



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

May 20, 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

Section 529 Investigation of Sugarcreek Water Company, West Hickory
Water Company, Plumer Water Company, Fryburg Water Company,
Cooperstown Water Company and Blaine E. Rhodes Sewer Company
Docket No. P-2024-3045205

I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement (I&E) 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,

Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

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 North :
Venango Water Company :

Section 529 Investigation of Sugarcreek :
Water Company, West Hickory Water :
Company, Plumer Water Company, : Docket No. P-2024-3045205
Fryburg Water Company, Cooperstown :
Water Company and Blaine E. Rhodes :
Sewer 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
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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.

On January 3, 2024, I&E filed a Petition requesting the Commission open a Section 529 Investigation into whether the Commission should order a capable utility to acquire any of all of the utilities owned by the Rhodes Estate. On February 15, 2024, I&E filed a Petition to consolidate the Venango investigation with the Petition requesting the Commission open a Section 529 Investigation into whether the Commission should order a capable utility to acquire any of all of the utilities owned by the Rhodes Estates.

A Prehearing Conference is scheduled for May 21, 2024, at 10:00 am with Deputy Chief Administrative Law Judge Mark Hoyer presiding.

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

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 North Heidelberg Sewer Company?
- Are the six elements of 66 Pa. C.S. Section 529 met?
- Is PA American Water Company or Aqua Pennsylvania Wastewater a capable public utility for purposes of 66 Pa. C.S. Section 529?

III. WITNESSES

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

- Ethan Cline,² 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

² This is a change from the prior I&E prehearing memorandum which listed Esyan Sakaya as the I&E witness.

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 proposed the following schedule:

I&E Direct	August 1, 2024
Other Parties Direct	August 30, 2024
Rebuttal	September 27, 2024
Surrebuttal	October 16, 2024
Hearings	October 23-24, 2024 (telephonic)
Main Brief	November 15, 2024
Reply Brief	December 6, 2024

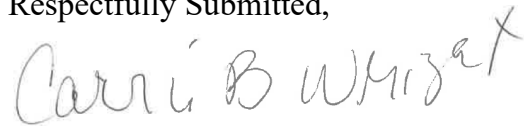
VII. SERVICE OF DOCUMENTS

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,

A handwritten signature in cursive script that reads "Carrie B. Wright".

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: May 20, 2024

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Fryburg Water Company, Cooperstown :
Water Company and Blaine E. Rhodes :
Sewer Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated
May 20, 2024, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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