



September 8, 2023

**VIA E-FILING**

**Jonathan P. Nase**

Direct Phone 717-773-4191

Direct Fax 215-372-2340

jnase@cozen.com

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

**Re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of the Sadsbury Township Municipal Authority's assets, properties and rights related to its wastewater collection and conveyance system to Pennsylvania-American Water Company, and (2) the right of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Sadsbury Township, Pennsylvania, Lancaster County, Pennsylvania; Docket No. A-2023-3042058**

**Prehearing Conference Memorandum of Pennsylvania-American Water Company**

Dear Secretary Chiavetta:

Pursuant to Ordering Paragraph 2 of the Prehearing Conference Order in the above-referenced matter, enclosed for filing with the Pennsylvania Public Utility Commission ("Commission") is the Prehearing Conference Memorandum of Pennsylvania-American Water Company. Copies are being served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. Please contact me if you have any question or concern.

Sincerely,

COZEN O'CONNOR

By: Jonathan P. Nase

Counsel for *Pennsylvania-American Water Company*

Enclosure

cc: Administrative Law Judge Katrina L. Dunderdale  
Nicholas Miskanic, Legal Assistant  
Per Certificate of Service  
Erin Fure, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water Company :  
Under Section 1102(a) of the Pennsylvania Public Utility :  
Code, 66 Pa. C.S. § 1102(a), for approval of (1) the :  
transfer, by sale, of substantially all of the Sadsbury :  
Township Municipal Authority’s assets, properties and :     Docket No. A-2023-3042058  
rights related to its wastewater collection and conveyance :  
system to Pennsylvania-American Water Company, and :  
(2) the right of Pennsylvania-American Water Company to :  
begin to offer or furnish wastewater service to the public in :  
portions of Sadsbury Township, Pennsylvania, Lancaster :  
County, Pennsylvania :

---

**CERTIFICATE OF SERVICE**

---

I hereby certify that I am this day serving the above-referenced **Prehearing Conference Memorandum of Pennsylvania-American Water Company** upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**Via E-mail and First Class Mail**

Thomas Wyatt, Esq.  
Obermayer Rebmann Maxwell & Hippel LLP  
Center Square West  
1500 Market St., Suite 3400  
Philadelphia, PA 19102  
thomas.wyatt@obermayer.com

Sharon E. Webb, Esq.  
Office of Small Business Advocate  
555 Walnut Street  
Forum Place, 1st Floor  
Harrisburg, PA 17101  
swebb@pa.gov

Richard A. Kanaskie, Esq.  
Director and Chief Prosecutor  
Pennsylvania Public Utility Commission  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street – 2 West  
Harrisburg, PA 17120  
rkanaskie@pa.gov

Erin L. Gannon, Esq.  
Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923  
EGannon@paoca.org

Rachel Diamond  
Dawn M. Herb, Esq.  
Department of Environmental Protection  
Southcentral Regional Office  
909 Elmerton Avenue  
Harrisburg, PA 17110  
dherb@pa.gov

Respectfully submitted,



---

David P. Zambito, Esq. (PA ID 80017)  
Jonathan P. Nase, Esq. (PA ID 44003)  
Cozen O'Connor  
17 North Second Street, Suite 1410  
Harrisburg, PA 17101  
Telephone: (717) 703-5892  
Facsimile: (215) 989-4216  
Email: dzambito@cozen.com  
Email: jnase@cozen.com

Date: September 8, 2023

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water Company :  
under Section 1102(a) of the Pennsylvania Public Utility :  
Code, 66 Pa. C.S. § 1102(a), for approval of (1) the :  
transfer, by sale, of substantially all of the Sadsbury :  
Township Municipal Authority’s assets, properties and :  
rights related to its wastewater collection and : Docket No. A-2023-3042058, *et al.*  
conveyance system to Pennsylvania-American Water :  
Company, and (2) the right of Pennsylvania-American :  
Water Company to begin to offer or furnish wastewater :  
service to the public in portions of Sadsbury Township, :  
Pennsylvania, Lancaster County, Pennsylvania :

---

**PREHEARING CONFERENCE MEMORANDUM OF  
PENNSYLVANIA-AMERICAN WATER COMPANY**

---

AND NOW COMES Pennsylvania-American Water Company (“PAWC”), pursuant to 52 Pa Code §5.222(d) and in compliance with the Prehearing Conference Order issued by the Honorable Administrative Law Judge (“ALJ”) Katrina L. Dunderdale, on August 30, 2023, to file this Prehearing Conference Memorandum in the above-referenced matters. In support thereof, PAWC states as follows:

**I. INTRODUCTION AND PROCEDURAL HISTORY**

On January 5, 2023, PAWC, Sadsbury Township Municipal Authority<sup>1</sup> (“STMA”), and Sadsbury Township<sup>2</sup> entered into an Asset Purchase Agreement (“APA”) by which PAWC will purchase all the assets, properties, and rights of STMA which are owned and used in connection

---

<sup>1</sup> Formerly known as Sadsbury Township Sewer Authority.

<sup>2</sup> Sadsbury Township is a party to the APA only for the purposes of Sections 6.1(g) (“Municipal Ordinances”), 6.7 (“Act 537 Plan”), 8.1(f) (“Act 537 Plans”), 8.2(e) (“Act 537 Plans”) and 11.2 (“Successors and Assigns”) of the APA.

with the wastewater collection and conveyance system (“System”) in Sadsbury Township, Lancaster County.

On August 3, 2023, PAWC filed an application (“Application”) at Docket No. A-2023-3042058 asking the Commission to approve its acquisition of the System pursuant to Sections 507 and 1102(a) of the Pennsylvania Public Utility Code, 66 Pa C.S §§ 507 and 1102(a). In the Application, PAWC is also requesting the Commission to grant PAWC the right to offer or furnish wastewater service to the public in portions of Sadsbury Township, Lancaster County, Pennsylvania.

