



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

June 2, 2025

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. § § 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater treatment plant and collection system owned and operated by the Elizabeth Borough Municipal Authority, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Borough of Elizabeth, Allegheny County, Pennsylvania
Docket No. A-2025-3052983

I&E Prehearing Memorandum

Dear Secretary Homsher:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement 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 'Michael Podskoch'.

Michael A. Podskoch, Jr.
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 330132
(717) 783-6151
mpodskoch@pa.gov

MAP/ac
Enclosures

cc: Administrative Law Judge Erin L. Gannon (via email – egannon@pa.gov)
Administrative Law Judge Steven K. Haas (via email – sthaas@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. § § 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater treatment plant and collection system owned and operated by the Elizabeth Borough Municipal Authority, and (2) the rights of Pennsylvania- American Water Company to begin to offer or furnish wastewater service to the public in the Borough of Elizabeth, Allegheny County, Pennsylvania :

Docket No. A-2025-3052983

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

TO ADMINISTRATIVE LAW JUDGE ERIN L. GANNON AND ADMINISTRATIVE LAW JUDGE STEVEN K. HAAS:

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 this proceeding will be Michael A. Podskoch, Jr. Contact information is as follows:

By mail: Michael A. Podskoch, Jr.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

By e-mail: mpodskoch@pa.gov

By telephone: (717) 783-6151

I. INTRODUCTION

On January 28, 2025, Pennsylvania American Water Company (“PAWC” or “Company”) filed its Application pursuant to Sections 1102 and 1329 of the Public Utility Code seeking to acquire the wastewater system assets of the Elizabeth Borough Municipal Authority (“EBMA”).

On February 6, 2025, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance. On February 18, 2025, the Office of Consumer Advocate (“OCA”) filed its Notice of Appearance and Protest. On February 20, 2025, OSBA filed its Notice of Intervention. On February 21, 2025, I&E filed its Notice of Appearance. On April 21, 2025, Forward Township filed a Petition to Intervene. On April 23, 2025, Forward Township filed a Protest. On May 5, 2025, EBMA filed a Petition to Intervene. On May 14, 2025, Forward Township filed a Revised Protest and a Revised Petition to Intervene.

By way of a Secretarial Letter dated April 28, 2025, the Commission informed PAWC that its Application was accepted for filing. On May 10, 2025, the Commission published notice of PAWC’s Application in the Pennsylvania Bulletin. The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

A telephonic Prehearing Conference is scheduled on June 3, 2025 at 10:00 a.m. before Administrative Law Judges (“ALJs”) Erin L. Gannon and Steven K. Haas.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in this proceeding:

1. Reasonableness Review Ratio
2. Public Benefit Issues
3. Future Rate Projections
4. Cost of Service Study

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.

III. WITNESSES

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

1. Zachari Walker, Fixed Utility Financial Analyst
2. Ethan Cline, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for Mr. Podskoch. The witness list is provided without the benefit of complete discovery or analysis of the positions of the other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearings. Moreover, I&E intends to rely on the Company's filing, supplemental testimony, 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. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

I&E has reviewed the discovery modifications defined in the Prehearing Conference Order. I&E does not propose any further discovery modifications.

VI. SCHEDULE

As of this date, the parties have agreed to the following proposed litigation schedule:

Non-Company Direct Testimony	June 3, 2025
Rebuttal Testimony	June 9, 2025
Surrebuttal Testimony	June 12, 2025
Rejoinder Outlines	June 13, 2025
Hearings	June 16-17, 2025
Main Briefs	July 3, 2025
Reply Briefs	July 16, 2025

VII. PUBLIC INPUT HEARINGS

A telephonic public input hearing has been scheduled on June 5, 2025 at 6:00 p.m. I&E supports the use of telephonic public input hearings to encourage increased participation by ratepayers.

VIII. SERVICE OF DOCUMENTS

I&E requests that all documents in this proceeding be served on:

Michael A. Podskoch, Jr., Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
mpodskoch@pa.gov

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, briefs, and other documents during this proceeding, and consistent with Commission regulations and policy, I&E proposes to both only serve and accept electronic delivery of documents.

IX. SETTLEMENT

I&E will maintain an open dialogue and 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,

A handwritten signature in cursive script that reads "Michael Podskoch".

Michael A. Podskoch, Jr.
Prosecutor
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: June 2, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. § § 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater treatment plant and collection system owned and operated by the Elizabeth Borough Municipal Authority, and (2) the rights of Pennsylvania- American Water Company to begin to offer or furnish wastewater service to the public in the Borough of Elizabeth, Allegheny County, Pennsylvania :

Docket No. A-2025-3052983

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated June 2, 2025, in the manner and upon the persons listed below.

Served via Electronic Mail Only

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