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May 31, 2024

*By Email*

Honorable Conrad A. Johnson  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Piatt Place  
301 5<sup>th</sup> Avenue, Suite 220  
Pittsburgh, PA 15222  
[cojohnson@pa.gov](mailto:cojohnson@pa.gov)

Honorable Charece Z. Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
300 North Street  
Harrisburg, PA  
[charcollin@pa.gov](mailto:charcollin@pa.gov)

RE: Application of Appalachian Utilities, Inc. for a Certificate of Public Convenience Evidencing the Pennsylvania Public Utility Commission's Approval of the Transfer of 40% of Outstanding and Issued Stock in Appalachian Utilities, Inc.; Docket No. A-2024-3046068

Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service; Docket Nos. A-2024-3046084 & A-2024-3046092

**APPALACHIAN UTILITIES, INC. PREHEARING CONFERENCE  
MEMORANDUM**

Dear Honorable Conrad A. Johnson and Honorable Charece Z. Collins:

Enclosed you will find Appalachian Utilities, Inc.'s Prehearing Conference Memorandum and Certificate of Service in connection with the above-captioned proceedings.

Honorable Conrad A. Johnson  
Honorable Charece Z. Collins  
May 31, 2024  
Page 2

Thank you for your assistance in this matter. If you should have any questions, please feel free to contact me at [tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com) or Todd Stewart at [tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com).

Very truly yours,



Thomas J. Sniscak  
Todd S. Stewart

*Counsel for Appalachian Utilities, Inc.*

TJS/das  
Enclosure

cc: Rosemary Chiavetta (by efileing)  
Frank R. Sargent, Jr.  
Per certificate of service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Appalachian Utilities, Inc. :  
for a Certificate of Public Convenience :  
Evidencing the Pennsylvania Public Utility : Docket No. A-2024-3046068  
Commission’s Approval of the Transfer of 40% :  
of Outstanding and Issued Stock in Appalachian :  
Utilities, Inc. :

Joint Application of Pennsylvania-American  
Water Company and Appalachian Utilities, Inc.,  
Pursuant to Section 1102 of the Public Utility  
Code, for approval of (1) the transfer to  
American Water Works Company, Inc., by  
merger, of all property of Appalachian Utilities,  
Inc. used and useful in the public service; (2) the  
transfer to Pennsylvania-American Water  
Company by merger, of all property of  
Appalachian Utilities, Inc. used or useful in the  
public service, (3) the right of Pennsylvania  
American Water Company to begin to offer,  
render, furnish and supply water service to the  
public in the Borough of Avis and Townships of  
Pine Creek and Dunnstable, Clinton County,  
Pennsylvania, and (4) the abandonment by  
Appalachian Utilities, Inc. of all water service.

Docket No. A-2024-3046084  
A-2024-3046092

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**PREHEARING CONFERENCE MEMORANDUM  
OF APPALACHIAN UTILITIES, INC.**

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**TO: ADMINISTRATIVE LAW JUDGE CONRAD A. JOHNSON AND  
ADMINISTRATIVE LAW JUDGE CHARECE Z. COLLINS:**

**APPALACHIAN APPLICATION** Docket No. A-2024-3046068

On February 2, 2024, Appalachian Utilities, Inc. (“Appalachian” or the “Company”) filed  
an Application for Certificate of Public Convenience for approval to transfer by sale a non-

controlling 40% of Outstanding and Issued Stock of Appalachian from its sole and presently 100% stockholder to its employee Operations Manager (“Appalachian Application”).

This Appalachian Application was filed as a preliminary and related first step toward the ultimate pending sale and merger, subject to Pennsylvania Public Utility Commission’s (“Commission”) approval, of Appalachian into the American Water Works companies and ultimately transfer of service of Appalachian’s customers to Pennsylvania-American Water Company. That merger is the subject of a separate and concurrently filed related Joint Application at Docket Nos. A-2024-3046084 and A-2024-3046092 to approve a merger and related transactions by Pennsylvania-American Water Company and Appalachian (“Joint Application”). Consequently, Appalachian requested its Application at Docket No. A-2024-3046068 be considered and approved before and in coordination with the Commission’s consideration of the Joint Application.

On February 7, 2024, the Commission issued a Secretarial Letter directing Appalachian to file a notice in a newspaper having a general circulation in the area involved and file proof of publication with the Commission before March 4, 2024.

Proof of Publication was filed on February 15, 2024.

On March 4, 2024, the Office of Small Business Advocate (“OSBA”) filed a Notice of Intervention, Public Statement and Verification. Additionally, on March 4, 2024, the OSBA filed a Notice of Appearance for Sharon E. Webb.

On March 4, 2024, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearance for Christine Maloni Hoover and Melanie J. El Atieh.

On March 29, 2024, the OCA filed a Notice Withdrawing the Appearance of Christine Maloni Hoover.

On May 10, 2024, the Commission issued a Call-In Prehearing Conference Notice scheduling this matter for a Call-In Prehearing Conference on June 4, 2024 at 1:00 PM before Administrative Law Judge Conrad A. Johnson and Administrative Law Judge Charece Z. Collins.

