



Whitney E. Snyder
(717) 236-1300 x260
wesnyder@hmslegal.com

Thomas J. Sniscak
(717) 236-1300 x224
tjsniscak@hmslegal.com

Phillip D. Demanchick Jr.
(717) 236-1300 x225
pddemanchick@hmslegal.com

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

January 9, 2024

By Electronic Filing

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

RE: Pennsylvania Public Utility Commission v. Community Utilities of Pennsylvania Inc.; Docket Nos. R-2023-3042804, R-2023-3042805;

PREHEARING CONFERENCE MEMORANDUM

Dear Secretary Chiavetta:

Enclosed for filing is the Prehearing Conference Memorandum of Community Utilities of Pennsylvania Inc. Copies have been served in accordance with the attached certificate of service.

If you have any questions concerning this filing, please contact me.

Very truly yours,

/s/ Whitney E. Snyder

Whitney E. Snyder (Attorney ID No. 316625)
Thomas J. Sniscak (Attorney ID No. 33891)
Phillip D. Demanchick Jr. (Attorney ID No. 324761)

*Counsel for
Community Utilities of Pennsylvania Inc.*

WES/das

Enclosures

cc: Honorable Steven K. Haas (sthaas@pa.gov)
Honorable Alphonso Arnold (alphonarno@pa.gov)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2023-3042804
	:	R-2023-3042805
Community Utilities of Pennsylvania Inc.	:	
	:	

**PREHEARING CONFERENCE MEMORANDUM OF
COMMUNITY UTILITIES OF PENNSYLVANIA INC.
WATER AND WASTEWATER DIVISIONS**

**TO: THE HONORABLE STEVEN K. HAAS AND
THE HONORABLE ALPHONSO ARNOLD:**

Pursuant to 52 Pa. Code § 5.224 and Your Honors' December 29, 2023 Prehearing Order, Community Utilities of Pennsylvania, Inc. (CUPA), by and through its attorneys in this matter, Hawke McKeon & Sniscak LLP, submits this Prehearing Conference Memorandum.

I. PROCEDURAL HISTORY

On November 9, 2023, CUPA filed Supplement No. 13 to Tariff Water - Pa. PUC No. 1 and Supplement No. 11 to Tariff Wastewater - Pa. PUC No. 1, both to be effective January 9, 2024. Both filings requested that the base rate increase requests be consolidated for hearing and decision.

On November 13, 2023, the Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance for Scott Granger.

On November 22, 2023, CUPA filed Proofs of Publication of Customer Notice of base rate increase.

On November 29, 2023, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance for Sharon Webb along with a Complaint, Public Statement and Verification.

On December 8, 2023, the Office of Consumer Advocate (OCA) filed a Formal Complaint and Public Statement and a Notice of Appearance for Harrison W. Breitman, Jacob D. Guthrie, and Erin L. Gannon.

On December 15, 2023, OCA filed a letter requesting the litigation schedule be developed based on an. On December 19, 2023, CUPA filed a letter that CUPA would agree to extend the statutory suspension period to August 22, 2024 so long as CUPA may retroactively recover approved rates from the original suspension deadline of August 9, 2024.

On December 21, 2023, the Commission issued Suspension Orders for the water and wastewater rate increases which suspended the proposed increases until August 9, 2024. The Suspension Orders did not address OCA's request or CUPA's offer to voluntarily extend the suspension period.

This matter was assigned to the Office of Administrative Law Judge with Administrative Law Judges Steven K. Haas and Alphonso Arnold III presiding (collectively, the "Presiding Officers").

On December 27, 2023, the Commission issued a Prehearing Conference Notice scheduling a prehearing conference on January 11, 2024.

On December 28, 2023, the Presiding Officers required that any objection to retroactive recovery to extend the suspension date be provided by Noon on December 29, 2024. CUPA is not aware of any objections.

On December 29, 2023, the Presiding Officers issued a Prehearing Conference Order directing the parties to file prehearing memoranda by Tuesday, January 9, 2024.

