



COMMONWEALTH OF PENNSYLVANIA

May 31, 2024

**E-FILED**

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

**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**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-captioned proceedings.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Sharon E. Webb*

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

*Enclosures*

cc: Kevin Higgins / Parties of Record



(“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to these proceedings. Representing the OSBA in this matter is Assistant Small Business Advocates Sharon E. Webb. Please address all correspondence as follows:

Sharon E. Webb, Esq.  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, Pennsylvania 17101  
(717) 783-2525  
(717) 783-2831 (fax)  
[swebb@pa.gov](mailto:swebb@pa.gov)

## **II. FILING BACKGROUND**

On February 2, 2024, the Pennsylvania-American Water Company. (“PAWC” or “Company”) filed an Application respect to the proposed (1) transfer by merger of all of the property, of Appalachian Utilities, Inc. (“Appalachian”) used and useful in the public service; (2) 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 (3) the abandonment by Appalachian Utilities, Inc. of all water service. The Application was published in the February 17, 2024, Volume of the Pennsylvania Bulletin setting the date for filing protests and interventions for March 4, 2024. The OSBA filed a Formal Protest and Notice of Intervention on March 1, 2024.

Also on February 2, 2024, Appalachian Utilities, Inc. (“Appalachian” or the “Company”) filed for a Certificate of Public Convenience evidencing the Commission’s approval of the transfer by sale of title to 40% which is a minority of the issued and outstanding stock of Appalachian, a

public utility providing water service in Pennsylvania, from present 100% majority stockholder Mr. Frank R. Sargent, Jr., President, Director and current Sole Shareholder of Appalachian Utilities, Inc. (“Seller”), to Mr. Kyle Gallagher, Co-Director, and Operations Manager of Appalachian Utilities (“Buyer”). The Application was published in the February 17, 2024, Volume of the Pennsylvania Bulletin setting the date for filing protests and interventions for March 4, 2024. The OSBA filed a Notice of Intervention on March 1, 2024.

Administrative Law Judges (“ALJ”) Conrad Johnson and Charece Z. Collins were assigned to these proceedings and issued a Prehearing Conference Order on May 15, 2024, informing the parties that the initial Prehearing Conference on this case will be held on June 4, 2024. The OSBA submits this prehearing memorandum in accordance with that order.

### **III. WITNESS**

Assisting in the development and presentation of OSBA’s position in these proceedings will be:

Mr. Kevin C. Higgins  
Principal, Energy Strategies  
111 East Broadway, Suite 1200  
Salt Lake City, Utah 84111  
(801) 355-4365  
(801) 521-9142 – Fax  
[khiggins@energystrat.com](mailto:khiggins@energystrat.com)

The OSBA requests that all parties provide courtesy copies of all documents, including discovery, testimony, and briefs, upon Mr. Higgins, simultaneously with service upon the OSBA.

### **IV. IDENTIFICATION OF ISSUES**

The OSBA is participating in this case to ensure that the interests of small business customers of the Joint Applicants small business customers are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Joint Applicants, primarily through discovery, cross-examination of witnesses appearing for those parties, filing of testimony, and briefing of the issues that arise in this these proceedings.

The OSBA reserves the right to pursue additional issues as they may arise throughout the course of these proceedings.

**IV. SERVICE OF DOCUMENTS**

The OSBA agrees to accept electronic mail delivery of documents on the due date as satisfying the in-hand requirement. The OSBA requests that electronic service also provided to its witness identified above.

In addition to copies of pleadings, briefs, and exceptions, the OSBA requests copies of responses to discovery propounded by the OSBA or any other party. The OSBA also requests that all parties serve electronic copies of all interrogatory responses upon the OSBA and the OSBA witness identified above.

**V. DISCOVERY**

The OSBA will work with the Presiding Officer and the other parties to develop any mutually acceptable discovery modifications.

**VI. SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this these proceedings.

**VII. PROCEDURAL SCHEDULE**

The OSBA will work with the Presiding Officer and the other parties to develop a mutually acceptable procedural schedule.

Respectfully submitted,

*/s/ Sharon E. Webb*

---

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID # 73995

Commonwealth of Pennsylvania  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
(717) 783-2525  
(717) 783-2831 (fax)

Dated: May 31, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Application of Appalachian Utilities, Inc. for a** :  
**Certificate of Public Convenience Evidencing the** :  
**Evidencing the Pennsylvania Public Utility** : **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** : **A-2024-3046084**  
**Pennsylvania-American Water Company,** : **A-2024-3046092**  
**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.** :

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Conrad A. Johnson  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Piatt Place, Suite 220  
201 Fifth Avenue  
Pittsburgh, PA 15222  
[cojohnson@pa.gov](mailto:cojohnson@pa.gov)

Melanie J. El Atieh, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101  
[MElatieh@paoca.org](mailto:MElatieh@paoca.org)

Allison Kaster, Esquire  
Director  
Bureau of Investigation & Enforcement  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[akaster@pa.gov](mailto:akaster@pa.gov)

Sean Donnelly  
Bureau of Technical Utility Services  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[sdonnelly@pa.gov](mailto:sdonnelly@pa.gov)

The Honorable Charece Z. Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[charcollin@pa.gov](mailto:charcollin@pa.gov)

Erin K. Fure, Esquire  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
[erin.fure@amwater.com](mailto:erin.fure@amwater.com)

Thomas J. Sniscak, Esquire  
Todd S. Stewart, Esquire  
Hawke McKeon & Sniscak, LLP  
100 North 10th Street  
Harrisburg, PA 17101  
[tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)

David P. Zambito, Esquire  
Jonathan P. Nase, Esquire  
Cozen O'Connor  
17 North Second Street, Suite 1410  
Harrisburg, PA 17101  
[dzambito@cozen.com](mailto:dzambito@cozen.com)  
[jnase@cozen.com](mailto:jnase@cozen.com)

DATE: May 31, 2024

/s/ Sharon E. Webb  
Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995