
Devin Ryan

dryan@postschell.com
717-612-6052 Direct
717-731-1985 Direct Fax
File #: 193623

July 20, 2022

VIA ELECTRONIC FILING

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265


**Re: Pennsylvania Public Utility Commission, et al. v. The York Water Company -
Water Division
Docket Nos. R-2022-3031340, et al.**

**Pennsylvania Public Utility Commission, et al. v. The York Water Company -
Wastewater Division
Docket Nos. R-2022-3032806, et al.**

Dear Secretary Chiavetta:

Attached for filing is the Prehearing Conference Memorandum of The York Water Company in the above-referenced proceedings. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DR/dmc
Attachments

cc: The Honorable Katrina Dunderdale (*with attachments*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA EMAIL

Erika McLain, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265
emclain@pa.gov

Steven C. Gray, Esquire
Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov

Christine M. Hoover, Esquire
Christy M. Appleby, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
choover@paoca.org
cappleby@paoca.org

Larry L. Wolfe
2698 Forest Road
York, PA 17402
eflowyrral@gmail.com

Jerome D. Mierzwa
Exeter Associates, Inc.
10480 Little Patuxent Pkway
Suite 300
Columbia, MD 21044-3575
Ocayorkwater2022@paoca.org

Terry L. Fought
780 Cardinal Drive
Harrisburg, PA 17111
Ocayorkwater2022@paoca.org

Brian Kalcic
7330 Dorset Avenue
St. Louis, MO 63130
Excel.consulting@sbcglobal.net

Mark E. Garrett
Garrett Group Consulting, Inc.
4025 Oakdale Farm Circle
Edmond, Oklahoma 73013
Ocayorkwater2022@paoca.org

David S. Habr
Habr Economics
213 Cornuta Way
Nipomo, CA 93444-5020
Ocayorkwater2022@paoca.org

Carol Doyle and Franklin Doyle, Sr.
13537 Mockingbird Lane
Orrstown, PA 17244
Doylecl@kuhncom.net

Date: July 20, 2022

A handwritten signature in blue ink, consisting of several overlapping, fluid strokes that form a cursive name.

Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission : Docket Nos. R-2022-3031340
Office of Consumer Advocate : C-2022-3032868
Office of Small Business Advocate : C-2022-3032902

v.

The York Water Company – Water Division

Pennsylvania Public Utility Commission : Docket Nos. R-2022-3032806
Office of Consumer Advocate : C-2022-3032869
Office of Small Business Advocate : C-2022-3033016

v.

The York Water Company – Wastewater
Division

**PREHEARING CONFERENCE MEMORANDUM OF
THE YORK WATER COMPANY**

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

The York Water Company (“York Water” or the “Company”) hereby files this Prehearing Conference Memorandum in the above-captioned proceedings in accordance with the Prehearing Conference Order issued by Administrative Law Judge Katrina L. Dunderdale (“ALJ”) on July 15, 2022, and states as follows:

I. INTRODUCTION

On May 27, 2022, York Water filed with the Pennsylvania Public Utility Commission (“Commission”) Supplement No. 143 to its Tariff Water – Pa. P.U.C. No. 14 (“Supplement No. 143”) and Supplement No. 14 to Tariff Wastewater – Pa. P.U.C. No. 1 (“Supplement No. 14”), along with supporting information required by 52 Pa. Code §§ 53.52 and 53.53, to become

effective August 1, 2022. In Supplement No. 143, York Water proposes a general increase in water rates of \$18,853,738 per year, and in Supplement No. 14, York Water proposes a general increase in wastewater rates of \$1,456,792 per year. By Order entered February 10, 2017, at Docket No. P-2017-2582839, York Water was granted permission to file a single case that combined water and wastewater revenue requirements. York Water is proposing to allocate a portion of the wastewater revenue requirement to water customers pursuant to 66 Pa. C.S. § 1311(c).

