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October 3, 2023

**By Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor (filing room)  
Harrisburg, PA 17120

Re: Columbia Water Company; Petition of Columbia Water Company for Approval of a Lead Service Line Replacement Program, Related Tariff Changes, Modification of Long-Term Infrastructure Improvement Plan, and Waiver of Termination Regulations; Docket No. P-2023-3041845; **PREHEARING CONFERENCE MEMORANDUM**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is Columbia Water Company's Prehearing Conference Memorandum in the above-captioned matter.

If you have any questions, please feel free to contact me at (717) 236-1300.

Very truly yours,

*/s/ Phillip D. Demanchick Jr.*

Whitney E. Snyder  
Thomas J. Sniscak  
Phillip D. Demanchick Jr.

*Counsel for Columbia Water Company*

PDD/das  
Enclosure

cc: Honorable Mary D. Long (by email, [malong@pa.gov](mailto:malong@pa.gov))  
Honorable Charece Z. Collins (by email, [charcollin@pa.gov](mailto:charcollin@pa.gov))  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Columbia Water Company for	:	
Approval of a Lead Service Line	:	
Replacement Program, Related Tariff	:	Docket No. P-2023-3041845
Changes, Modification of Long-Term	:	
Infrastructure Improvement Plan, and	:	
Waiver of Termination Regulations	:	

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**PREHEARING CONFERENCE MEMORANDUM  
OF COLUMBIA WATER COMPANY**

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**TO THE HONORABLE MARY D. LONG AND HONORABLE CHARECE Z. COLLINS:**

Pursuant to Your Honors’ September 19, 2023 Prehearing Conference Order and 52 Pa. Code § 5.222(d), Columbia Water Company (“Columbia Water” or the “Company”) submits this Prehearing Conference Memorandum.

**I. HISTORY OF THE PROCEEDING**

On July 21, 2023, Columbia Water filed its Petition for Approval of a Lead Service Line Replacement Program, Related Tariff Changes, Modification of Long-Term Infrastructure Improvement Plan, and Waiver of Termination Regulations (“Petition”). By way of its Petition, the Company seeks approval from the Pennsylvania Public Utility Commission (“Commission”) regarding the Company’s proposed Lead Service Line Replacement Program (“LSLR Program”) to replace Company-owned and customer-owned lead service lines (“LSLs”) and to recover the associated costs related to those replacements as set forth in its Lead Service Line Replacement Plan (“LSLR Plan”). The Petition was docketed at Docket No. P-2023-3041845.

Collectively, the Petition seeks Commission approval of the Company’s LSLR Plan attached as Exhibit No. 1 to the Petition, approval of the Pro Forma Tariff Supplement containing terms and

conditions necessary to implement the LSLR Plan attached as Exhibit No. 3 to the Petition, to modify its existing Long-Term Infrastructure Improvement Plan (“LTIP”) to incorporate the LSLR Plan as a separate and distinct component of the Company’s existing LTIP attached as Exhibit No. 4 to the Petition, and any necessary waivers of the Commission’s termination regulations to allow for expedited termination procedures in the event of a customer refusing a lead service line replacement (“LSLR”) or a partial LSLR.

On August 10, 2023, the Office of Small Business Advocate (“OSBA”) filed a Notice of Intervention, Public Statement, Verification, and Notice of Appearance.

On August 10, 2023, the Office of Consumer Advocate (“OCA”) filed an Answer and Verification responding to the Company’s Petition and requesting, among other things, that this matter be assigned to the Office of Administrative Law Judge (“OALJ”) for hearings.

This matter was subsequently assigned to the OALJ and further assigned to Administrative Law Judges Mary D. Long (“ALJ Long”) and Charece Z. Collins (“ALJ Collins”) (collectively, the “Presiding Officers”).

On September 19, 2023, an Initial Telephonic Prehearing Conference Notice was issued setting a Prehearing Conference for October 5 at 1:30 P.M. The Presiding Officers also issued a Prehearing Conference Order directing the parties to file Prehearing Memoranda by Tuesday, October 3, 2023.

On September 20, 2023, the Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance.

The Company hereby files the following Prehearing Memorandum in anticipation of the Prehearing Conference.

## **II. ACCEPTANCE OF SERVICE**

Counsel for Columbia Water consents to electronic service and proposes the parties agree to accept service of all documents by email by 4:30 PM as satisfying in-hand delivery. Service of documents in this proceeding shall be accepted on behalf of Columbia Water by:

Whitney E. Snyder, Attorney I.D. No. 316625  
Thomas J. Sniscak, Attorney I.D. No. 33891  
Phillip D. Demanchick Jr., Attorney I.D. No. 324761  
Hawke McKeon & Sniscak LLP  
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Counsel for Columbia Water requests that any electronic service list utilized by the parties in this proceeding include Whitney E. Snyder ([wesnyder@hmslegal.com](mailto:wesnyder@hmslegal.com)), Thomas J. Sniscak ([tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)) and Phillip D. Demanchick Jr. ([pddemanchick@hmslegal.com](mailto:pddemanchick@hmslegal.com)). Columbia Water is willing to extend the same courtesy upon request of any other party for any e-mails or electronic service to the parties.