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

II. SUSPENSION PERIOD EXTENSION

CUPA voluntarily agreed to extend the suspension period to August 22, 2024, so long as CUPA can recover approved rates from the original suspension deadline date (August 9, 2024). To date, no order or directive from the Commission has been entered memorializing the extension of the suspension period and authorization for CUPA to recover through a surcharge revenues lost at the final approved rates for the period from August 2, 2024 through the effective date of Commission-approved rates.

CUPA proposes the prehearing order issued after the prehearing conference contain the following ordering paragraph:

CUPA's offer to extend the suspension period contingent upon CUPA being permitted to recover approved rates from the original suspension deadline date (August 9, 2024) through the effective date of Commission-approved rates in this proceeding is hereby approved. CUPA is therefore ordered to file, within 10 days, tariff supplements reflecting: (1) further suspension of this matter to August 22, 2024, and (2) approval of a surcharge to recover approved rates from August 9, 2024 until the effective date for new rates pursuant to Commission order.

This was the procedure successfully used in *Pa. Pub. Util. Comm'n. v. w. Penn Power Co.*, Docket No. R-2014-2428742. See October 29, 2014 Compliance tariff (available at <https://www.puc.pa.gov/pcdocs/1322596.pdf>), Second Prehearing Order (available at <https://www.puc.pa.gov/pcdocs/1320790.docx>).

III. PROPOSED LITIGATION AND PUBLIC INPUT HEARING SCHEDULE

OCA, I&E and CUPA have tentatively agreed to the following litigation schedule for the Presiding Officers' consideration:

Rate Filing and Company Direct Testimony	November 9, 2023
Other Parties Direct Testimony	February 6, 2024
Rebuttal Testimony	March 5, 2024
Surrebuttal Testimony	March 19, 2024
Written Rejoinder	March 25, 2024
Evidentiary Hearings	March 28, 29, 2024 and April 1, 2024
Main Briefs	April 15, 2024
Reply Briefs	April 26, 2024

OCA has proposed the following Public Input Hearing dates and locations. CUPA has no objection to OCA's proposal.

Telephonic	Tuesday, January 30, 2024 – 1 PM
Telephonic	Tuesday, January 30, 2024 – 6 PM
Westgate	Wednesday, January 31, 2024 – 6 PM
Tamiment	Thursday, February 1, 2024 – 6 PM

IV. ISSUES AND WITNESSES

Below is a list of the witnesses and the areas of their testimony comprising CUPA's direct case in this proceeding. The subject matters listed below represent as complete a statement of issues that CUPA can provide at this stage of the proceeding. Further definition of contested issues by the parties will develop within the scope of the subject matters listed below during the course of the proceeding.

On November 9, 2023, CUPA provided its Direct Testimony on the following subject matter and issues:

- CUPA St. No. 1, Direct Testimony of Nathaniel Spriggs - concerning an overview of the Company and the base rate filings.
- CUPA St. No. 2, Direct Testimony of Anthony Gray – concerning: (1) an overview of the filing, including the filing structure; (2) the accounting schedules/exhibits used in developing the revenue requirement for this proceeding; (3) the purpose and methodology for adjustments made to each component of rate base; (4) the purpose and methodology for certain operating revenue adjustments; (5) the purpose and methodology for certain operation expense adjustments; and (6) proposed rate design updates to the Company’s Low-Income Program.
- CUPA St. No. 3, Direct Testimony of David Clark concerning the purpose and methodology for certain operating expense adjustments being proposed by the Company.
- CUPA St. No 4, Direct Testimony of Emily Long concerning: (1) an update on unaccounted for water (“UFW”) for CUPA’s water systems and the Company's efforts to address this issue, (2) an update on CUPA’s Lead Service Line Replacement Program application, and (3) an update on addressing compliance items from the Company’s last rate case proceeding.
- CUPA St. No 5, Direct Testimony of Amber Capwen concerning: (1) the Company’s long term capital investment budgeting and forecasting process, (2) status of the Company’s asset management plan, (3) the forecasted capital

projects scheduled for 2023 to 2025, and (4) the capital projects completed as part of the Company's last rate case.

