



May 31, 2024

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VIA E-FILE

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

Re: 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

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.

If you have any questions regarding this filing, please direct them to me. Thank you for your attention to this matter.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito
Counsel for *Pennsylvania-American Water Company*

DPZ

Enclosures

cc: Honorable Administrative Law Judge Conrad A. Johnson
Honorable Administrative Law Judge Charece Z. Collins
Per Certificate of Service
Erin Fure, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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- : Docket Nos. A-2024-3046084
American Water Company, by merger, of all : A-2024-3046092
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 :

CERTIFICATE OF SERVICE

I hereby certify that I am this 31st day of May, 2024, serving the **Prehearing 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 E-mail

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Respectfully submitted,



David P. Zambito, Esq.
Counsel for *Pennsylvania-American Water Company*

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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 : Docket Nos. A-2024-3046084
Utilities, Inc. used and useful in the public : A-2024-3046092
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 :

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

AND NOW COMES Pennsylvania-American Water Company (“PAWC”), pursuant to 52 Pa. Code § 5.222(d) and in compliance with the Prehearing Conference Order issued by the Honorable Administrative Law Judges (“ALJs”) Conrad A. Johnson and Charece Z. Collins, on May 15, 2024, to file this Prehearing Conference Memorandum in the above-referenced matters. In support thereof, PAWC states as follows:

I. INTRODUCTION AND PROCEDURAL HISTORY

On September 22, 2023, American Water Works Company, Inc. (“American”), AUC Acquisition Company, LLC (“AUC”), Appalachian Utilities, Inc. (“Appalachian”), and Frank R.

Sargent, Jr., as sole shareholder of Appalachian, entered into an Agreement and Plan of Merger (“Merger Agreement”) by which American agreed to acquire Appalachian through the statutory merger of AUC with and into Appalachian (“AUC-Appalachian Merger”), with Appalachian as the surviving corporation. Promptly following the AUC-Appalachian Merger, Appalachian will be merged with and into PAWC, and PAWC will continue as the surviving corporation.

On February 2, 2024, PAWC and Appalachian filed a joint application (“Application”) at Docket Nos. A-2024-3046084 and A-2024-3046092 asking the Commission to approve the transfer, by merger, to American, and subsequently to PAWC, of all property and rights of Appalachian used or useful in the public service in accordance with the Merger Agreement under Section 1102(a) of the Public Utility Code, 66 Pa C.S. § 1102(a). In the Application, PAWC also requested the Commission to grant PAWC the right to offer or furnish water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania that are currently served by Appalachian.

On March 4, 2024, Sharon E. Webb, Esquire on behalf of the Office of Small Business Advocate (“OSBA”) filed a Protest, Notice of Appearance, Notice of Intervention, Public Statement and Verification in this proceeding.

On March 4, 2024, Melanie J. El Atieh, Esquire and Christine Maloni Hoover, Esquire on behalf of the Office of Consumer Advocate (“OCA”) filed a Protest and Public Statement in this proceeding.

On March 4, 2024, PAWC filed its Proof of Publication.

On March 28, 2024, David P. Zambito, Esquire and Jonathan P. Nase, Esquire entered their appearances as additional counsel for PAWC.

On March 29, 2024, a Withdrawal of Appearance of Christine Maloni Hoover, Esquire was filed.

On May 10, 2024, a Call-In Prehearing Conference Notice was issued scheduling a prehearing conference for June 4, 2024 before ALJs Johnson and Collins at 1:00 p.m.

On May 15, 2024, ALJs Johnson and Collins issued a Prehearing Conference Order.

II. COUNSEL

Counsel for PAWC are:

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III. SERVICE OF DOCUMENTS

PAWC's attorneys are authorized to accept service on behalf of PAWC in this proceeding. PAWC agrees to receive service of documents electronically in this proceeding and requests that all listed counsel for PAWC receive electronic service.

IV. ISSUES

PAWC submits that the transfer, by merger, of all of Appalachian's assets, properties, and rights related to its water system to American and subsequently to PAWC (the "Transactions") is necessary or proper for the service, accommodation, convenience, or safety of the public. PAWC submits that the Transactions each provide an affirmative public benefit of a substantial nature and that PAWC, as an existing public utility, is presumed to possess the legal, financial, and technical fitness to own and operate Appalachian's water system (the "System"). PAWC is the largest investor-owned water and wastewater service provider in the Commonwealth.

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:

Mr. Marcus Kohl

Mr. Kohl is a Director of Business Development for PAWC. His business address is 852 Wesley Drive, Mechanicsburg, PA 17011 and his business phone number is (717)-265-6902. Mr. Kohl will explain why the Transactions are in the public interest and provide testimony regarding the public benefits for the Transactions. Furthermore, Mr. Kohl will describe why the Application should be promptly approved by the Commission and explain why PAWC is legally, financially, and technically fit to acquire and operate the System.

Ms. Ashley Everette

Ms. Everette is the Senior Director of Rates and Regulatory for American Water Works Service Company. Her business address is 852 Wesley Drive, Mechanicsburg, PA 17055 and her phone number is (717)-550-1536. Ms. Everette will discuss PAWC's financial fitness to acquire

and operate the System, discuss ratemaking rate base, and estimated transaction and closing costs of PAWC.

Mr. Michael Guntrum

Mr. Guntrum is a Senior Project Engineer for PAWC. His business address is 852 Wesley Drive, Mechanicsburg, PA 17011 and his phone number is (717)-531-3328. Mr. Guntrum will describe the System and explain how it will integrate into PAWC’s existing operations. He will also describe PAWC’s technical fitness to run the System and the benefits of the Transactions.

VI. LITIGATION SCHEDULE

PAWC proposes the following litigation schedule:

<u>Description</u>	<u>Date</u>
Prehearing conference	June 4, 2024
Joint Applicants’ Direct	July 2, 2024
Other parties’ Direct	July 30, 2024
Rebuttal	August 13, 2024
Surrebuttal	August 27, 2024
Written Rejoinder	September 6, 2024
Hearings	September 10, 2024
Main Briefs	September 24, 2024
Reply Briefs	October 3, 2024

PAWC is continuing to discuss the schedule with the other parties and hopes to reach a consensus by the Prehearing Conference.

VII. DISCOVERY RULES

This case does not have a statutory deadline. Consequently, PAWC does not believe there is a need for any modification of the Commission's discovery rules.

VIII. SETTLEMENT

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

Respectfully submitted,



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Counsel for *Pennsylvania-American Water Company*

Dated: May 31, 2024