

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In 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) : Docket No.: A-2025-3052983
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, (2) the rights of Pennsylvania-American Water :
Company to begin to offer or furnish wastewater service :
to the public in the Borough of Elizabeth, and portions of :
the Borough of Lincoln, and the Townships of Elizabeth :
and Forward, in Allegheny County. :

**PREHEARING MEMORANDUM OF
ELIZABETH BOROUGH MUNICIPAL AUTHORITY**

AND NOW COMES, Elizabeth Borough Municipal Authority (“EBMA”), by and through its undersigned counsel, pursuant to 52 Pa. Code § 5.222(d) and in compliance with the Prehearing Conference Order issued by Administrative Law Judges Erin L. Gannon and Steven K. Haas (the “ALJs”) on May 12, 2025, to file this Prehearing Conference Memorandum in the above-referenced matter.

I. BACKGROUND

These proceedings concern the application of Pennsylvania-American Water Company (“PAWC”) seeking approval to acquire the wastewater collection and treatment system of EBMA (the “System”) pursuant to 66 Pa. C.S. §§ 507, 1102 and 1329. PAWC and EBMA entered into an Asset Purchase Agreement (“APA”) dated January 24, 2023, wherein PAWC will purchase the EBMA System. PAWC and EBMA entered into the First Amendment to the APA on July 5, 2023.

On January 28, 2025, PAWC filed its application at Docket Nos. A-2025-3052983, *et al.*, asking the Pennsylvania Public Utility Commission (“Commission”) to approve the acquisition of the EBMA System. On February, 21, 2025, PAWC submitted amended appendices to the Application, after receiving a deficiency letter from the Commission’s Bureau of Technical Utility Services.

On March 6, 2025, the Commission conditionally accepted the PAWC Application. On April 28, 2025, the Commission finally accepted the Application for filing and assigned Administrative Law Judges Erin L. Gannon and Steven K. Hass to preside over the matter. EBMA filed its Petition to Intervene on May 5, 2025.

On May 12, 2025, the Commission issued the Notice of Prehearing Conference that will occur on June 3, 2025, and directed that Prehearing Conference Memorandum be filed and served on all parties of record.

II. COUNSEL

Counsel for EBMA are:

Gary J. Matta, Esquire
Joseph R. Dalfonso, Esquire
Dodaro, Dalfonso, Matta & Cambest, P.C.
Southpointe Town Center
1900 Main Street, Suite 207
Canonsburg, PA 15317
Phone: (412) 243-1600
Fax: (412) 243-1643
gmatta@ddmclaw.com
jdalfonso@ddmclaw.com

III. SERVICE OF DOCUMENTS

Counsel for EBMA is authorized to accept service on behalf of EBMA in this proceeding and agree to service by e-mail.

IV. ISSUES

A. Approval of Application

EBMA asserts that the Commission should issue a Certificate of Public Convenience approving PAWC's acquisition of its System because it is necessary or proper for the service, accommodation, convenience or safety of the public. PAWC is presumed to possess the legal, financial, and technical fitness to own and operate the system, and has introduced testimony in this proceeding demonstrating these characteristics. Additionally, the acquisition affirmatively benefits the public in a substantial way. Thus, EBMA contends that the PAWC Application satisfies Section 1102 Standards.

B. Ratemaking Rate Base

EBMA asserts that the requirements of Section 1329 have been met by PAWC. The purchase price of \$28,000,000, is lower than the average of the appraised value set forth by the Utility Valuation Experts, which is calculated at \$28,438,604.50. Additionally, in its testimony PAWC has stated that it would not object if the Commission were to approve the inclusion of only \$27,971,178, in its ratemaking rate base, which represents the depreciated original cost of the System, multiplied by the current Reasonableness Review Ratio of 1.68.

C. Validity of Contracts

EBMA asserts that the APA, the First Amendment to the APA and municipal agreements are all valid, reasonable and otherwise lawful under Section 507.

V. WITNESS

EBMA has already submitted direct testimony of the following witnesses:

Mr. Timothy Guffey – Mr. Guffey is the Chairman of the Board of Directors of EBMA and the Elizabeth Borough President of Council. Mr. Guffey provided an overview of the

Transaction, explained the necessity behind the transaction and the public benefits that are anticipated as a consequence of the Transaction.