## **III. PRIMARY SPEAKER FOR THE PREHEARING CONFERENCE**

Phillip Demanchick will be the primary speaker for Columbia Water.

## **IV. ISSUES**

In October 2018, Governor Wolf signed into law Act 120 of 2018 (“Act 120”), which became effective on December 23, 2018. Act 120 amended Section 1311(b) of the Public Utility Code in order to, *inter alia*, authorize water utilities to pursue comprehensive replacement of LSLs that remain in service across Pennsylvania subject to Commission approval. Specifically, Act 120 provides that replacing a customer-owned LSL does not make the utility the owner of the new service line on the customer’s property. Act 120 also directed the Commission to establish standards to ensure a

warranty on the utility's replacement work and reimburse customers who replaced lead service lines at their own cost. Additionally, Act 120 established the accounting and ratemaking treatment of LSLR costs by providing that the customer-owned portion of LSLs may be included in a regulated utility's rate base upon which it is authorized to earn a return.

Pursuant to Act 120, the Commission promulgated its LSLR regulations at 52 Pa. Code § 65.51, *et seq.* ("LSLR Regulations"), which became effective on July 23, 2022. 52 Pa. Code § 65.53 states that "[a]n entity...shall remove and replace all LSLs, whether entity-owned or customer-owned, within or connected to its water distribution systems within 25 years from the effective date of this section for a Class A public utility..." Moreover, pursuant to 52 Pa. Code § 65.55(a), a Class A public utility or authority shall file a LSLR Program within 1 year of the effective date of this section, or by July 23, 2023.

Through this Petition, the Company is requesting approval of its LSLR Program in compliance with the Commission's LSLR Regulations to address the removal and replacement of lead service lines in its service territory. The Company submits that its Petition complies with the requirements of Act 120 and the Commission's LSLR Regulations and should be approved.

The Company expects that further definition of contested issues by the parties will develop during the course of this proceeding.

## **V. PROCEDURAL SCHEDULE**

Columbia Water, I&E, the OCA, and OSBA are continuing to work to reach agreement on a proposed schedule in this proceeding. The Company believes that the issues in this proceeding can be resolved by way of settlement. The parties are currently considering whether to establish a 90-day interim period to engage in preliminary settlement negotiations before establishing a litigation schedule.

If agreed upon, the Presiding Officers would establish a 90-day period commencing on the date of a Prehearing Order entered in this matter. During this time, the parties will engage in settlement discussions to resolve the parties' various concerns. The parties would also provide monthly status updates to the Presiding Officers informing them of settlement progress. If at the conclusion of the 90-day period the parties cannot reach a settlement agreement, the parties will propose a litigation schedule.

The Company submits that this process is appropriate as it would conserve the time and expense associated with litigation.

## **VI. WITNESSES**

Should the Company need to present testimony in this proceeding, Columbia Water presently intends to offer the following witnesses to testify:

David T. Lewis  
President and General Manager  
Columbia Water Company  
220 Locust Street, Columbia, PA 17512

Taz Keyser  
Information Technology Supervisor  
Columbia Water Company  
220 Locust Street, Columbia, PA 17512

Columbia Water reserves the right to present testimony, sponsored either by the witnesses listed above or by further witnesses, as may be needed, regarding additional issues and subject matters that may arise during this proceeding.

## **VII. PROPOSED PLAN AND SCHEDULE OF DISCOVERY**

The Company will work with the parties to determine any necessary modifications to the Commission's discovery regulations.

## VIII. SETTLEMENT

Columbia Water will actively seek to participate in settlement discussions with the other parties.

Respectfully submitted,

/s/ Phillip D. Demanchick Jr.

Whitney E. Snyder, Attorney I.D. No. 316625  
Thomas J. Sniscak, Attorney I.D. No. 33891  
Phillip D. Demanchick Jr., Attorney I.D. No. 324761  
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*Counsel for Columbia Water Company*

Dated: October 3, 2023

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

### BY ELECTRONIC MAIL ONLY:

Harrison W. Breitman, Esquire  
Christine M. Hoover, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor Forum Place  
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/s/ Phillip D. Demanchick Jr.

Whitney E. Snyder  
Thomas J. Sniscak  
Phillip D. Demanchick

Dated this 3<sup>rd</sup> day of October, 2023