
 - 1. There will be no change in service by approving the Abandonment of the Trustees in conjunction with the Petition for Certificate of Public Convenience of CLP because CLP will be providing the same service, to the same customers, through the same Certified Operator, as the Trustees have prior to an Abandonment.
 - 2. Historical information related to the System has been destroyed by fire, however, to the extent the Trustees have such information related to revenue, expenses, and maintenance of the System, they have been provided with the Joint-Application.
 - 3. Approval of the Joint Application, including the Abandonment, is necessary because the Trustees are now devoid of assets, and therefore are not capable of operating the System. All assets were sold pursuant to Bankruptcy Court Order, which is final and cannot be unwound. CLP and the System were sold as part of the Bankruptcy Court proceedings to Keldon Holdings, LLC. Keldon intends to and has operated the System through CLP by hiring the same Certified Operator that the Trustees used prior to the sale. CLP

is the only entity ready, willing, and capable of operating the System.

4. The Trustees wish to abandon their Certificate of Public Convenience because they no longer own the System, following sale approved by the Bankruptcy Court. The Commission received notice of the sale and did not object. The sale is final and cannot be unwound.
5. To the extent that information has not been destroyed by fire, information regarding the customers, rates by class, level of service, and system capability were supplied with the Joint Application. All customers will receive the same service from CLP as they did from the Trustees.

d. The issues raised by Mr. Tolbert's Complaint are as follows:

- i. Whether it is in the public interest or the interest of local homeowners served by the water system to transfer the system and authorize CLP to operate the system?
 1. Whether negotiations with Aqua fell apart due to a demand from Mr. Joseph for free water?
 2. Whether leaks are adequately addressed?
 3. Whether the current rates under the existing tariff are sustainable, and indeed profitable?
 4. Whether CLP is owned by Mr. Joseph?

5. Whether commercial developers have been and will be given the opportunity to connect to the system?
 6. Whether there is a conflict of interest in CLP owning and operating the system when Mr. Joseph owns properties connected to the system as well?
 7. Whether EPACC/Trustees should continue ownership of the system?
4. The evidence the Joint Applicants propose to present at a future evidentiary hearing regarding each of the issues and sub-issues is as follows:
- a. That the Granting of the Certificate is necessary or proper for the service, accommodation, convenience, or safety of the public:
 - i. Mr. Greenberg will testify as to the operation of the System, including the capacity, water quality, maintenance issues, and permits.
 - ii. Mr. Becker will testify as to the long-term deferred maintenance and plans of the Trustees to address the significant repairs needed prior to the Park's closure due to COVID-19, triggering sale of the assets due to missed bankruptcy payments.
 - iii. Mr. Becker will testify as to the history of the System and its ownership and operation, culminating in the sale of the System amongst the Park's other assets by Order of the Bankruptcy Court to Keldon Holdings, LLC. Mr. Becker will also testify as to the nature of the Trustees' involvement, and that they no longer have any assets whatsoever.

- iv. Mr. Becker and Mr. Joseph will testify as to the Trustees' inability to provide continuity of service and CLP's ability to provide continuity of service.
- b. Regarding the Public Interest in approving the Joint Application:
- i. Mr. Becker will testify as to the public need in approving the transfer arising out of the Bankruptcy Sale of the System to Keldon, and the Trustees' lack of assets or revenue to sustain the System.
 - ii. Mr. Greenberg will testify as to his technical capability to operate the System, as its Certified Operator under both the Trustees' ownership and CLP's ownership of the System. He will testify as to his qualifications and experience, as well as the water quality of the system as well as system maintenance and repairs.
 - iii. Mr. Porter will testify as to his knowledge of the location of the System.
 - iv. Mr. Joseph will testify as to the financial capability of CLP to operate the System, which contrasts to the Trustees' incapability as outlined in Mr. Becker's testimony above.
 - v. Mr. Joseph and Mr. Greenberg will testify as to their experience, managerial organization, and financial resources to operate the System.
 - vi. Mr. Joseph will testify regarding the tariff, and the lack of change to customer rates as a result of the Joint Application.
 - vii. Mr. Joseph will testify regarding the lack of impact of the Joint Application on services provided to the public.

- c. Regarding the Petition for Abandonment:
 - i. Mr. Becker, Mr. Joseph, and Mr. Greenberg will testify as to the continuity of service from the Trustees to CLP through the same Certified Operator, Mr. Greenberg.
 - ii. Mr. Becker will testify as to destruction of records of the system in a fire, and to the extent records are available, he will testify as to records related to service, customers, revenue, expenses, and maintenance.
 - iii. Mr. Becker will testify as to the necessity of the approval of the Joint Application, as well as the facts underlying the application, including the dire financial situation of the Trustees.
- d. With regard to the errors in Mr. Tolbert's Complaint:
 - i. Mr. Joseph and Mr. Greenberg will testify as to the maintenance of the System after transfer from the Trustees pursuant to Order of the Bankruptcy Court.
 - ii. Mr. Joseph and Mr. Becker will testify regarding discussions with third parties related to said third parties taking over operation of the System.
 - iii. Mr. Becker will testify as to historical deficits in operating the System under the existing tariff.
 - iv. Mr. Joseph will testify as to current deficits in operating the System under the existing tariff.
 - v. Mr. Joseph will testify as to ownership of CLP.
 - vi. Mr. Joseph will testify as to current and future development, and the availability of the System to such development.

- vii. Mr. Becker will testify as to the impossibility of the Trustees maintaining ownership of the System.

Respectfully submitted,




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Attorneys for Joint Applicants

CERTIFICATE OF SERVICE

I hereby certify that I have on this date June 22, 2022, consistent with paragraph six of the Prehearing Order, served a true copy of the foregoing document(s) via EService upon the participants listed below.

Joel H. Cheskis Deputy Chief Administrative Law Judge jcheskis@pa.gov	Gail M. Chiodo Administrative Law Judge gchiodo@pa.gov
James Tolbert, Jr. jtolbert@zoominternet.net	

Signature: 
Name (printed): Mark J. Shaw
Title (printed): Attorney