On August 24, 2023, Sharon Webb, Esquire on behalf of the Office of Small Business Advocate (“OSBA”) filed a Protest, Notice of Intervention, Public Statement and Verification in this proceeding.

On August 28, 2023, an Initial Telephonic Prehearing Conference Notice was issued scheduling a prehearing conference for September 6, 2023 before ALJ Dunderdale.

On August 29, 2023, ALJ Dunderdale issued a Prehearing Conference Order.

On August 30, 2023, a Rescheduled Initial Telephonic Prehearing Conference Notice was issued which rescheduled the prehearing conference to September 11, 2023 before ALJ Dunderdale. Also on August 30, 2023, ALJ Dunderdale issued a Prehearing Conference Order.

On August 31, 2023, David P. Zambito, Esquire and Jonathan P. Nase, Esquire entered their appearances as additional counsel for PAWC.

On August 31, 2023, ALJ Dunderdale issued a First Interim Order to Correct Prehearing Conference Order Issued on August 30, 2023.

On September 5, 2023, the Office of Consumer Advocate (“OCA”) filed a Protest in this matter.

On September 6, 2023, STMA filed a Petition to Intervene.

**II. COUNSEL**

Counsel for PAWC are:

David P. Zambito, Esq. (PA ID #80017)  
Jonathan P. Nase, Esq. (PA ID #44003)  
Cozen O'Connor  
17 North Second Street, Suite 1410  
Harrisburg, PA 17101  
Phone: (717) 703-5892  
E-mail: dzambito@cozen.com  
E-mail: jnase@cozen.com

Erin K. Fure, Esq. (PA ID # 312245)  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
Telephone: (717) 550-1556  
E-Mail: erin.fure@amwater.com

**III. SERVICE OF DOCUMENTS**

PAWC's attorneys are authorized to accept service on behalf of PAWC in this proceeding. PAWC agrees to receive service of documents electronically in this proceeding and requests that all listed counsel for PAWC receive electronic service.

**IV. ISSUES**

**A. Satisfaction of § 1102(a) Standards**

PAWC submits that this acquisition of the STMA System (the "Transaction") is necessary or proper for the service, accommodation, convenience, or safety of the public. PAWC submits that the Transaction provides substantial affirmative public benefits and that PAWC, as an existing public utility, is presumed to possess the legal, financial, and technical fitness to own and operate

the System. PAWC is the largest investor-owned water and wastewater service provider in the Commonwealth.

**B. Certificates of Filing or Approvals for Section 507 Agreements**

Section 507 of the Code, 66 Pa. C.S. § 507, generally requires PAWC to file with the Commission any agreement between PAWC and a municipal corporation. PAWC seeks the issuance of Certificates of Filing or approvals for: (1) the APA, (2) a service agreement by and among the Borough of Christiana, Christiana Borough Authority, Township of Sadsbury and STMA dated November 11, 1997; (3) a service agreement by and among Township of Salisbury and Sadsbury Township Sewer Authority dated June 19, 2001 and amended July 19, 2022.

**V. WITNESSES**

PAWC has not submitted direct testimony and exhibits in this case as of this writing but expects to have the following witnesses in this case:

**Ms. Jody Watts**

Ms. Watts is the Manager of Business Development for PAWC. Her business address is 852 Wesley Drive, Mechanicsburg, PA 17011 and her business phone number is (717) 550-1544. Ms. Watts will explain why the Transaction is in the public interest and provide testimony regarding the public benefits of the Transaction. Furthermore, Ms. Watts will describe why the Application should be promptly approved by the Commission and finally explain why PAWC is legally, financially, and technically fit to acquire and operate the System.

**Ms. Stacy Gress**

Ms. Gress is the Director of Rates and Regulatory for PAWC. Her business address is 1 Water Street, Camden, NJ 08102 and her phone number is (856) 955-4479. Ms. Gress will discuss

PAWC's financial fitness to acquire and operate the System, discuss ratemaking rate base, estimated transaction and closing costs of PAWC, and summarize the rate provisions in the APA.

**Mr. Gerald DeBalko**

Mr. DeBalko is the Engineering Director for PAWC for Southeast Pennsylvania. His business phone number is (484) 855-1006. Mr. DeBalko will describe the System and explain how it will integrate into PAWC's existing operations. He will also describe PAWC's technical fitness to run the System and the benefits of the Transaction.

**VI. LITIGATION SCHEDULE**

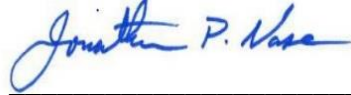
PAWC discussed a proposed litigation schedule with the other parties to this case. The parties are engaged in discussions seeking to avoid the need to litigate this matter. At this time, the parties ask that a status conference be held in approximately 45 days to determine whether a litigation schedule needs to be developed.

**VII. SETTLEMENT**

PAWC is hopeful that the parties can reach a settlement in this matter.

[Signatures appear on next page.]

Respectfully submitted,



---

David P. Zambito, Esq. (PA ID #80017)  
Jonathan P. Nase, Esq. (PA ID #44003)  
Cozen O'Connor  
17 North Second Street, Suite 1410  
Harrisburg, PA 17101  
Phone: (717) 703-5892  
E-mail: dzambito@cozen.com  
E-mail: jnase@cozen.com

Erin K. Fure, Esquire (PA ID # 312245)  
Director, Corporate Counsel  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
Telephone: (717) 550-1556  
E-Mail: erin.fure@amwater.com

Counsel for *Pennsylvania-American Water  
Company*

Dated: September 8, 2023