

COMMONWEALTH OF PENNSYLVANIA



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November 12, 2024

**Via Electronic Filing**

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

Re: I&E Petition to Request the Commission  
Open a Section 529 Investigation into the  
Acquisition of Conneaut Lake Park Water  
Corporation, Inc.  
Docket Nos. P-2024-3051855  
I-2024-3051857

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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Enclosures:

cc: The Honorable Arlene Ashton (**email only**: aashton@pa.gov)  
The Honorable Eranda Vero (**email only**: evero@pa.gov)  
Certificate of Service

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement :  
 : Docket Nos. P-2024-3051855  
 v. : I-2024-3051857  
 :  
Conneaut Lake Park Water Corporation, Inc. :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Answer, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 12th day of November, 2024.

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Dated: November 12, 2024

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Patrick M. Cicero  
Consumer Advocate

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, Bureau	:		
of Investigation and Enforcement	:		
	:	Docket Nos.	P-2024-3051855
v.	:		I-2024-3051857
	:		
Conneaut Lake Park Water Corporation, Inc.	:		

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ANSWER OF THE  
OFFICE OF CONSUMER ADVOCATE  
IN SUPPORT OF PETITION

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The Office of Consumer Advocate (OCA) hereby submits this Answer, pursuant to Sections 5.1 and 5.61 of Commission Regulations, 52 Pa. Code §§ 5.1, 5.61, in support of the Pennsylvania Public Utility Commission’s (Commission’s) Bureau of Investigation and Enforcement’s (I&E’s) captioned Petition To Request the Commission Open a Section 529 Investigation into the Acquisition of Conneaut Lake Park Water Corporation, Inc. (CLPWC) (Petition).

**I. ANSWER**

The OCA supports I&E’s Petition asking the Commission to initiate a Section 529 Investigation into whether the Commission should order a capable public utility to acquire CLPWC. A Section 529 investigation is necessary to ensure that CLPWC’s customers receive quality water service in accordance with Commission regulations and the Public Utility Code.

As background, on October 28, 2024, I&E filed the captioned Petition, pursuant the terms of the rate case settlement between CLPWC and petitioners for settlement, including the OCA, I&E, Office of Small Business Advocate (OSBA), a class of approximately 67 individual

consumers represented by Rhonda Jaquay (Conneaut Lake Objectors), and James Tolbert (Mr. Tolbert). Petition ¶¶ 34-35. The Commission adopted the rate case settlement on August 1, 2024, *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, R-2023-3041575 (Order entered Aug. 1, 2024), (*CLPWC Order*).

CLPWC provides water service to approximately 165 customers. Petition ¶ 13. Three of the Company's customers are commercial, while the remaining 162 customers are residential. *Id.* CLPWC's assets were acquired by Keldon Holdings, LLC, (Keldon) through a sales agreement in Bankruptcy Court. Petition ¶ 17. The Bankruptcy Court for the Western District of Pennsylvania approved the sale on March 2, 2021. *Id.* CLPWC's assets were part of a larger property known as Conneaut Lake Park amusement park. Petition ¶ 14. After the sale to Keldon was approved, the water utility's assets were transferred to CLPWC with approval from the Commission. Petition ¶¶ 17, 19. Todd Joseph owns Keldon. Petition ¶ 16. Mr. Joseph is the registered owner and operator for CLPWC. Petition ¶ 6.

On August 31, 2023, the newly reconstituted CLPWC filed proposed Supplement No. 1 to its Water Service Tariff – Pa. P.U.C. No. 1 (Supplement No. 1) with the Commission requesting to increase rates by \$257,797, effective October 31, 2023. Petition ¶ 21. The Company's proposed increase in rates represented a 970.8% increase in the Company's annual revenues. *Id.* CLPWC simultaneously filed a Petition with the Commission seeking approval for a metering exception. Petition ¶ 22. Both the rate filing and meter exemption filing were consolidated on October 26, 2023. Petition ¶ 27.

