

December 20, 2023

Via Federal Express OnlyRosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105**Re: Application of Aqua Pennsylvania Wastewater, Inc.
Docket No. A-2023-3041695**

Dear Secretary Chiavetta:

Per your letter of December 12, 2024, enclosed please find a revised version of Exhibit Z (Aqua Statement No. 4, the Direct Testimony of John Childers) to Aqua Pennsylvania Wastewater, Inc.'s 1329 Application. We inadvertently referred to this Testimony as Exhibit Y and included the wrong exhibit cover sheet in my letter of November 17, 2023 accompanying the referenced filing by hand. Thank you for filing my November 17, 2023 letter with the Commission.

Following discussions with the Office of Consumer Advocate concerning this testimony, Aqua has reassessed the security level required and has determined that it can downgrade the security level from Confidential Security Information to Highly Confidential. As a result, a copy of the Highly Confidential Version of Exhibit Z, which shall replace the version previously sent, is enclosed herewith. A copy of this letter and the Redacted Public Version of Exhibit Z will be filed with the Commission, in accordance with 52 Pa. Code § 1.32.

Thank you for your attention to this matter. Should you have any further questions, please let me know.

Respectfully submitted,


Courtney L. Schultz

Enclosure

Cc: Service List (Cover Letter Only)

CERTIFICATE OF SERVICE

I, Courtney L. Schultz, Esquire, hereby certify that I am on this day serving copies of the revised version of Exhibit Z to Aqua’s 1329 Petition, upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

<p><u>PA PUC</u> Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17105 Rosemary Chiavetta, Secretary rchiavetta@pa.gov</p> <p>Angel Elwell, Office Administrator anelwell@pa.gov</p> <p><u>TUS</u> Paul Diskin, Director pdiskin@pa.gov</p> <p>Darren Gill, Deputy Director dgill@pa.gov</p>	<p>Paul Zander pzander@pa.gov</p> <p><u>OSBA</u> Steven C. Gray, Esquire Rebecca Lyttle, Esquire Office of Small Business Advocate sgray@pa.gov relyttle@pa.gov</p> <p><u>OCA</u> Patrick Cicero, Consumer Advocate Christine Maloni Hoover, Deputy Consumer Advocate Office of Consumer Advocate Ra-oca@paoca.org</p>
<p>Daniel Searfoorce, Manager dsearfoorc@pa.gov</p> <p>Sean Donnelly sdonnelly@pa.gov</p> <p>Clinton McKinley cmckinley@pa.gov</p> <p>Matt Lamb mlamb@pa.gov</p>	<p><u>I&E</u> Richard A. Kanaskie, Esquire Allison Kaster, Esquire Bureau of Investigation and Enforcement Rkanaski@pa.gov akaster@pa.gov</p> <p><u>Aqua</u> Mark McKoy mhmckoy@aquaamerica.com</p>
<p>Manasi Deshpande mdesphande@pa.gov</p> <p>James Kennedy jameskenne@pa.gov</p>	<p style="text-align: center;"></p> <p>By: _____ Courtney L. Schultz, Esquire PA Attorney No. 306479</p>

EXHIBIT Z

PUBLIC VERSION

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

AQUA PENNSYLVANIA WASTEWATER, INC.

DOCKET NO. A-2023-3041695

AQUA STATEMENT NO. 4

**DIRECT TESTIMONY OF
JOHN CHILDERS**

**With Regard To
Cybersecurity
Public Benefits**

November 2023

PUBLIC VERSION

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DIRECT TESTIMONY OF JOHN CHILDERS**

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 **A.** My name is John Childers. My business address is 762 W. Lancaster Ave., Bryn Mawr,
4 PA 19010.

5
6 **Q. By whom are you employed and in what capacity?**

7 **A.** I am employed by Essential Utilities, Inc. (“Essential”) as Information Security Director.
8

9 **Q. Please provide a brief description of your education and work experience.**

10 **A.** I am an experienced professional with over two decades of expertise in technology,
11 specializing in the design, engineering, and operation of secure networks and systems, with
12 a primary focus on security and resiliency. I earned a Bachelor of Science in Information
13 Sciences and Technology from Penn State University in 2004, followed by the completion
14 of a Post-Baccalaureate Certificate in Information Systems Security in 2012, and received
15 a Master of Professional Studies in Homeland Security, specializing in Information
16 Security & Forensics in 2014, also from Penn State University.

17 In 2002, while still an undergraduate, I began my professional journey by providing
18 technical support and systems administration at the Media Courthouse and Government
19 Center. My responsibilities expanded in 2005 when I joined IFM Efactor, an international
20 manufacturer of industrial control systems, where I managed systems, networking, and
21 security administration for both traditional business systems and critical manufacturing
22 systems. In 2007, I transitioned to Instamed, a healthcare services financial processing

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1 network, where I was accountable for technology operations and security, ensuring
2 compliance with healthcare and Payment Card Industry standards.

