



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

October 25, 2023

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.
Conneaut Lake Park Water Corporation, Inc.
Docket No. R-2023-3041575
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 proceeding.

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 grey ink that reads 'Michael Podskoch'.

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MAP/ACK/ac
Enclosures

cc: Administrative Law Judge Eranda Vero (*via email*)
Administrative Law Judge Arlene Ashton (*via email*)
Per Certificate of Service

I. INTRODUCTION

On August 31, 2023, Conneaut Lake Park Water Corporation, Inc. (“CLPWC” or “Company”) filed its proposed Supplement No. 1 to Tariff Water – Pa. P.U.C. No. 1 (“Supplement No. 1”), with a proposed effective date of October 31, 2023. The rates set forth therein, if approved by the Commission, would increase CLPWC’s annual jurisdictional revenues by \$257,797, or 970.8%.

On September 18, 2023, the Office of Consumer Advocate (“OCA”) filed its Notice of Appearance, Public Statement, and Formal Complaint. On September 19, 2023, I&E filed its Notice of Appearance. On September 20, 2023, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance, Public Statement, and Formal Complaint. On September 26, 2023, Joshua D. Brown, Esquire filed his Notice of Appearance on behalf of several residential customers. Additionally, various individuals have filed oppositions to CLPWC’s proposed rate increase.

On October 19, 2023, the Commission entered an Order suspending the implementation of the proposed rates by operation of law until May 31, 2024, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein.

The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

A telephonic Prehearing Conference is scheduled for October 26, 2023 at 10:00 a.m. before Administrative Law Judges Eranda Vero and Arlene Ashton (the “ALJs”).

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this proceeding. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

- Rate Base
- Rate Case Expense
- Operator Expense
- General Office Expense
- Income Taxes
- Overall Rate of Return
- Capital Structure
- Cost of Debt
- Cost of Common Equity
- Purchased Power
- Uncollectible Accounts
- Quality of Service
- Rate Design

III. WITNESSES

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

- Anthony Spadaccio, Fixed Utility Financial Analyst
- Zachari Walker, Fixed Utility Financial Analyst
- Christine Wilson, Fixed Utility Financial Analyst Supervisor
- Ethan Cline, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for Mr. Podskoch and Ms. Kaster. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. DISCOVERY

I&E will work with the parties to determine the appropriate discovery modifications in this proceeding. I&E supports the following discovery modifications as reasonable:

- a. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.
- b. Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.
- c. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- d. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing within five (5) days of service of the interrogatories. Objections to interrogatories served on a Friday shall be communicated orally within four (4) calendar days, and unresolved objections shall be served in writing within six (6) days of service of the interrogatories.
- e. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.
- f. 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.

- g. Discovery and discovery-related pleadings propounded after 12:00 noon on a Friday or after 12:00 noon on any business day immediately preceding a state holiday will be deemed served on the next business day for purposes of determining the due date of the responses and responsive pleadings.

VI. SCHEDULE

I&E will work with the parties and the ALJs to develop a schedule in this proceeding. Regarding the location of hearings, I&E advocates for the use of telephonic hearings in this proceeding. However, to the extent that evidentiary hearings will be convened in person, I&E requests that those hearings be held in Harrisburg in order to save the Commission the expense of sending the I&E prosecutors, witnesses and technical supervisors to out-of-town hearings.

VII. PUBLIC INPUT HEARINGS

I&E does not oppose public input hearings. Should public input hearings be deemed necessary, I&E recommends that the Commission consider the use of telephonic hearings to encourage increased participation by the ratepayers.

VIII. SERVICE OF DOCUMENTS

The Commission's March 20, 2020 Emergency Order,¹ which was controlling regarding electronic service of documents, expired on September 30, 2021. In anticipation of the expiration of the March 20 Order, the Commission issued a new Order on September 15, 2021 regarding the regulations controlling service requirements.² Pursuant to the September

¹ Docket No. M-2020-3019262, *Re: Suspension of Regulatory and Statutory Deadlines, Modification to Filing and Service Requirements* ("March 20 Order").

² Docket No. M-2021-3028321, *Re: Waiver of Regulations Regarding Service Requirements* ("September 15 Order").

15 Order, the Commission recognized, for purposes of satisfying service of documents requirements:

... that some of the measures we implemented significantly benefitted the operational needs of the Commission, the public and the regulated community. Specifically, the electronic service requirements we adopted were essential to ensuring continued, uninterrupted operations, providing needed flexibility. Therefore, in order to maintain that flexibility to respond to operational demands, we will waive certain regulatory service provisions, consistent with our previous actions.³

Further, the Commission stated:

... some of the operational restraints occasioned by the pandemic remain. ... Toward this end, we will continue to permit electronic service *by* the Commission on all parties, regardless of whether a particular party has agreed to electronic service. ... Additionally, service *on* Commission staff in proceedings pending before it, whether staff is a party or otherwise, shall be exclusively electronic unless the parties agree otherwise.⁴

Therefore, for purposes of satisfying in-hand service requirements for discovery responses, prepared testimony, briefs and other documents during this proceeding, and consistent with the Commission's September 15 Order, I&E requests that electronic delivery of documents continue to satisfy the service requirements without the need to follow up with hardcopies.

IX. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail

³ September 15 Order, p. 3.

⁴ *Id.*, p. 6.

to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,



Michael A. Podskoch, Jr.
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PA Attorney ID No. 330132

Allison C. Kaster
Deputy Chief Prosecutor
PA Attorney ID No. 93176

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

Dated: October 25, 2023

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2023-3041575
 :
 Conneaut Lake Park Water Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated October 25, 2023, in the manner and upon the persons listed below.

Served via Electronic Mail Only

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