

COMMONWEALTH OF PENNSYLVANIA



DARRYL A. LAWRENCE
Interim Acting Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

February 18, 2025

Via Electronic Filing (E-Filing)

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

Re: Joint Application of PAWC and Corner Water for approval of the transfer, by sale, of all assets, property, and rights of Corner Water owned and used in connection with its water system to PAWC in portions of Elk and Paint Townships, Clarion County;
Docket Nos. A-2025-3052745; A-2025-3052747

Dear Secretary Chiavetta:

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

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

Respectfully submitted,

/s/ Melanie Joy El Atieh
Melanie Joy El Atieh
Deputy Consumer Advocate
PA Attorney I.D. No. 209323
melatieh@paoca.org

Enclosures:

cc: Administrative Law Judge Emily DeVoe (via E-Mail: edevoe@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Joint Application of PAWC and Corner Water for approval of the transfer, by sale, of all assets, property, and rights of Corner Water owned and used in connection with its water system (System) to PAWC in portions of Elk and Paint Townships, Clarion County. :
: Docket No. A-2025-3052745
: A-2025-3052747
:

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Prehearing Memorandum, 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 18th day of February 2025.

SERVICE BY E-MAIL ONLY

Erin K. Fure, Esq.
852 Wesley Drive
Mechanicsburg, PA 17055
Erin.fure@amwater.com
Counsel for PAWC

Eric. E. Cummings, Esq.
The Cummings Law Firm, LLC
207 East Market Street
Clearfield, PA 16830
eecummings@clfdlaw.com
Counsel for Corner Water Supply

Rebecca Lyttle, Esq.
Steven C. Gray, Esq,
Commonwealth of Pennsylvania
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
relyttle@pa.gov
sgray@pa.gov
Counsel for OSBA

Allison Kaster, Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
400 North Street, 2nd Floor West
Harrisburg, PA 17120
akaster@pa.gov
Counsel for I&E

/s/ Melanie Joy El Atieh
Melanie Joy El Atieh
Deputy Consumer Advocate
PA Attorney I.D. # 209323
melatieh@paoca.org

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: 717-783-5048
Fax: 717-783-7152

Dated: February 18, 2025

Ryan Morden
Assistant Consumer Advocate
PA Attorney I.D. # 335679
rmorden@paoca.org

Counsel for:
Darryl Lawrence
Interim Acting Consumer Advocate

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of Pennsylvania American :
Water Company and Corner Water Supply : Docket Nos: A-2025-3052745
and Service Corporation Pursuant to Section : A-2025-3052747
1102 of the Public Utility Code, for :
approval of (1) the transfer to Pennsylvania :
American Water Company, by sale, of all :
property of Corner Water Supply and :
Service Corporation 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 portions of Elk and Paint :
Townships in Clarion County, :
Pennsylvania, and (3) the abandonment by :
Corner Water Supply and Service :
Corporation of all water service :

PREHEARING MEMORANDUM OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to the Honorable Administrative Law Judge (ALJ) Emily DeVoe’s direction provide by electronic mail correspondence on February 12, 2025, and pursuant to Section 333 of the Public Utility Code (Code), 66 Pa. C.S. Section 333, the Commission’s regulations at 52 Pa. Code Sections 5.221-5.224, the Pennsylvania Office of Consumer Advocate (OCA) submits the following Prehearing Conference Memorandum before the Office of Administrative Law Judge (OALJ) of the Pennsylvania Public Utility Commission (Commission).

I. INTRODUCTION AND PROCEDURAL HISTORY

On December 31, 2024, Pennsylvania American Water Company (PAWC) and Corner Water Supply and Service Corporation (Corner Water) (collectively, the Joint Applicants) filed an

application with the Commission to request approval pursuant to Sections 1101, 1102, and 1103 of the Public Utility Code. Specifically, the Joint Applicants are requesting: (1) the transfer, by sale, of all assets, property, and rights of Corner Water owned and used in connection with its water system to PAWC, (2) the right of PAWC to begin to offer, render, furnish and supply water service to the public in portions of Elk and Paint Townships, Clarion County, Pennsylvania, currently served by Corner, and (3) the abandonment by Corner of all water service to the public.

Corner Water serves approximately 605 customers, of which 355 are residential, 83 are commercial, 5 are industrial, 2 are public fire service, and 160 customers categorized as “other” (customers in two Mobile Home Park Communities). PAWC provides water service to approximately 686,789 customers throughout the Commonwealth.

