



January 18, 2024

**VIA E-FILING**

**Jonathan P. Nase**

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

**Re: In re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of the Township of Farmington's assets, properties and rights related to its drinking water distribution system to Pennsylvania-American Water Company, (2) the transfer, by sale, of substantially all of the Township of Farmington's assets, properties and rights related to its wastewater collection and treatment system to Pennsylvania-American Water Company; and (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water service to the public in an additional portion and wastewater service to the public in a portion of the Township of Farmington, Clarion County, Pennsylvania; Docket Nos. A-2023-3042567 and A-2023-3042587**

**Prehearing Conference Memorandum of Pennsylvania-American Water Company**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Prehearing Conference Memorandum of Pennsylvania-American Water Company. A copy of this filing is being served in accordance with the attached Certificate of Service.

Thank you for your attention to this filing. Please contact me if you have any questions or concerns.

Sincerely,

COZEN O'CONNOR

By: Jonathan P. Nase  
Counsel for *Pennsylvania-American Water Company*

JPN

Enclosures

cc: Hon. Katrina L. Dunderdale  
Per Certificate of Service  
Teresa K. Harrold, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of the Township of Farmington’s assets, properties and rights related to its drinking water distribution system to Pennsylvania-American Water Company, (2) the transfer, by sale, of substantially all of the Township of Farmington’s assets, properties and rights related to its wastewater collection and treatment system to Pennsylvania-American Water Company; and (3) the right of Pennsylvania-American Water Company to begin to offer and furnish water service to the public in an additional portion and wastewater service to the public in a portion of the Township of Farmington, Clarion County, Pennsylvania

Docket Nos. A-2023-3042567 (Water)  
A-2023-3042587 (Wastewater)

**CERTIFICATE OF SERVICE**

I hereby certify that I am this 18<sup>th</sup> day of January, 2024, serving the above-referenced **Prehearing Conference Memorandum of Pennsylvania-American Water Company** upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**Service by First Class Mail and Email**

Steven C. Gray, Esq.  
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Counsel for *Office of Small Business Advocate*

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Counsel for *Farmington Township*

Respectfully submitted,



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Jonathan P. Nase, Esq.  
Counsel for *Pennsylvania-American Water  
Company*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American :  
Water Company under Section 1102(a) of the :  
Pennsylvania Public Utility Code, 66 Pa. C.S. :  
§ 1102(a), for approval of (1) the transfer, by :  
sale, of substantially all of the Township of :  
Farmington’s assets, properties and rights :  
related to its drinking water distribution system :  
to Pennsylvania-American Water Company, :  
(2) the transfer, by sale, of substantially all of :  
the Township of Farmington’s assets, :  
properties and rights related to its wastewater :  
collection and treatment system to :  
Pennsylvania-American Water Company; and :  
(3) the right of Pennsylvania-American Water :  
Company to begin to offer and furnish water :  
service to the public in an additional portion :  
and wastewater service to the public in a :  
portion of the Township of Farmington, :  
Clarion County, Pennsylvania :

Docket Nos. A-2023-3042567 (Water)  
A-2023-3042587 (Wastewater)

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**PREHEARING CONFERENCE MEMORANDUM OF  
PENNSYLVANIA-AMERICAN WATER COMPANY**

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AND NOW COMES Pennsylvania-American Water Company (“PAWC”), pursuant to 52 Pa. Code § 5.222(d), to file this Prehearing Conference Memorandum in the above-referenced matters. In support thereof, PAWC states as follows:

**I. INTRODUCTION AND PROCEDURAL HISTORY**

On June 8, 2023, PAWC and Farmington Township entered into an Asset Purchase Agreement (“APA”) by which PAWC will purchase all the assets, properties, and rights of the Township of Farmington (the “Township”) which are owned and used in connection with the

drinking water distribution system and the wastewater collection and treatment systems (collectively, the “Systems”) in Farmington Township, Clarion County.

On August 28, 2023, PAWC filed an application (“Application”) asking the Commission to approve its acquisition of the Systems under Sections 507 and 1102(a) of the Pennsylvania Public Utility Code (the “Code”), 66 Pa. C.S. §§ 507 and 1102(a). The Commission assigned two (2) docket numbers to the Application for the water and wastewater operations, Docket Nos. A-2023-3042567 and A-2023-3042587, respectively. In the Application, PAWC is also requesting the Commission to grant the right to offer or furnish water service to the public in an additional portion of the Township of Farmington, and wastewater service to the public in a portion of the Township of Farmington, Clarion County, Pennsylvania.

