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June 27, 2024

Via Electronic Filing

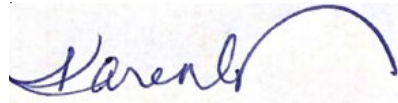
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: PA Public Utility Commission v. Aqua Pennsylvania, Inc.
Docket Nos. R-2024-3047822 and R-2024-3047824

Dear Secretary Chiavetta:

Enclosed for electronic filing please find New Wilmington Municipal Authority's ("NWMA") Prehearing Memorandum with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Karen O. Moury

KOM/lww

Enclosure

cc: Hon. Gail M. Chiodo w/enc.
Hon. Alphonso Arnold III w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a true and correct copy of New Wilmington Municipal Authority's Prehearing Memorandum upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54.

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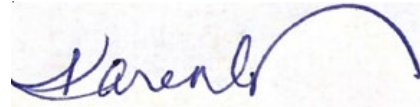
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Karen O Moury, Esquire

Date: June 27, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2024-3047822
	:	R-2024-3047824
Aqua Pennsylvania, Inc.	:	

**PREHEARING MEMORANDUM
OF NEW WILMINGTON MUNICIPAL AUTHORITY**

Pursuant to 52 Pa. Code §§ 5.72-5.75, the Prehearing Conference Order dated June 18, 2024, and subject to the granting of its Petition to Intervene filed on June 27, 2024, the New Wilmington Municipal Authority (“NWMA”) submits this Prehearing Memorandum.

I. BACKGROUND

On May 23, 2024, Aqua filed Tariff Water–PA P.U.C. No. 4 (“Tariff Water - No. 4”) with the Commission to become effective July 22, 2024. Tariff No. 4 would increase Aqua’s total annual operating revenues for water service by approximately \$112 million, or 18.7%. On May 23, 2024, Aqua, Utility Code 230240, filed Tariff Sewer–PA P.U.C. No. 4 (“Tariff Sewer - No. 4”) with the Commission to become effective July 22, 2024. Tariff No. 4 would increase Aqua’s total annual operating revenues for wastewater service by approximately \$14.6 million, or 20.1%. By Orders entered on June 13, 2024, the Commission suspended the rate increases proposed by Tariff Water – No. 4 and Tariff Sewer – No. 4 for further investigation until February 22, 2025, unless permitted by Commission Order to become effective at an earlier date. A telephonic prehearing conference is scheduled for July 1, 2024 before Administrative Law Judge Gail M. Chiodo and Administrative Law Judge Alphonso Arnold III.

NWMA is a municipal authority that, inter alia, delivers water to residents and businesses of the Borough of New Wilmington (“Borough”) through its distribution system. The Borough of New Wilmington has a population of approximately 2,000 and the NWMA’s customer base includes large water users such as Westminster College, Wilmington Area School District and two long-term nursing facilities, Shenango On the Green and The Grove at New Wilmington. From 2008 through May 2022, NWMA purchased the water that it delivers to residents and businesses of the Borough from Aqua under a 30-year contract, which involved a negotiated rate pursuant to Aqua’s Demand Based Resale (“DSR”) Service Rider.

On August 20, 2021, Aqua filed a base rate case with the Commission seeking an increase in its total annual operating revenues for water service by approximately 16.9%.¹ In that filing, Aqua did not propose any changes to the DRS Rider or to NWMA’s negotiated rates. However, during the proceeding, the Bureau of Investigation and Enforcement (“I&E”) advanced a proposal to move NWMA from negotiated rates to full tariff rates. The Recommended Decision issued by the Office of Administrative Law Judge recommended adoption of the I&E proposal. By Order entered on May 16, 2022, the Commission likewise adopted this recommendation. The rationale offered for the removal of NWMA from negotiated rates was the lack of evidence regarding viable competitive alternatives.

Since that time, NWMA has explored competitive alternatives and engaged in further negotiations with Aqua. The result of those efforts is that NWMA and Aqua have agreed upon new contract rates, which have been approved by the Commission. The purpose of NWMA seeking to intervene is to take steps that may be necessary to preserve this negotiated rate.

¹ *Pa. Public Utility Commission v. Aqua Pennsylvania, Inc.*, Docket No. R-2021-3027385 (Order entered May 16, 2022).

II. ISSUES

To the extent that questions are raised or challenges are made to the continuation of NWMA's new negotiated rate with Aqua, NWMA is prepared to provide information on a confidential basis regarding the Authority's exploration of competitive alternatives and the results of those efforts. Similarly, NWMA will furnish support, as necessary, for the new negotiated rate to which Aqua has agreed. In this role, NWMA will be primarily monitoring the proceeding, with the need to become more active only in the event that its new negotiated rate is challenged. However, NWMA is continuing to evaluate the Company's proposals and the forthcoming positions of other parties in relation to their interests and will determine to what extent, if necessary, it identifies issues necessary to bring to the Commission's attention. As such, NWMA reserves the right to raise other issues identified through its continued review and analysis in this case.

III. PROCEDURAL SCHEDULE

NWMA will cooperate with the parties and presiding officers to develop a reasonable procedural schedule.

IV. HEARINGS

At this time, NWMA defers to Aqua and the other parties regarding the amount of time that is needed for hearings.

V. WITNESSES

NWMA has not identified a witness for this proceeding. However, NWMA reserves its right to add a witness or witnesses at any time, upon appropriate notice to the ALJ and the parties.

VI. POSSIBILITY OF SETTLEMENT

NWMA is willing to participate in settlement discussions with the parties to narrow the issues in this matter.

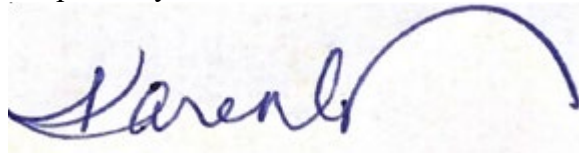
VII. SERVICE OF DOCUMENTS

NWMA's attorneys in this matter are:

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NWMA prefers that documents be served electronically to the above email addresses and agrees to receive service of documents electronically in this proceeding. To the extent that materials are not available electronically, NWMA requests that only one hard copy of documents, if any, be served upon Carl Shultz at the above mailing address.

Respectfully submitted,



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Dated: June 27, 2024

Attorneys for New Wilmington Municipal Authority