By Secretarial Letter dated January 2, 2025, the Commission directed PAWC to serve copies of the application to each city, borough, town, township, county and related planning office, which is included, in whole or in part, in the proposed service area; a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment, and disposal service to the public and whose service area abuts or is within 1 mile of the service area proposed in the application; and to the OCA, Office of Small Business Advocate (OSBA), and the Department of Environmental Protection’s central and regional offices. The Secretarial Letter also directed PAWC to publish notice of the above captioned proceeding once a week for two consecutive weeks in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before February 3, 2025. On February 3, 2025, PAWC submitted proof showing publication of the above captioned proceeding in the Clarion News for two consecutive weeks.

The Joint Application was published in the *Pennsylvania Bulletin* on January 18, 2025, and the Commission set a 16-day deadline from the publication of the notice, or by February 3, 2025. 55 Pa.B. 650.

On January 17, 2025, the OSBA filed a Notice of Appearance. On January 28, 2025, OSBA filed a Protest, Public Statement, and Notice of Intervention. On January 29, 2025, OSBA filed an Amended Protest, Amended Public Statement, and Amended Notice of Intervention.

On February 12, 2025, ALJ DeVoe sent electronic mail correspondence to counsel for the Joint Applicants, OSBA, and the OCA, directing the parties to submit prehearing conference memoranda on or before 12:00 P.M. on February 18, 2025.

On February 13, 2025, the OALJ issued a Notice setting the date and time for the prehearing conference in this matter for February 19, 2025, at 11:00 A.M.

On Friday February 14, 2025, the OCA filed a Notice of Intervention and separately filed a Protest Nunc Pro Tunc and Public Statement.

II. ISSUES

The OCA is participating in this proceeding to ensure the interests of Corner Water's and PAWC's customers are protected. Additional information is required to determine if approval of the Joint Application is necessary for the accommodation or convenience of the public.

The Joint Applicants must show that the proposed transaction will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way. 66 Pa. C.S. §§ 1102(a)(3), 1103(a); *City of York v. Pa. PUC*, 295 A.2d 825, 828 (Pa. 1972). In addition, the Joint Applicants must show that the transaction is in accordance with the Public Utility Code and applicable Commission rules and regulations. 66 Pa. C.S. §§ 1102, 1301, 1501. Based upon a preliminary analysis of the Application, the OCA has compiled a list of issues which it anticipates will be included in its investigation:

1. Whether and how the transaction will affirmatively benefit the existing and future customers impacted by the transaction.
2. Whether and how the transaction will affirmatively promote the public interest.
3. Whether the proposed purchase price and anticipated impact on rate base and customer rates is reasonable.
4. Whether the purchase costs of the Corner Water system are recovered through the rates that PAWC proposes to adopt at closing, how PAWC plans to recover those costs in its future rates, and what amount have those costs been in recent years.
5. Whether the level of PAWC's tentative five-year plan of making a \$4.3 million investment in Corner Water's system is reasonable and adequate, and how PAWC plans to recover those costs in its future rates.
6. Whether any conditions should be imposed upon the proposed transaction.

The OCA reserves the right to raise additional issues as the case proceeds and further information is obtained from Corner Water and PAWC.

III. DISCOVERY

The OCA does not request any discovery rule modifications at this time.

IV. WITNESSES

The OCA is in the process of securing consultants for this matter. The OCA will promptly advise the ALJ and parties when its witnesses and their area of testimony is determined. The OCA specifically reserves the right to call additional witnesses, as necessary. If the OCA determines that additional witnesses will be necessary for any portion of its case, it will notify all parties of record promptly.

V. PROPOSED SCHEDULE

The OCA will work with the ALJ and the parties to develop a procedural schedule.

VI. PUBLIC INPUT HEARING

At this time, the OCA is not requesting a Public Input Hearing. However, the OCA reserves the right to make such request if the OCA determines that one is necessary.

VII. SERVICE ON THE OCA

The OCA will be represented in this case by the attorneys listed below at the contact information shown in the signature line of this memorandum. below:

Ryan Morden, Assistant Consumer Advocate
Melanie Joy El Atieh, Deputy Consumer Advocate

Ms. El Atieh will serve as the lead attorney for speaking purposes at the Prehearing Conference. The OCA will accept email service without provision of a hard copy.

VIII. SETTLEMENT

The OCA will participate in settlement discussions in this matter at the appropriate time.

Respectfully Submitted,

/s/ Ryan Morden
Ryan Morden
Assistant Consumer Advocate
PA Attorney I.D. # 335679
rmorden@paoca.org

Melanie Joy El Atieh
Deputy Consumer Advocate
PA Attorney I.D. # 209323
MElAtieh@paoca.org

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