On August 30, 2023, the Commission issued a Secretarial Letter directing PAWC to serve copies of the Application on certain parties, and to publish notice of the application in a newspaper of general circulation in the area involved.

On September 14, 2023, Steven C. Gray, Esquire, on behalf of the Office of Small Business Advocate (“OSBA”) filed a Notice of Intervention and Notice of Appearance in these proceedings.

On September 25, 2023, David T. Evrard, Esquire, on behalf of the Office of Consumer Advocate (“OCA”) filed a Protest and Public Statement in these proceedings.

Also on September 25, 2023, PAWC filed proof of compliance with the notice requirements contained in the Secretarial Letter issued on August 30, 2023.

On September 28, 2023, PAWC filed an Original Cost of Water Utility Plant and Depreciation Reserve Calculations, as well as an Original Cost of Wastewater Utility Plant and Depreciation Reserve Calculations.

On October 5, 2023, the Commission's Bureau of Technical Utility Services ("TUS") served data requests on PAWC. PAWC served answers to these data requests on October 19, 2023.

On December 13, 2023, David P. Zambito, Esquire, and Jonathan P. Nase, Esquire, filed their notice of appearance as additional counsel for PAWC.

## **II. COUNSEL**

Counsel for PAWC are:

Teresa K. Harrold, Esq. (PA ID # 311082)  
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David P. Zambito, Esq. (PA ID # 80017)  
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Cozen O'Connor  
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E-Mail: [jnase@cozen.com](mailto:jnase@cozen.com)

## **III. SERVICE OF DOCUMENTS**

PAWC's attorneys are authorized to accept service on behalf of PAWC in these proceedings. PAWC agrees to receive service of documents electronically in these proceedings.

#### **IV. ISSUES**

##### **A. Satisfaction of § 1102(a) Standards**

PAWC submits that this acquisition of the Systems (the “Transaction”) is necessary or proper for the service, accommodation, convenience, or safety of the public. PAWC submits that the Transaction provides substantial affirmative public benefits and that PAWC possesses the legal, financial, and technical fitness to own and operate the Systems. PAWC is the largest investor-owned water and wastewater service provider in the Commonwealth.

##### **B. Certificate of Filing or Approval for Section 507 Agreement**

Section 507 of the Code, 66 Pa. C.S. § 507, generally requires PAWC to file with the Commission any agreement between PAWC and a municipal corporation. PAWC seeks the issuance of a Certificate of Filing or approval for the APA.

#### **V. WITNESSES**

PAWC has not submitted direct testimony and exhibits in this case as of this writing but expects to have the following witnesses in this case:

##### **Don Wieczenski**

**Mr. Wieczenski** is a Senior Manager of Business Development for PAWC. His business address is 300 Galley Road, Canonsburg, PA 15317 and his business phone number is (724) 873-3688. Mr. Wieczenski will explain why the Transaction is in the public interest and provide testimony regarding the public benefits of the Transaction. Furthermore, Mr. Wieczenski will describe why the Application should be promptly approved by the Commission. Finally, he will explain why PAWC is legally, financially, and technically fit to acquire and operate the Systems.

**Ms. Ashley Everett**

Ms. Everett is the Senior Director of Rates and Regulatory for PAWC. Her business address is 852 Wesley Drive, Mechanicsburg, PA 17055 and her phone number is (717) 550-1536. Ms. Everett will discuss PAWC's financial fitness to acquire and operate the Systems, discuss ratemaking rate base, estimated transaction and closing costs of PAWC, and summarize the rate provisions in the APA.

**Mr. Daniel J. Hufton**

Mr. Hufton is the Engineering Manager for PAWC. His business address is 60 Elrama Avenue, Elrama, PA 15038 and his phone number is (412) 813-3026. Mr. Hufton will describe the Systems and explain how they will integrate into PAWC's existing water and wastewater operations. He will also describe PAWC's technical fitness to run the Systems and the benefits of the Transaction.

**VI. LITIGATION SCHEDULE**

The Parties are currently engaged in informal discovery and settlement discussions. PAWC proposes that a litigation schedule not be established at this time. Instead, the parties should continue to engage in formal and informal discovery and settlement discussions until approximately March 1, 2024. PAWC asks that a status conference be held on or about March 1, 2024 to determine whether litigation should commence. The parties should come to that settlement conference with an agreed-to litigation schedule, if litigation is necessary.

**VII. DISCOVERY MODIFICATIONS**

PAWC does not believe the Commission's rules on discovery need to be modified at this time.

**VIII. SETTLEMENT**

PAWC is willing to participate in settlement discussions in this matter.

Respectfully submitted,



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Dated: January 18, 2024