Harold Walker, III –Gannett Flemming Valuation and Rate Consultants, LLC – Mr. Walker is the Manager of Financial Studies of Gannett Flemming Valuation and Rate Consultants, LLC. Mr. Walker has a business address of 1010 Adams Avenue, Audubon, PA 19403-2402. He described the fair market value appraisal of the System that he and his staff performed on behalf of EBMA.

EBMA will submit any necessary rebuttal and rejoinder testimony of its witness and reserves the right to call additional witnesses and to present testimony on additional issues that arise during this proceeding.

VI. DISCOVERY

EBMA has already engaged in the discovery process and has responded to multiple sets of discovery requests. EBMA does not believe any further discovery rule modifications are necessary.

VII. PROTECTIVE ORDER

EBMA has agreed to the terms of PAWC’s proposed Petition for Protective Order.

VIII. PROPOSED PROCEDURAL SCHEDULE

The Parties have agreed to the following procedural schedule, which the ALJ’s have approved:

Event	Date (in the year 2025)
Application finally accepted	Monday, April 28
Pa. Bulletin Publication	Saturday, May 10
Petitions to Intervene/Protests due	Friday, May 30
Prehearing Memos due	Monday, June 2 by noon
Telephonic Prehearing Conference	Tuesday, June 3
Direct Testimony of other parties	Tuesday, June 3
Telephonic Public Input Hearing	Thursday, June 5 @ 6:00 pm
Rebuttal	Monday, June 9
Surrebuttal	Thursday, June 12

Outline of Oral Rejoinder	Friday, June 13
Hearing	Monday, June 16 and Tuesday, June 17
Receipt of Transcript	Wednesday, June 18
Brief	Thursday, July 3
Reply Brief	Wednesday July 16
RD	Friday, August 22
Exceptions	Tuesday, September 2
Replies	Thursday, September 11
Public Meeting	Thursday, October 9

IX. SETTLEMENT

EBMA is willing to address settlement of all or part of this proceeding with other parties.

Respectfully Submitted,

/s/ Joseph R. Dalfonso

Joseph R. Dalfonso, Esquire (PA ID #311821)

Gary J. Matta, Esquire (PA ID #90210)

DODARO, DALFONSO,
MATT & CAMBEST, P.C.

Southpointe Town Center
1900 Main Street, Suite 207

Canonsburg, PA 15317

Phone: (412) 243-1600

Fax: (412) 243-1643

gmatta@ddmclaw.com

jdalfonso@ddmclaw.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copies of the foregoing have been served via email (unless otherwise noted below) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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

Christy M. Appleby, Esquire
Katie M. Kennedy, Esquire
PA Office of Consumer Advocate
Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101
cappleby@pacoa.org
kkennedy@pacoa.org

Teresa K. Harrold, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
teresa.harrold@amwater.com

Steven Gray, Esquire
Rebecca Lyttle, Esquire
Office of Small Business Advocate
Forum Place
Harrisburg, PA 17101
sgray@pa.gov
relyttle@pa.gov

David P. Zambito, Esquire
Jonathan P. Nase, Esquire
Cozen O’Conner
17 North Second Street, Suite 1410
Harrisburg, PA 17101
dzambito@cozen.com
jnase@cozen.com

Maurice A. Nernberg, Esquire
David M. Nernberg, Esquire
Maurice A. Nernberg & Associates
301 Smithfield Street
Pittsburgh, PA 15222
man@nernberg.com
dmn@nernberg.com

Administrative Law Judge
Erin L. Gannon (egannon@pa.gov)
Steven K. Haas (sthaas@pa.gov)

June 2, 2025

Respectfully Submitted,

/s/ Joseph R. Dalfonso
Joseph R. Dalfonso, Esquire (PA I.D. 311821)
Gary J. Matta, Esquire (PA I.D. 90750)
DODARO, DALFONSO,
MATT & CAMBEST, P.C.
1900 Main Street, Suite 207
Canonsburg, PA 15317
jdalfonso@ddmclaw.com
gmatta@ddmclaw.com
Counsel for Elizabeth Borough Municipal Authority