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October 25, 2023

VIA ELECTRONIC SUBMISSION

Ms. Rosemary Chiavetta
Secretary of the Commission
Commonwealth of Pennsylvania
Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

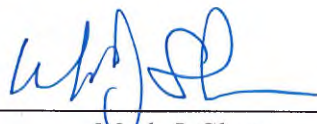
Re: Conneaut Lake Park Water Corporation
Small Water Company Base Rate Filing
Docket Number R-2023-3041575
P-2023-3042648

Dear Secretary Chiavetta:

Attached please find the Prehearing Memorandum of Conneaut Lake Park Water Corporation, Inc.

Very truly yours,

MacDONALD, ILLIG, JONES & BRITTON LLP

By 
Mark J. Shaw

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Attachment

CERTIFICATE OF SERVICE

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

SERVICE AS FOLLOWS:

Via Electronic Mail

Harrison W. Breitman, Esq.
Christine Maloni Hoover, Esq.
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923
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choover@paoca.org

Via Electronic Mail

Allison C. Kaster, Deputy Chief Prosecutor
Michael A. Podskoch, Jr.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
akaster@pa.gov
mpodskoch@pa.gov

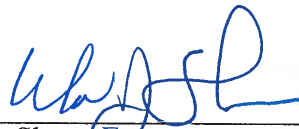
Via Electronic Mail

Sharon E. Webb, Esq.
Assistant Small Business Advocate
Office of Small Business
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Harrisburg, PA 17101
swebb@pa.gov

Via Electronic Mail

Joshua D. Brown, Esq.
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Butler, PA 16001
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Respectfully submitted,



Mark J. Shaw, Esq.
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Erie, Pennsylvania 16507-1459
(814) 870-7607

Attorneys for:
Conneaut Lake Park Water Corporation

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission)	
Office of Consumer Advocate)	
Office of Small Business Advocate)	Docket No. R-2023-3041575
George Malloy)	C-2023-3043091
Sharon Arneson)	C-2023-3043163
Rhonda Jaquay et al)	C-2023-3043026
)	C-2023-3043397
v.)	C-2023-3043552
)	
Conneaut Lake Park Water Corporation, Inc.)	
)	
Petition of Conneaut Lake Park Water)	
Corporation, Inc. for Approval of a Metering)	P-2023-3042648
Exception)	

**PREHEARING MEMORANDUM
OF
CONNEAUT LAKE PARK WATER CORPORATION, INC.**

1. Introduction

Conneaut Lake Park Water Corporation, Inc. is represented in this matter by MacDonald, Illig, Jones & Britton, LLP, specifically by Attorney Mark J. Shaw. Contact information is as follows:

By Mail: 100 State Street, Suite 700
Erie, PA 16507

By Email: mshaw@mijb.com

By Telephone: (814) 870-7607

2. Background

Conneaut Lake Park Water Corporation, Inc. (the "Company") The Conneaut lake Park Water Corporation is a public utility that received a Certificate of Public Convenience from the

Commission on April 20, 2023 to supply water to the customers of Conneaut Lake, Pennsylvania. The service area for the Company is very small geographically. The Company has 162 residential customers (both year-around and seasonal residents) and 3 commercial customers. Customers are served by a water treatment plant which is operated by contract by Keystone Water Systems. The sources of water are Company owned wells. The Company is in dire need of additional revenues so that it can continue to provide safe and adequate drinking water to its customers.

The Company recently acquired the water system as a result of a bankruptcy experienced by its former owner. As found by the Commission during the recent Certificate of Public Convenience Proceedings, the water system has a very long history of financial struggles, fiduciary mismanagement, poor record keeping and other managerial mismanagement. As a result, the rates to the customers of the water system have not been adjusted since 2009, leaving revenue stagnant while expenses have significantly increased. The new owner is seeking to correct the failings of the past to ensure that the water system continues to meet Commission standards.