- CUPA St. No 6, Direct Testimony of Steve Lubertoizzi concerning: (1) the status of the potential merger of Corix Infrastructure Inc subsidiary, CRUUS and SW Merger Acquisition Corp. (together, "Merger Parties") ("Merger"), (2) the status of integration activities between the Merger Parties, (3) the status of commitments authorized by the Commission-approved Settlement at Docket Nos. A-2022-3036745 and A-2022-3036744 ("Merger Dockets") that are relevant to or otherwise addressed in this rate proceeding, (4) the extent of any impacts of the Merger included in the proposed FPFTY of CUPA in this rate proceeding, and (5) the proposal for a customer protection mechanism to capture potential impacts emanating from the Merger.
- CUPA St. No. 7, Direct Testimony of Matthew Howard concerning the results of the analysis undertaken to determine the appropriate weighted average cost of capital ("WACC"), or overall rate of return, used in this proceeding.
- CUPA St. No. 8, Direct Testimony of Scott Miller concerning cost of service study and rate design.
- CUPA St. No. 9 – Harold Walker III, concerning the lead-lag study undertaken to support the claim for cash working capital used in this proceeding.

CUPA 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.

V. CONSOLIDATION

CUPA respectfully requests that the water and wastewater base rate increase proceedings at Docket Nos. R-2023-3042804 and R-2023-3042805 be consolidated for hearing and decision. CUPA is not aware of any objection to this request, which was also made in the November 9, 2023, base rate increase filing letters. CUPA will file a formal motion if necessary to achieve consolidation.

VI. DISCOVERY

CUPA has already responded to over 500 data requests (including sub-parts) from OCA and I&E. CUPA is not proposing any modifications to the timing of discovery.

VII. SERVICE

CUPA requests *all service* occur electronically. CUPA proposes all parties accept service of all documents by email by 4:30 PM ET as satisfying in-hand delivery.

CUPA requests that all parties be required to serve all workpapers in live excel format within 24 hours of the deadline of service for the associated written testimony.

Service of electronic and paper documents in this proceeding shall be accepted on behalf of CUPA by:

Whitney E. Snyder (Attorney ID No. 316625)
Thomas J. Sniscak (Attorney ID No. 33891)
Phillip D. Demanchick Jr. (Attorney ID No. 324761)
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
wesnyder@hmslegal.com
tjsniscak@hmslegal.com
pddemanchick@hmslegal.com

Counsel for CUPA requests that any electronic service list utilized by the parties in this proceeding include Whitney E. Snyder (wesnyder@hmslegal.com), Thomas J. Sniscak

(tjsniscak@hmslegal.com) and Phillip D. Demanchick Jr. (pddemanchick@hmslegal.com).

CUPA is willing to extend the same courtesy upon request of any other party for any e-mails or electronic service to the parties. If only one person may be designated for the service list, please serve Whitney E. Snyder.

CUPA also requests that the Presiding Officers issue an official active party service list following the prehearing conference.

VIII. SETTLEMENT

CUPA will actively seek to participate in settlement discussions.

IX. PROTECTIVE ORDER

CUPA, OCA, I&E and OSBA have already entered into a stipulated protective agreement. CUPA will circulate a draft Protective Order to address confidential and proprietary materials that may be entered into the record in this proceeding consistent with the stipulated agreement. CUPA will submit via motion the proposed order to the Administrative Law Judge for review and approval.