On May 15, 2024, the Commission issued a Prehearing Conference Order directing parties to file a Prehearing Conference Memorandum.

**JOINT APPLICATION** Docket Nos. A-2024-3046084, A-2024-3046092

On February 2, 2024, Pennsylvania-American Water Company (“PAWC”) and Appalachian Utilities, Inc. filed a Joint Application pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service.

On February 7, 2024, the Commission issued a Secretarial Letter directing PAWC to serve copies of the application upon each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service area; and a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment and disposal service to the public and whose service area abuts the service area proposed in the application. PAWC was also directed to publish the enclosed notice once a week for two consecutive weeks in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before Monday, March 4, 2024.

On March 4, 2024, the OSBA filed a Notice of Appearance of Sharon E. Webb as well as its Notice of Intervention, Protest, Public Statement and Verification.

On March 4, 2024, the OCA filed its Protest and Public Statement.

Also on March 4, 2024, PAWC filed Proof of Publication.

On March 28, 2024, PAWC filed a Notice of Appearance of David P. Zambito and Jonathan P. Nase as Additional Counsel on behalf of PAWC.

On March 29, 2024, the OCA filed a Withdrawal of Appearance of Christine Maloni Hoover.

On May 10, 2024, the Commission issued a Call-In Prehearing Conference Notice scheduling this matter for a Call-In Prehearing Conference on June 4, 2024 at 1:00 PM before Administrative Law Judge Conrad A. Johnson and Administrative Law Judge Charece Z. Collins.

On May 15, 2024 the Commission issued a Prehearing Conference Order directing parties to file a Prehearing Conference Memorandum.

Appalachian Utilities, Inc., by and through its attorneys in this matter, Hawke McKeon & Sniscak LLP, hereby submits its Prehearing Conference Memorandum.

## **I. ACCEPTANCE OF SERVICE**

In accordance with the Commission's Prehearing Conference Order entered May 15, 2024, e-mail service is acceptable for Appalachian Utilities Inc. Counsel. Hard copy service is not required at this time. E-mail service of documents in this proceeding shall be accepted on behalf of Appalachian by the following:

Thomas J. Sniscak, Attorney I.D. No. 33891  
Todd S. Stewart, Attorney I.D. No. 75556  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
Telephone: (717) 236-1300  
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[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)

Should hard copy service become necessary as this proceeding progresses, hard copy service can be sent to the attorneys at the address listed above. For purposes of the prehearing conference, Tom Sniscak will be speaking on behalf of Appalachian.

## **II. SETTLEMENT**

There have been no settlement discussions to date, but Appalachian is willing to participate in settlement discussions with the other parties.

## **III. DISCOVERY**

Appalachian takes no position on modification of the discovery rules at this time but is willing to work with the parties on mutually agreeable modifications.

## **IV. SCHEDULE**

Appalachian is working with the other parties to develop a mutually satisfactory schedule for consideration by Your Honors at the Prehearing Conference.

## **V. WITNESSES**

Appalachian reserves the right to offer the Direct Testimony of Frank R. Sargent, Jr., President and present 100% owner of Appalachian.

Appalachian requests that copies of all interrogatories, answers to interrogatories, testimony and exhibits submitted be e-mailed directly to its counsel designated at pages 4 and 5 of this prehearing memorandum. Appalachian reserves the right to also present testimony and/or exhibits on any issue that may arise as a result of further review of the filing, discovery or testimony and/or exhibits of, or any position taken by, any other party to this proceeding. Appalachian reserves the right to adopt or join in any testimony of other witnesses, in whole or in part.

## **VI. ISSUES**

### **Appalachian Application:**

1. Whether the reasonable exercise of managerial discretion by the current President and 100% owner of Appalachian's stock to transfer prior to the merger (if approved) a non-controlling minority amount of 40% of Appalachian's stock to its longstanding Operations Manager, should be approved.

### **Joint Application:**

1. Whether the reasons and affirmative benefits that support the Merger yield a conclusion that the transfer of the franchise and service to customers to Pennsylvania-American Water Company from Appalachian is "necessary or proper for the service, accommodation, convenience, or safety of the public." 66 Pa.C.S. Section 1103.

## **VII. EVIDENCE**

Appalachian reserves the right to submit pre-filed direct testimony and associated exhibits addressing the issues identified in the preceding section. Appalachian may also present additional testimony and exhibits after discovery or in response to testimony or exhibits introduced by any party or witness in this proceeding.

WHEREFORE, Appalachian Utilities Inc. respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,



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Thomas J. Sniscak, Esq.  
Attorney I.D. No. 33891  
Todd S. Stewart, Esq.  
Attorney I.D. No. 75556  
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*Attorneys for Appalachian Utilities, Inc.*

Dated: May 31, 2024

**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).

**SERVICE BY EMAIL ONLY:**

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*Counsel for Pennsylvania-American Water  
Company*



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Thomas J. Sniscak, Esq.  
Todd S. Stewart, Esq.

Dated: May 31, 2024