



Sydney N. Melillo, Esquire
Direct Dial: 215.665.3286
sydney.melillo@obermayer.com

Obermayer Rebmann Maxwell & Hippel LLP
Centre Square West
1500 Market Street | Suite 3400
Philadelphia, PA 19102-2101
P: 215.665.3000
F: 215.665.3165

September 8, 2023

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**RE: Docket No. A-2023-3042058 – Application of Pennsylvania-American
Water Company to Acquire the Wastewater System Assets of the
Sadsbury Township Municipal Authority**

Dear Secretary Chiavetta:

We are counsel to the Sadsbury Township Municipal Authority (“STMA”) in the above matter, and are submitting, with this letter, STMA’s Pre-Hearing Memorandum.

This document is being served via electronic mail on all parties of record.

Very truly yours,

Sydney N. Melillo

CC: All parties of record
Thomas S. Wyatt, Esq.
Matthew S. Olesh, Esq.

CERTIFICATE OF SERVICE

I, Sydney N. Melillo, Esq., hereby certify that I have served a true and correct copy of the foregoing document upon the following parties via electronic mail:

The Honorable The Honorable Katrina
Dunderdale, Administrative Law Judge
Nicholas Miskanic, Legal Assistant
Pennsylvania Public Utility Commission
kdunderdal@pa.gov
nmiskanic@pa.gov

Elizabeth Triscari, Esq.
Erin K. Fure, Esq.
Director, Corporate Counsel
Pennsylvania American Water Company
Erin.Fure@amwater.com

David P. Zambito, Esq.
Jonathan P. Nase, Esq.
Cozen O'Connor
dzambito@cozen.com
jnase@cozen.com

Sharon Webb, Esq.
Office of Small Business Advocate
swebb@pa.gov

Erin Gannon, Esq.
Office of Consumer Advocate
EGannon@paoca.org

Richard Kanaskie, Esq.
Bureau of Investigation and Enforcement
rkanaskie@pa.gov

/s/ Sydney N. Melillo

Dated: September 8, 2023

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In 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 : Docket No. A-2023-3042058
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 rights 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 MEMORANDUM OF SADBURY TOWNSHIP MUNICIPAL
AUTHORITY**

Sadsbury Township Municipal Authority (“STMA” or the “Authority”), by and through its attorneys, Obermayer Rebmann Maxwell & Hippel LLP, submits this prehearing memorandum pursuant to the Prehearing Conference Order in advance of the telephonic prehearing conference scheduled for Monday, September 11, 2023 at 9:00 a.m. in the above-captioned matter.

I. Background

These proceedings concern the application of Pennsylvania-American Water Company (“Pennsylvania-American”), dated August 3, 2023, for approval to acquire STMA’s wastewater collection and conveyance system pursuant to section 1102(a) of the Pennsylvania Public Utility Code (the “Application”). The Honorable Katrina L. Dunderdale, the Administrative Law Judge, issued an order scheduling an initial telephonic prehearing conference for the Application for Monday, September 11, 2023. Pursuant to Judge Dunderdale’s order, all parties must file and serve their prehearing memoranda on or before 4:00 p.m. Friday, September 8, 2023.

On September 5, 2023, STMA filed its Petition to Intervene to adequately address the interests of the Authority in this proceeding.¹ Consequently, STMA submits this prehearing memorandum.

II. Issues

A. Approval of Application

Issue: Should the Commission approve Pennsylvania-American's Application to: (i) acquire STMA's wastewater collection and conveyance system and (ii) begin to offer, render, or furnish wastewater service to the public in portions of Sadsbury Township, Lancaster County, Pennsylvania?

STMA's Position: The Commission should issue a Certificate of Public Convenience approving the acquisition because Pennsylvania-American's acquisition of the Authority's wastewater system assets is necessary or proper for the service, accommodation, convenience or safety of the public.

B. Validity of Contracts

Issue: Pursuant to Section 507 of the Code, are the municipal agreements that will be assumed by Pennsylvania-American, and the Asset Purchase Agreement dated January 5, 2023 between Pennsylvania-American and the Authority, valid, reasonable, and otherwise lawful?

STMA's Position: Yes. The municipal agreements and the Asset Purchase Agreement dated January 5, 2023 between Pennsylvania-American and the Authority are valid, reasonable, and otherwise lawful under Section 507 of the Code.

III. Settlement

STMA is willing to address settlement of this proceeding with the other parties.

¹ On September 6, 2023, counsel for the Authority filed a Revised Petition to Intervene on behalf of the Authority for the sole purpose to correct the business address of the Authority.

V. Witnesses and Testimony

The Authority plans to submit written direct testimony of Michele Neckermann, the Manager of the Authority, to provide background on the transaction and the public benefits of the proposed sale. Ms. Neckermann's business address is P.O. Box 11232, Lancaster, PA 17605.

STMA respectfully reserves its right to call additional witnesses, if necessary, and agrees to notify Judge Dunderdale and the parties promptly should the Authority determine that any additional witnesses must be called. Furthermore, should the Evidentiary Hearing take place in-person, the Authority respectfully requests that its witnesses be permitted to testify remotely.

VI. Litigation Schedule

STMA supports Pennsylvania-American's request that a status conference be held in 45 days, at which time a litigation schedule may be established..

Respectfully submitted,

/s/ Thomas Wyatt

Thomas Wyatt, Esquire (PA I.D. 89342)
Matthew S. Olesh, Esquire (PA I.D. 206553)
Sydney N. Melillo, Esquire (PA I.D. 328031)
Obermayer Rebmann Maxwell & Hippel LLP
Centre Square West
1500 Market Street, Suite 3400
Philadelphia, PA 19102
Tel.: (215) 665-3000
Fax: (215) 665-3165
Thomas.Wyatt@obermayer.com
Matthew.Olesh@obermayer.com
Sydney.Melillo@obermayer.com
*Counsel for the Sadsbury Township Municipal
Authority*

Dated: September 8, 2023