Respectfully submitted,

/s/ Whitney E. Snyder

Whitney E. Snyder (Attorney ID No. 316625)

Thomas J. Sniscak (Attorney ID No. 33891)

Phillip D. Demanchick Jr. (Attorney ID No. 324761)

Hawke McKeon & Sniscak LLP

100 North Tenth Street

Harrisburg, PA 17101

tjsniscak@hmslegal.com

wesnyder@hmslegal.com

pddemanchick@hmslegal.com

*Counsel for Community Utilities of Pennsylvania,
Inc.*

Dated: January 9, 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

Erin L. Gannon, Esquire Harrison W. Breitman, Esquire Jacob D. Guthrie, Esquire Office of Consumer Advocate 555 Walnut Street 5 th Floor, Forum Place Harrisburg, PA 17101-1923 OCACUPA2023@paoca.org	Mierzwa, Jerry jmierzwa@exeterassociates.com ; Jennifer Rogers jrogers@exeterassociates.com ; Lafayette Morgan lmorgan@exeterassociates.com <i>Consultants for OCA</i>
Sharon E. Webb, Esquire Small Business Advocate Office of Small Business Advocate 555 Walnut Street 1 st Floor, Forum Place Harrisburg, PA 17101 swebb@pa.gov	Scott B. Granger, Esquire Lisa Gumby Christine Wilson DC Patel Zach Walker Esysan Sakaya Pennsylvania Public Utility Commission Bureau of Investigation & Enforcement Commonwealth Keystone Building 400 North Street, 2 nd Floor Harrisburg, PA 17120 sgranger@pa.gov lgumby@pa.gov cswilson@pa.gov dupatel@pa.gov zawalker@pa.gov esakaya@pa.gov
John Hoopingarner PO Box 1110 Long Lake Road Tamiment, PA 18371 jwhoop@ptd.net <i>Pro Se Complainant, Water & Wastewater</i>	Michael J. Sanfilippo 503 Dwalin Way Tamiment, PA 18371 michaeljsanfilippo@gmail.com <i>Pro Se Complainant, Water & Wastewater</i>

Oleg Chuchin 89 Webster Avenue Jersey City, NJ 07307 readypads@gmail.com <i>Pro Se Complainant, Water & Wastewater</i>	Rose Cocklin 2104 Tamiment Lane Tamiment, A 18371 tintofrose@aol.com <i>Pro Se Complainant, Water & Wastewater</i>
Brian Fenimore 1433 Henry Drive Downington, PA 19335 bfenimore10@comcast.net <i>Pro Se Complainant, Wastewater</i>	Mary M. Rossetti 1019 Long Lake Road Tamiment, PA 18371 Mrossetti882@gmail.com <i>Pro Se Complainant, Water & Wastewater</i>
Rafail Kovalenko 2138 Wilderland Road Tamiment, PA 18371 Dmitrykov@outlook.com <i>Pro Se Complainant, Water & Wastewater</i>	Jenny Howard 212 Hobbit Drive Tamiment, PA 18371 djandjenny@gmail.com <i>Pro Se Complainant, Water & Wastewater</i>
Laura Brennan 1318 Spellman Drive Downingtown, PA 19335 Laura.Brennan07@gmail.com <i>Pro Se Complainant, Wastewater</i>	Christine Corbissero 221 Ravenhill Road Tamiment, PA 18371 turkeyhunter333@gmail.com <i>Pro Se Complainant, Water & Wastewater</i>
Scott & Vicky Furey 212 Ravenhill Road Tamiment, PA 18371 Furiousvicky1@aol.com <i>Pro Se Complainants, Water & Wastewater</i>	Christina Boers 157 Oakenshield Drive Tamiment, PA 18371 Christina.boers82@gmail.com <i>Pro Se Complainant, Water & Wastewater</i>
George & Miriam Lingg 417 Underhill Drive Tamiment, PA 18371 Glingg52@gmail.com <i>Pro Se Complainants, Water & Wastewater</i>	Joseph Bellantoni 425 Underhill Drive Tamiment, PA 18371 joebellan@earthlink.net <i>Pro Se Complainant, Water</i>

Gregory Leone 213 Thistlebrook Court Tamiment, PA 18371 greleone@msn.com	
---	--

Pro Se Complainant, Water & Wastewater

/s/ Whitney E. Snyder

Whitney E. Snyder

Thomas J. Sniscak

Phillip D. Demanchick Jr.

Dated this 9th day of January, 2024.