Parties to CLPWC's base rate case include I&E, the OCA, OSBA, and the Conneaut Lake Objectors. Petition ¶ 23. The OCA filed a Formal Complaint and Public Statement opposing the Company's rate increase request. On September 19, 2023, the I&E filed a Notice of appearance in

the base rate case. *Id.* On September 20, 2023, the OSBA filed a Notice of Appearance in these matters. *Id.*

Conneaut Lake Objectors filed a Complaint against CLPWC on October 13, 2023. Petition ¶ 24. Following the filing of the Complaint in opposition to the rate filing, Mr. Joseph sent threatening text messages in retaliation, telling several of the Conneaut Lake Objectors he could shut off their water service. Petition ¶ 23. The Commission issued a Suspension Order on October 19, 2023, pausing the implementation of the proposed rates until May 31, 2024, and opened an investigation into the into the lawfulness, justness, and reasonableness of CLPWC’s proposed rate increase. Petition ¶ 26.

I&E’s Petition correctly states that CLPWC was in violation of numerous Commission Regulations and provisions of the Public Utility Code. Petition ¶ 28. Violations include:

- A. CLPWC does not maintain a customer complaint log in accordance with 52 Pa. Code § 65.3 regarding complaints.
- B. CLPWC does not investigate billing or water quality disputes in accordance with 52 Pa. Code § 56.151(2) regarding dispute investigations.
- C. CLPWC’s residential customers are not metered in accordance with 52 Pa. Code § 65.7.27
- D. CLPWC’s commercial customers are metered but CLPWC does not test or maintain these meters in accordance with 52 Pa. Code § 65.8 regarding meters.
- E. CLPWC does not segregate its revenues, expenses, and property from non-utility businesses in accordance with 66 Pa. C.S. § 1311(c) regarding segregation of property.
- F. CLPWC does not maintain a system of accounts in accordance with 66 Pa. C.S. § 1701 and 52 Pa. Code § 65.16 regarding system of accounts.
- G. CLPWC does not follow termination procedures in accordance with 52 Pa. Code §§ 56.81-56.131 regarding termination of service and 52 Pa. Code §§ 56.140-56.181 regarding disputes, termination disputes, and informal and formal complaints.

- H. CLPWC does not maintain written or recorded disputes and complaints regarding service terminations and reconnections in accordance with 52 Pa. Code § 56.202 regarding record maintenance.

*Id.* (citations omitted).

All parties agreed to participate in mediation on October 26, 2023, during a Prehearing Conference. Petition ¶ 27. All parties, including CLPWC, agreed that it is in the public interest for the Commission to initiate a Section 529 proceeding to determine whether a capable public utility should acquire CLPWC. Petition ¶ 37. I&E determined there are several potential entities in proximity to CLPWC who could own and operate the utility. Petition ¶ 38. The entities identified by I&E include: Aqua Pennsylvania, Inc.; Municipal Authority of Conneaut Lake; Conneaut Lake Joint Municipal Authority; Meadville Area Water Authority; Vernon Township Water Authority; Jamestown Municipal Water and Sewer Authority; Greenville Water Authority; Reynolds Water Company; Linesville Municipal Water Authority; and Saegertown Water Department. *Id.* All potential entities named in this paragraph have been issued a copy of I&E's petition asking the Commission to initiate a Section 529 Investigation. *Id.*

During the course of the rate case proceeding, the OCA agreed with the parties that a Section 529 investigation should be initiated due to quality of service and regulatory compliance issues. Therefore, the OCA supports I&E's Petition asking the Commission to initiate a Section 529 Investigation. A Section 529 investigation is necessary to ensure that CLPWC's customers receive quality water service in accordance with Commission regulations and the Public Utility Code.

## **II. CONCLUSION**

For the reasons set forth above, the Office of Consumer Advocate supports the Bureau of Investigation and Enforcement's Petition for a Commission order to open a Section 529

investigation into whether the Commission should order a capable public utility to acquire Conneaut Lake Park Water Corporation, Inc., pursuant to 66 Pa. C.S. Section 529.

Respectfully Submitted,

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Dated: November 12, 2024

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

The Pennsylvania Public Utility	:	
Commission's Bureau of Investigation	:	Docket No. P-2024-3051855
and Enforcement Petition to Request the	:	I-2024-3051857
Commission Open a Section 529	:	
Investigation Into the Acquisition of	:	
Conneaut Lake Park Corporation, Inc.	:	

VERIFICATION

I, Patrick Cicero, hereby state that the facts above set forth in my Answer, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: November 12, 2024

Signature:



\_\_\_\_\_  
Patrick Cicero

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