The rate increases are due, in part, to the return and depreciation requirements resulting from new or replacement facilities that have been or will be placed in service by the end of the fully projected future test year. The Company projects that it will place in service \$38,286,074 in new or replacement facilities during 2022 and \$67,795,881 in 2023 and the first two months of 2024. The Company's projection of new facilities includes: (1) standpipe, booster station, and pumping equipment upgrades; (2) improvements to the Company's water treatment facilities that will make them more efficient; (3) improvements to the impounding dams as required by the Pennsylvania Department of Environmental Protection ("DEP"); (4) the replacement or relining of aging mains; and (5) the replacement of other infrastructure. Projected additions also include the cost of new services, hydrants, and mains resulting from organic growth within York Water's service territory as well as upgraded meter reading equipment and electronics to make the Company's operations more efficient. The Company also must recover costs for increasing expenses, such as wages, benefits, chemicals, materials, and supplies.

On June 1, 2022, the Commission's Bureau of Investigation and Enforcement ("I&E") filed a Notice of Appearance.

On June 8, 2022, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearance, Complaint, and Public Statement.

On June 10, 2022, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance, Complaint, Public Statement, and Verification.

On June 23, 2022, York Water was served with a Complaint filed by Larry Wolfe against the Company’s proposed water rate increase at Docket No. R-2022-3031340.

On July 13, 2022, a Telephonic Prehearing Conference Notice was issued, which scheduled a prehearing conference in the above-captioned matters for July 21, 2022, at 9:00 AM before the ALJ.

On July 14, 2022, the Commission entered separate Orders suspending Supplement No. 143 and Supplement No. 6 by operation of law until March 1, 2023, unless otherwise directed by Order of the Commission.

Also on July 14, 2022, York Water was served with a Complaint filed by Carol and Franklin Doyle Sr. against the Company’s proposed wastewater rate increase at Docket No. R-2022-3032806.

On July 15, 2022, a Prehearing Conference Order was issued, directing the parties to file prehearing memoranda on or before July 20, 2022, at 12:00 PM.

II. SERVICE OF DOCUMENTS

Please list Devin T. Ryan on the service list on behalf of York Water. Mr. Ryan’s contact information is as follows:

Devin T. Ryan, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101

Phone: 717-612-6052
Fax: 717-731-1985
E-mail: dryan@postschell.com

York Water also requests that Michael W. Hassell, Esquire be included on all electronic mail sent in this proceeding. Mr. Hassell's e-mail address is mhassell@postschell.com.

York Water's attorneys are authorized to accept service on behalf of York Water in this proceeding. York Water requests that the Commission and all parties of record serve copies of all discovery requests and answers, correspondence, Commission Orders, and any other documents issued in this proceeding on its attorneys in Harrisburg, Pennsylvania.

III. WITNESSES AND ISSUES

Below is a list of the witnesses and the areas of their testimony comprising York Water's initial direct case in this proceeding. The subject matters listed below as further detailed in the Company's testimony represent as complete a statement of issues that York Water can provide at this stage of the proceeding. Further definition of the issues will be developed during the course of the proceeding.

	Witness	Stmt Nos.	Summary of Issues Addressed
1.	Joseph T. Hand President and Chief Executive Officer The York Water Company 130 East Market Street York, PA 17401-7089 Tel: 717.845.3601	1	History of the Company; Unaccounted For Water General Financing of Capital Requirements; Quality of Service; Incentive Program; and Acquisition Activity
2.	Mark A. Wheeler Chief Operating Officer The York Water Company 130 East Market Street York, PA 17401-7089 Tel: 717.845.3601	2	Operations; Low-Income Customer Assistance; Quality of Service; Plant Additions; and Plant Retirements