On August 31, 2023, the Company filed Supplement No. 1 to Tariff Water - Pa. P.U.C. No. 1 ("Supplement No. 1"). The proposed tariff seeks to increase from the prior approved rates from 2009 that were obtained by the predecessor system owner/operator. The Company also has changed the tariff to reflect the addition of monthly billing. Lastly, the Company clarified the scope of the fees to be collected after a customer's service is terminated and then seeks to have service reinstated.

Subsequently to the filing, numerous data requests and written discovery have been served upon the Company. Specifically, the Company has received 114 total data requests and interrogatories, including subparts from various PUC parties. To date, the Company has responded

to 64 requests and expects to respond to another 45 this week, with 5 remaining. In addition, numerous complaints and rate complaints have been filed.

In addition, filed simultaneously with the Rate Filing was a Petition Of Conneaut Lake Park Water Corporation, Inc. For Approval Of A Metering Exception. When the Certificate of Public Convenience was issued, one of the requirements was to install meters on the residential customers, and that the Company was to submit with this filing a plan for the installation of such meters. After evaluating the feasibility and economic impact of installing meters on the residential customers, the Company is seeking as exemption from that requirement for the reasons stated in the Petition. Preliminary Objections have been filed as to the Petition, which have been denied.

3. Potential Witnesses

- a. Todd Joseph (Background)
- b. Connie Heppenstall, Senior Project Manager, Rate Studies, Gannett Fleming Valuation and Rate Consultants, LLC (Rates)
- c. Christopher R. Greenberg, Certified Operator, Keystone Water Systems, LLC (Operations)

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

4. Issues

As defended by the suspension order, the issues under the rate proceeding are the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in Conneaut Lake Park Water Corporation, Inc.'s proposed Tariff Supplement No. 1 to Water - Pa. P.U.C. No. 1.

With respect to the Petition, whether the Company meets the four criteria established to evaluate a request for a metering exemption:

1. Companies serving primarily residential/recreational customers. This category encompasses companies with 50% or more seasonal customers. However, the Company even if exempted from metering residential customers, would still be required to meter commercial and industrial users;
2. Companies with an extraordinarily abundant source of water supply;
3. Companies whose cost of compliance is demonstrably economically unfeasible.
4. Companies with physical practicality problems.

5. Evidence

The Company expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing.

6. Discovery

As indicated above, a significant amount of discovery already has been conducted against the Company. The Company will continue to work with the parties to determine appropriate discovery modifications at that proceeding. The Company proposes a discovery period of an additional 45 or 60 days of discovery. The Company objects to the discovery modifications suggested by the Bureau of Investigation and Enforcement ("I&E"), especially since most of the discovery is being directed to the Company. The limitations I&E is seeking in terms of times limits responses and objections are not reasonable. Alternatively, the Company would suggest 15 calendar days for all responses and objections identified in Paragraphs (a) - (c) of the I&E Prehearing Memorandum, elimination of Paragraph (d) and suggest 5 calendar days for Paragraphs (e) and (f). The Company would agree to Paragraph (g)

7. Schedule

The Company will work with the parties and the Administrative Law Judges, to develop a schedule in this proceeding. Regarding the location of hearings, the Company objects to telephonic hearings, but could suggest alternating the use of video conferencing for such proceedings. To the extent evidentiary hearings will be conducted in person, the Company requests those hearing be held in Pittsburgh or Meadville, which is closer to the location of the Water System, thereby enabling both the Company and the rate payers easier access to the in person hearing.

8. Service of Documents

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the Company agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement. The Company requests that electronic copies be provided to its witness identified above. The Company also requests that all parties serve an electronic copy of all interrogatory responses upon the Company and the Company witnesses identified above.

9. Settlement

The Company is willing to enter into settlement discussions, and notes that it has agreed to participate in the mediation process.

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 p.m.

Respectfully submitted,



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Attorneys for Conneaut Lake Park Water
Corporation, Inc.

Dated: October 25, 2023

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