



COMMONWEALTH OF PENNSYLVANIA

June 27, 2024

**E-FILED**

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

**Re: Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. and Aqua  
Pennsylvania Wastewater, Inc. / Docket Nos. R-2024-3047822 & R-2024-3047824**

Dear Secretary Chiavetta:

Enclosed 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/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Brian Kalcic  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	<b>Docket Nos. R-2024-3047822</b>
v.	:	<b>R-2024-3047824</b>
	:	
<b>Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.</b>	:	
	:	
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**PREHEARING MEMORANDUM  
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

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**I. INTRODUCTION**

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“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 this proceeding. Representing the OSBA in this matter are Assistant Small Business Advocates Steven C. Gray and Rebecca Lyttle. Please address all correspondence as follows:

Steven C. Gray, Esq.  
Senior Attorney  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
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## **II. FILING BACKGROUND**

On May 23, 2024, Aqua Pennsylvania, Inc., and Aqua Pennsylvania Wastewater, Inc. (collectively “Aqua PA” or the “Company”) filed Tariff Water-Pa. P.U.C. No. 4 and Original Tariff Sewer-Pa. P.U.C. No. 4 (collectively, the “Tariffs”). The Tariffs, if approved by the Commission, would increase Aqua PA’s total annual operating revenues by \$126.7 million.

The OSBA filed a Complaint in this matter on May 31, 2024.

## **III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES**

At the time of this writing, the OSBA is working to hire an expert witness for this proceeding.

The OSBA will participate in the case to assure that the interests of small business customers of Aqua PA are represented and protected.

After an initial review of the materials submitted by the Company, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the methodology used in Aqua PA’s water cost-of-service studies is appropriate;
2. Whether Aqua PA’s proposed class revenue allocation for water service is cost based;
3. Whether Aqua PA’s proposed general metered service rate design is cost based;
4. Whether the Company’s proposal to recover \$21.9 million of its claimed wastewater revenue requirement from water service customers is reasonable and appropriate;
5. Whether the Company’s proposed allocation of its Act 11 revenue requirement to water service classes is appropriate;
6. Whether the Company’s proposal to recover \$1.5 million of its claimed Shenandoah

water revenue requirement from non-Shenandoah water service customers is appropriate;

7. Whether the Company's proposed allocation of a portion of its claimed Shenandoah revenue requirement across non-Shenandoah water service classes is appropriate;

8. Whether the methodology used in Aqua PA's wastewater cost-of-service studies is appropriate;

9. Whether the Company's proposed class revenue allocation for wastewater service and associated rate design is cost based;

10. Whether Aqua PA's overall claimed water service revenue requirement of \$688.4 million is reasonable and appropriate;

11. Whether the Company's overall claimed wastewater service revenue requirement of \$109.3 million is reasonable and appropriate; and

12. Whether the Company's proposed return on common equity of 10.95% is reasonable and appropriate.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

#### **IV. SERVICE OF DOCUMENTS**

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date<sup>a</sup> as satisfying the in-hand requirement. At the time of this writing, hard copy delivery of documents to the OSBA is not possible. The OSBA requests that email delivery of documents also be provided to its expert witnesses.

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<sup>a</sup> In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

**V. SETTLEMENT**

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

**VI. HEARING AND BRIEFING SCHEDULE**

At the time of this writing, the parties are working to develop a proposed procedural schedule. Given the extensive number of cases scheduled for the remainder of 2024, the OSBA requests that any Hearings take place telephonically.

Respectfully submitted,

*/s/ Steven C. Gray* \_\_\_\_\_

Steven C. Gray

Senior Attorney

Assistant Small Business Advocate

Attorney ID No. 77538

Commonwealth of Pennsylvania  
Office of Small Business Advocate  
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(717) 783-2525

Dated: June 27, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	<b>Docket Nos. R-2024-3047822</b>
<b>v.</b>	:	<b>C-2024-3049339</b>
	:	<b>R-2024-3047824</b>
<b>Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.</b>	:	<b>C-2024-3049340</b>
	:	
	:	

**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 Gail Chiodo  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
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The Honorable Alphonso Arnold III  
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DATE: June 27, 2024

*/s/ Steven C. Gray* \_\_\_\_\_  
Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
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