3.	<p>Matthew E. Poff Chief Financial Officer The York Water Company 130 East Market Street P.O. Box 15089 York, PA 17401-7089 Tel: 717.845.3601</p>	<p>3 103 3W 103W</p>	<p>Statement of Operations; Operating Revenues; Operating Expenses; Measures of Value (excluding accrued depreciation); Rate of Return; and Balance Sheet</p>
4.	<p>Daniel E. Coppersmith, Jr. Financial Analyst The York Water Company 130 East Market Street York, PA 17401-7089 Tel: 717.845.3601</p>	<p>4 104 4W 104W</p>	<p>Utility Plant; Statement of Operations; and Measures of Value</p>
5.	<p>Michael C. Winter¹ Controller The York Water Company 130 East Market Street York, PA 17401-7089 Tel: 717.845.3601</p>	<p>5 105 5W 105W</p>	<p>Operating Income Taxes; and Taxes Other than Income Taxes</p>
6.	<p>John J. Spanos President Gannett Fleming 207 Senate Avenue Camp Hill, PA 17011 Tel: 717.763.7211</p>	<p>106</p>	<p>Depreciation Studies</p>
7.	<p>Paul R. Moul Managing Consultant P. Moul & Associates, Inc. 251 Hopkins Road Haddonfield, NJ 08033 Tel: 856.428.7515</p>	<p>107</p>	<p>Cost of Capital; and Fair Rate of Return</p>
8.	<p>Constance E. Heppenstall Senior Project Manager, Rate Studies Gannett Fleming 207 Senate Avenue Camp Hill, PA 17011 Tel: 717.763.7211</p>	<p>108</p>	<p>Cost of Service Allocation Studies; and Rate Design</p>

¹ York Water notes that Mr. Michael C. Winter left the Company after the submission of his direct testimony. Mr. Matthew E. Poff will be adopting Mr. Winter's direct testimony and exhibits in their entirety.

The testimony and exhibits fully support York Water’s proposed rate increases as well as the design of rates to recover those increases from customers. York Water reserves the right to present testimony on additional issues and subject matters that may arise during the course of the proceeding.

IV. DISCOVERY

To date, the Company has received multiple sets of interrogatories from the parties and has been responding to them. York Water also encourages the use of informal discovery processes as the proceeding progresses. The Company is not aware of any discovery issues and does not propose any special orders regarding discovery.

V. PROTECTION OF CONFIDENTIAL INFORMATION

York Water will submit a Motion for Protective Order for consideration by the ALJ. The Company will seek the concurrence of the other parties as to the form of the Protective Order before submitting the Motion.

VI. LITIGATION SCHEDULE

York Water has consulted with counsel for I&E, OCA, and OSBA about a proposed procedural schedule. Based on those discussions, the Company proposes the following schedule:

Prehearing Conference	July 21, 2022
Other Parties’ Direct Testimony	August 16, 2022
Rebuttal Testimony	September 13, 2022
Surrebuttal Testimony	September 27, 2022
Rejoinder Outlines	October 3, 2022
Hearings	October 5-6, 2022 (All Other Witnesses Besides I&E Witness Walker)
	October 11, 2022 (Cross-Examination of I&E Witness Walker)

Main Briefs

October 25, 2022

Reply Briefs

November 4, 2022

With regard to the schedule, the Company is not aware of any substantial public interest being expressed that would warrant the scheduling of a public input hearing. Nonetheless, York Water is not opposed to a public input hearing being held, provided it is scheduled sufficiently in advance of the due date for rebuttal testimony to allow York Water to respond, if necessary, to matters presented at a public input hearing.

VII. SETTLEMENT DISCUSSIONS

York Water is available for settlement discussions with the other parties. The Company expects to undertake settlement negotiations at the earliest time available.

York Water has been very successful in the past in working with other parties to achieve settlements, and York Water is confident that these past working relationships will continue. As a result, York Water does not perceive any need to include specific dates for settlement conferences in the procedural schedule.

VIII. CONSOLIDATION

York Water respectfully requests that its Water Division's base rate case at Docket No. R-2022-3031340 be consolidated with its Wastewater Division's base rate case at Docket No. R-2022-3032806. The Company submitted testimony and exhibits in support of both of its proposed water and wastewater increases on behalf of its witnesses. Moreover, York Water has proposed allocating a portion of the Wastewater Division's revenue requirement to the Water Division. Therefore, both proceedings raise overlapping issues of fact and law. It is in the interest of judicial economy and efficiency that these proceedings be formally consolidated for litigation and adjudication.

Respectfully submitted,



Michael W. Hassell (ID # 34851)
Devin T. Ryan (ID # 316602)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: mhassell@postschell.com
E-mail: dryan@postschell.com

Of Counsel:

Post & Schell, P.C.

Date: July 20, 2022

Counsel for The York Water Company