



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

February 16, 2024

Via Electronic Filing

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

Re: Venango Water Company – Ex Parte Emergency Order Naming Aqua
Pennsylvania, Inc. as Receiver
Docket No. M-2023-3042180

Section 529 Investigation of Venango Water Company
Docket No. I-2023-3042312
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** in the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Carrie B. Wright' with a stylized flourish at the end.

Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
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CBW/ac
Enclosures

cc: Deputy Chief Administrative Law Judge Mark A. Hoyer (via email – mhoyer@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Venango Water Company – Ex Parte :
Emergency Order Naming Aqua : Docket No. M-2023-3042180
Pennsylvania, Inc. as Receiver :

Section 529 Investigation of Venango : Docket No. I-2023-3042312
Water Company :

**PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO: DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE MARK HOYER:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement Prosecutor in these proceedings will be Carrie B. Wright. Contact information is as follows:

By mail: Carrie B. Wright
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

By e-mail: carwright@pa.gov

By telephone: (717) 783-6156

I. INTRODUCTION

The Pennsylvania Public Utility Commission (“PUC” or “Commission”) has appointed Aqua Pennsylvania Wastewater, Inc. (“Aqua”) as receiver for the Venango Water Company (VWC). The instant Docket, I-2023-3042312, arose out of a Commission Order entered on August 11, 2023, at Docket No. M-2023-3042180 (Ex-Parte Emergency Order). In its Emergency Order, the Commission noted, among other concerns, that it had received notice that the Pennsylvania Department of Environmental Protection (DEP) required Venango to issue a “Do Not Consume” advisory for the Venango system due to possible contamination of a Venango water source.¹

As part of the Commission's August 11, 2023, Ex-Parte Emergency Order, Aqua was appointed as receiver of VWC and a Section 529 Investigation was instituted.

A Prehearing Conference is scheduled for February 20, 2024, at 10:00 am with Deputy Chief Administrative Law Judge Mark Hoyer presiding.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

- Should the Commission order a capable public utility to acquire Venango Water Company?
- Are the six elements of 66 Pa. C.S. Section 529 met?
- Is Aqua Pennsylvania Wastewater a capable public utility for purposes of 66 Pa. C.S. Section 529?

¹ Ex-Parte Emergency Order, Docket No. M-2023-3042180, p. 1.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Esyan Sakaya, Fixed Utility Valuation Engineer

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

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. DISCOVERY

Discovery in this proceeding is being conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party.

VI. SCHEDULE

I&E has filed a Petition requesting consolidation of this proceeding with the Section 529 proceeding related to the other water and wastewater utilities owned by the Rhodes

Estate. I&E request that no schedule be set at this point until the resolution of that Petition for Consolidation. Once, consolidation has been granted or denied, I&E will work with the ALJ and the parties to develop an appropriate schedule.

In addition, I&E would note that the proximate providers have not been notified of this 529 Proceeding and I&E believes it would be prudent to notify those providers so that they may enter an appearance in this case before a schedule is set.

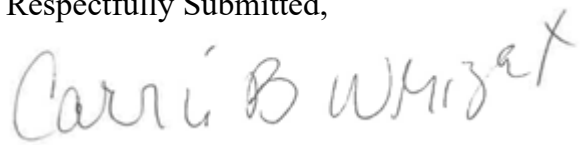
VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept electronic delivery of documents without the need to follow-up with a hard copy.

VIII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Carrie B. Wright
Prosecutor
PA Attorney ID No. 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
(717) 783-6156

Dated: February 16, 2024

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Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated February 16, 2024, in the manner and upon the persons listed below:

Served via Electronic Mail Only


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