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VIA eFILING

December 28, 2023

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

**Re: *Pennsylvania Public Utility Commission v. Pennsylvania-American
Water Company, Docket Nos. R-2023-3043189 and R-2023-3043190***

Dear Secretary Chiavetta:

Attached please find the Prehearing Memorandum of Cleveland-Cliffs Steel for filing in the above-captioned proceedings.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service.

Respectfully submitted,

/s/ Kurt J. Boehm

Kurt J. Boehm, Esq.

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GALLAGHER LAW GROUP

**COUNSEL FOR CLEVELAND-CLIFFS
STEEL**

KJBkew

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission vs. Pennsylvania American Water Company	: : : : : : : :	Docket No. R-2023-3043189 (Water) R-2023-3043190 (Wastewater)
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**PREHEARING MEMORANDUM OF
CLEVELAND-CLIFFS STEEL**

Pursuant to the December 22, 2023 Prehearing Conference Order, Cleveland-Cliffs Steel (“Cleveland-Cliffs”) submits this Prehearing Memorandum.

1. History of Proceeding

On November 8, 2023, Pennsylvania-American Water Company (“PAWC” or “Company”) filed Supplement No. 45 to Tariff Water-PA. P.U.C. No. 5 (Supplement No. 45) with the Pennsylvania Public Utility Commission (“Commission”) to become effective January 7, 2024. Supplement No. 45 would increase PAWC’s total annual operating revenues for water service by approximately \$199.2 million, or 24.2%. Cleveland-Cliffs filed its Petition to Intervene on November 30, 2023.

2. Representation of Cleveland-Cliffs

Cleveland-Cliffs is represented by the following attorneys in this matter:

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3. Issues Raised by Cleveland-Cliffs

Cleveland-Cliffs is the largest industrial customer on the Company's system. The rates paid by Cleveland-Cliffs for water service will be significantly affected if the Commission approves the rate increase requested. Cleveland-Cliffs alleges that the information filed in support of the Company's proposed rate increase is insufficient to establish that the rates to be collected are just and reasonable. Cleveland-Cliffs also alleges that the rate structure proposed by the Company may result in large industrial customers subsidizing other rate classes. Cleveland-Cliffs intends to address these issues and recommend specific changes to the Company's proposal through the testimony of its expert witness.

4. Testimony of Cleveland-Cliffs

Cleveland-Cliffs intends to submit the testimony of its expert witness Richard Baudino. Mr. Baudino will likely address revenue requirement as well as revenue allocation and rate design issues pertaining to the Industrial class. Mr. Baudino's contact information is listed below:

Richard A. Baudino
J. Kennedy & Associates
1347 Frye Road
Westfield, NC 27053
Ph: (770) 992-2027 Fax: (770) 992-0806
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5. Discovery

Cleveland-Cliffs will comply with the discovery directives of the Commission.

6. **Procedural Schedule**

Cleveland-Cliffs commits to work with the parties and the Commission to craft a schedule that is acceptable to all participants.

7. **Settlement**

Cleveland-Cliffs is willing to participate in settlement discussions with any party to narrow or fully resolve the issues in this matter.

Respectfully submitted,

/s/ Kurt J. Boehm

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**ATTORNEYS FOR CLEVELAND-CLIFFS
STEEL**

December 28, 2023

CERTIFICATE OF SERVICE

I hereby certify that I have served a true copy of the foregoing Prehearing Memorandum of Cleveland-Cliffs upon the parties listed below in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party) via electronic mail this 28th day of December, 2023.

/s/ Kurt J. Boehm

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