



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

July 20, 2022

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
The York Water Company – Water
Docket No.: R-2022-3031340

Pennsylvania Public Utility Commission v.
The York Water Company – Wastewater
Docket No. R-2022-3032806
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

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

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Erika L. McLain'.

Erika L. McLain
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 320526
(717) 783-6170
ermclain@pa.gov

ELM/ac
Enclosures

cc: Administrative Law Judge Katrina L. Dunderdale (*via email*)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : Docket No.: R-2022-3031340
 :
 The York Water Company – Water :

Pennsylvania Public Utility Commission :
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 v. : Docket No.: R-2022-3032806
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**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO THE HONORABLE KATRINA L DUNDERDALE:

In accordance with the Prehearing Conference Order issued on July 15, 2022, the Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (Commission) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement will be represented in this proceeding by the undersigned prosecutor. Contact information is as follows:

By mail: Erika L. McLain
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

By e-mail: ermclain@pa.gov

By telephone: (717) 783-6170

I. BACKGROUND

On May 27, 2022, The York Water Company – Water and Wastewater (York Water or Company) filed with the Commission Supplement No. 143 to Water-Pa. P.U.C. No. 14 (Supplement 143) and Supplement No. 14 to Wastewater – Pa. P.U.C. No. 1 (Supplement No. 14). Supplement 143 contained rates, rules, and regulations designed to increase its annual distribution revenues by \$18.9 million. Supplement 14 contained rates, rules, and regulations designed to increase its annual distribution revenues by \$1.5 million. Each Supplement proposed an effective date of August 1, 2022.

At Public Meeting on July 14, 2022, the Commission stated that pursuant to 66 Pa. C.S. § 1308(d), the filing will be suspended by operation of law until March 1, 2023, unless permitted by Commission Order to become effective at an earlier date. The case was subsequently assigned to the Officer of Administrative Law Judge (OALJ) for the development of an evidentiary record including a Recommended Decision. The OALJ assigned the suspended proceeding to Administrative Law Judge Katrina L. Dunderdale (ALJ Dunderdale) for investigation and scheduling of hearings to consider the lawfulness, justness and reasonableness of the Company's Rate increase requests. A Prehearing Conference has been scheduled for July 21, 2022 at 9:00 a.m. I&E filed its Notice of Appearance on June 1, 2022 in the water proceeding and on June 8, 2022 in the wastewater proceeding.

II. ISSUES

Based upon a preliminary review of the filing, I&E has identified certain areas of inquiry. The following statement of areas of inquiry represents the potential issues in this proceeding at this time and is as complete as I&E is currently able to make the list of issues.

However, I&E specifically reserves the right to address such other issues should other issues arise during the course of this proceeding:

- a) Overall Rate of Return including:
 - Overall Rate of Return
 - Cost of Debt
 - Cost of Equity
 - Management Performance
 - Capital Structure
- b) Rate Structure/Rate Design
- c) Scale Back of Rates
- d) Rate Base including:
 - Future Test Year and Fully Projected Future Test Year Reports
- e) Cost of Service
- f) Revenue including:
 - Present Rate Revenue
 - Proposed Revenue
- g) Operation and Maintenance Expense Claims including:
 - General Price Level Adjustment
 - Chemical Expense
 - Salaries and Wages
 - Operation – Directors Fees
 - Administrative and General Expenses
 - Pension Expense
 - Customer Account Expenses
 - Taxes Other than Income
 - Income Tax Expense

Most of the issues raised by I&E will be supported by the Direct Testimony of an I&E witness in his or her area of responsibility. However, there may be issues of Commission policy or legal interpretation 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 in Brief.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Christopher Keller Fixed Utility Financial Analyst
- Zachari Walker Fixed Utility Financial Analyst
- Ethan Cline Fixed Utility Valuation Engineer

I&E reserves the right to call additional witnesses and/or delete witnesses listed above. The above listing is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery. All active parties will be notified of any additions or deletions to the I&E witness list. The I&E witnesses may be contacted at the above contact information for the I&E prosecutor.

IV. SCHEDULE

I&E proposes the following procedural schedule:

Direct Testimony	August 23, 2022
Rebuttal Testimony	September 20, 2022
Surrebuttal Testimony	October 4, 2022
Rejoinder Outlines	October 6, 2022
Hearings	October 11-13, 2022
Main Briefs	October 26, 2022
Reply Briefs	November 4, 2022

V. PUBLIC INPUT HEARINGS

To the extent that Public Input Hearings are deemed necessary in this proceeding I&E requests that Public Input Hearings be held electronically or telephonically.

VI. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to reach a resolution of any or all issues. However, a discussion of issues that may be settled is not possible until further discovery has been conducted and the positions of the other parties are known.

VII. DISCOVERY

Pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing. I&E requests that the Commission's Rules of Practice and Procedure for the conduct of discovery be modified as follows:

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.
2. Objections to interrogatories shall be communicated orally within three (3) calendar days of service; unresolved objections shall be served in writing within five (5) calendar days of service of interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of written objections.
4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

5. Discovery served after 12:00 noon on a Friday or after 12:00 p.m. on any business day preceding a state holiday will be deemed to be served on the next business day.

VIII. 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 the provisions of the Commission's September 15, 2021 Order for Waiver of Regulations Regarding Service Requirements,¹ I&E proposes to both only serve and accept electronic delivery of documents.

Respectfully submitted,



Erika L. McLain
Prosecutor
PA Attorney ID No. 320526

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: July 20, 2022

¹ Docket No. M-2021-3028321, *Re: Waiver of Regulations Regarding Service Requirements*, p. 6.

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CERTIFICATE OF SERVICE


I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated July 20, 2022, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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