



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

October 28, 2024

Via Electronic Filing

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

Re: Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company
Docket No. P-2024-3051313
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's
Prehearing Memorandum in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you
have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Carrie B. Wright'.

Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
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CBW/ac
Enclosures

cc: Administrative Law Judge John M. Coogan (via email – jcoogan@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
the Acquisition of Rock Spring Water :
Company :

**PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO: ADMINISTRATIVE LAW JUDGE JOHN COOGAN:

The Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (Commission) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement Prosecutor in these proceedings will be Carrie B. Wright. Contact information is as follows:

By mail: Carrie B. Wright
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

By e-mail: carwright@pa.gov

By telephone: (717) 783-6156

I. INTRODUCTION

On September 20, 2024, I&E filed a Petition requesting the Commission to institute a Section 529 proceeding to determine whether it would be appropriate for another capable utility to take ownership of the Rock Spring Water Company (Rock Spring or Company). Rock Spring serves approximately 1,000 people with 494 connections. Rock Spring has a history of high lost and unaccounted for water (UFW) levels and a history of violations before the Pennsylvania Department of Environmental Protection (DEP). Because of this history I&E determined it would be appropriate to file a Petition to consider whether Rock Spring's continued operation under its current owner is in the public interest. The reasons are set forth in I&E's September 20, 2024, Petition

On October 15, 2024, a Prehearing Conference Order was issued. A Prehearing Conference is scheduled for October 30, 2024, at 10:00 am with Administrative Law Judge John Coogan (the ALJ) presiding. In response to ALJ Coogan's Prehearing Order, I&E now files this prehearing memo.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise.

The issues are as follows:

- Should the Commission order a capable public utility to acquire Rock Spring Water Company?
- Are the six elements of 66 Pa. C.S. Section 529 met?
- Is Pennsylvania American Water Company, Aqua Pennsylvania Water Company, or another utility a capable public utility for purposes of 66 Pa. C.S. Section 529?

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Ethan Cline, Fixed Utility Valuation Engineer
- Christopher Keller, Fixed Utility Financial Analyst

The I&E witnesses may be contacted through the information listed above for Prosecutor Wright. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above and will notify the parties in the event of a change to this witness list.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. DISCOVERY

Discovery in this proceeding is being conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party.

VI. SCHEDULE

I&E tentatively proposes the following schedule which has not been reviewed or approved by the other parties, but is open to modification:

I&E Direct Testimony – January 23, 2025

Other Parties Direct Testimony – February 20, 2025

Rebuttal Testimony – March 20, 2025

Surrebuttal Testimony – April 17, 2025

Hearings – April 29 – 30, 2025 telephonic

Main Brief – May 20, 2025

Reply Brief – June 5, 2025

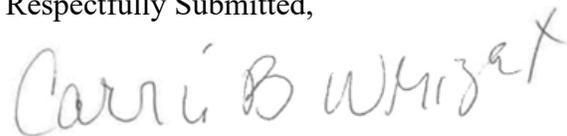
VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept, and prefers, electronic delivery of documents without the need to follow-up with a hard copy.

VIII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Carrie B. Wright
Deputy Chief Prosecutor
PA Attorney ID No. 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
(717) 783-6156

Dated: October 28, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
the Acquisition of Rock Spring Water :
Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated
October 28, 2024, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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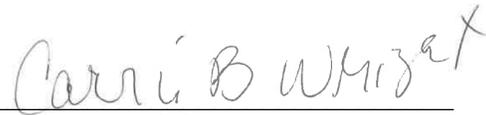
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