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VIA eFILING

June 24, 2022

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

**Re: Pennsylvania Public Utility Commission v. Pennsylvania-American
Water Company / Docket Nos. R-2022-3031672 (water)
R-2022-3031673 (wastewater)**

Dear Secretary Chiavetta:

Attached please find the Prehearing Memorandum of Cleveland-Cliffs Steel for filing in the above-captioned proceedings.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service.

Respectfully submitted,

/s/ Kurt J. Boehm

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**COUNSEL FOR CLEVELAND-CLIFFS
STEEL**

KJBkew

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2022-3031672 (Water)
vs.	:	R-2022-3031673 (Wastewater)
Pennsylvania American Water Company	:	

**PREHEARING MEMORANDUM OF
CLEVELAND-CLIFFS STEEL**

Pursuant to Administrative Law Judge Joel Cheskis’ June 17, 2022 Prehearing Conference Order, Cleveland-Cliffs Steel (“Cleveland-Cliffs”) submits this Prehearing Memorandum.

1. History of Proceeding

On April 29, 2022, Pennsylvania American Water Company (“PAWC” or “the Company”) initiated this case proposing a multi-year increase to its water and wastewater rates pursuant to 66 Pa. C.S. § 1308(d). PAWC proposes to increase rates by approximately \$154.4 million, or 21.6%. Cleveland-Cliffs filed its Petition to Intervene on May 20, 2022 and Notice of Appearance on May 25, 2022.

2. Representation of Cleveland-Cliffs

Cleveland-Cliffs is represented by the following attorneys in this matter:

Kurt J. Boehm, Esq.
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3. Issues Raised by Cleveland-Cliffs

Cleveland-Cliffs is the largest industrial customer on the Company's system. The rates paid by Cleveland-Cliffs for water service will be significantly affected if the Commission approves the rate increase requested. Cleveland-Cliffs alleges that the information filed in support of the Company's proposed rate increase is insufficient to establish that the rates to be collected are just and reasonable. Cleveland-Cliffs also alleges that the rate structure proposed by the Company may result in large industrial customers subsidizing other rate classes. Cleveland-Cliffs intends to address these issues and recommend specific changes to the Company's proposal through the testimony of its expert witness.

4. Testimony of Cleveland-Cliffs

Cleveland-Cliffs intends to submit the testimony of its expert witness Richard Baudino. Mr. Baudino will likely address revenue requirement as well as revenue allocation and rate design issues pertaining to the Industrial class. Mr. Baudino's contact information is listed below:

Richard A. Baudino
J. Kennedy & Associates
1347 Frye Road
Westfield, NC 27053
Ph: (770) 992-2027 Fax: (770) 992-0806
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5. **Discovery**

Cleveland-Cliffs will comply with the discovery directives of the Commission and supports the proposed modifications circulated on June 23, 2022.

6. **Procedural Schedule**

Cleveland-Cliffs commits to work with the parties and the Commission to craft a schedule that is acceptable to all participants and does not have any objection to the proposed schedule circulated on June 24, 2022.

7. **Settlement**

Cleveland-Cliffs is willing to participate in settlement discussions with any party to narrow or fully resolve the issues in this matter.

Respectfully submitted,

/s/ Kurt J. Boehm

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**ATTORNEYS FOR CLEVELAND-CLIFFS
STEEL**

June 24, 2022

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email upon the following persons this 24th day of June, 2022.

/s/ Kurt J. Boehm

Kurt J. Boehm, Esq.

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