3 Subsequently, in 2008, I assumed the role of IT Manager & Senior Systems
4 Engineer at Orthovita, a life sciences organization specializing in the manufacture of
5 medical products. At Orthovita, I oversaw the security and resilience of both the enterprise
6 IT environment as well as industrial environment (Supervisory Control and Acquisition
7 Data (“SCADA”) / Industrial Control Systems (“ICS”)) used in critical product
8 manufacturing regulated medical products.

9 In 2010, I joined Essential (formerly Aqua America, Inc.) initially focusing on IT
10 network and systems engineering efforts and then in 2011, I was entrusted with the
11 responsibility of developing the Information Security/Cybersecurity program for both our
12 Information Technology (“IT”) and Operations Technology (“OT”). In this capacity, I led
13 the development of a mature security program, chaired an executive steering committee
14 for governing cyber risk management efforts, and spearheaded the development of
15 capabilities in Security Operations, Threat Management, and Governance, Risk and
16 Compliance. In 2020, I was tasked with continuing to lead the Information Security
17 program for all of Essential, incorporating our Peoples Natural Gas entity into a unified
18 program safeguarding all water, wastewater, and natural gas IT and OT. In addition to my
19 professional career, I have been an Adjunct Instructor with Penn State University since
20 2015. My instructional roles have focused on Security Risk Analysis and Information
21 Security.

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1 **Q. Do you hold any professional licenses or certifications?**

2 **A.** Yes, I hold multiple active certifications in advanced security domains including Certified
3 Information Systems Security Professional (“CISSP”), Global Information Assurance
4 Certification (“GIAC”) Certified Incident Handler (“GCIH”), Information Systems
5 Security Management Professional (“ISSMP”), Certified Information Security Manager
6 (“CISM”), Certified in Risk and Information Systems Control (“CRISC”), GIAC Certified
7 Industrial Cyber Security Professional (“GICSP”), and GIAC Response and Industrial
8 Defense (“GRID”).

9
10 **Q. Have you previously testified before the Pennsylvania Public Utility Commission**
11 **(“PUC” or the “Commission”)?**

12 **A.** No.

13
14 **Q. What is the purpose of your Direct Testimony?**

15 **A.** The purpose of my Direct Testimony is to discuss (i) Aqua’s cybersecurity programs
16 generally, (ii) the cybersecurity capabilities currently in place in the Greenville Sanitary
17 Authority (“GSA”) wastewater system (“the System”); and (iii) the public benefits of this
18 transaction.

19
20 **Q. Are you sponsoring any Exhibits with the Company’s filing?**

21 **A.** No.

22

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1 **II. CYBERSECURITY GENERALLY**

2 **Q. Is cybersecurity a significant concern for utilities, utility customers, and utility**
3 **commissions?**

4 **A.** Yes. Cybersecurity has become a main focal point for many utilities and utility
5 commissions in recent years as threats of cyber-attacks on utilities have increased. The
6 PUC recently issued an Advanced Notice of Proposed Rulemaking Order on November
7 10, 2022 to review cybersecurity regulations and reporting.¹ Other utility commissions
8 across the country have instituted similar reporting and cybersecurity regulations to ensure
9 that the critical infrastructure that serves the public is protected from threat actors.
10 Ensuring that critical infrastructure and customer information are properly protected is an
11 essential part of utility service and a key benefit to customers across the Commonwealth.

12
13 **Q. Please discuss recent cyber events in the utility industry.**

14 **A.** Several attacks have occurred recently on public utilities and other critical infrastructure
15 industries, which I will briefly describe below.

16 1. Rye Brook, New York. In 2013, the U.S. Justice Department charged seven Iranian
17 government affiliated individuals in attempted cyber-attacks involving a small dam.
18 While there was no direct negative impact as the dam sluice gate system was
19 reported to have been disconnected from the SCADA control system, this provides
20 example of how critical infrastructure could potentially be targeted due to a
21 weakness in security hardening of control systems environments.

¹ *Rulemaking to Review Cyber Security Self-Certification Requirements and the Criteria for Cyber Attack Reporting*, Advanced Notice of Proposed Rulemaking Order, Docket No. L-2022-3034353 (Nov. 10, 2022).

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█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ █ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ █ [REDACTED]

█ [REDACTED]

█ [REDACTED]

10 **[END HIGHLY CONFIDENTIAL]**

11

12 **V. CONCLUSION**

13 **Q. Does this conclude your Direct Testimony?**

14 **A.** Yes, it does. However, I reserve the right to supplement my Direct Testimony as additional
15 issues and facts arise during the course of this proceeding.