



COMMONWEALTH OF PENNSYLVANIA

June 2, 2025

**E-FILED**

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**

Dear Secretary Homsher:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Kevin Higgins  
Rebecca Forbes  
Parties of Record



Please address all correspondence in this matter as follows:

Steven C. Gray, Esq.  
Senior Attorney  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[sgray@pa.gov](mailto:sgray@pa.gov)

Rebecca Lyttle, Esq.  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[relyttle@pa.gov](mailto:relyttle@pa.gov)

## **II. FILING BACKGROUND**

On January 28, 2025, Pennsylvania-American Water Company (“PAWC” or the “Company”) filed an Application requesting that the Commission: (1) approve consistent with the provisions of 66 Pa. C.S §§ 1102 and 1103, the acquisition of the wastewater system assets owned by Elizabeth Borough Municipal Authority (“EBMA”); (2) approve the right of PAWC to provide wastewater service in the Borough of Elizabeth, and related points of bulk service interconnections in portions of the Borough of Lincoln, and the Townships of Elizabeth and Forward, in Allegheny County, Pennsylvania; (3) include, in its Order approving the acquisition, the ratemaking rate base of the acquired Assets as determined under Section 1329(c)(2) of the Public Utility Code; and (4) authorize PAWC to recover a distribution system improvement charge (“DSIC”), accrue Allowance for Funds Used During Construction and defer depreciation related to and for post-acquisition improvements not recovered through the DSIC, and include, in PAWC’s next base rates case, a claim for transaction and closing costs.

PAWC also requests approval of the Asset Purchase Agreement (“APA”) dated January 24, 2023, as well as other municipal agreements pursuant to Section 507 of the Public Utility Code, and requests that the Commission issue an Order and Certificate of Public Convenience

approving and addressing the items requested in this Application.

The OSBA filed a Notice of Intervention on February 20, 2025.

**III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA’s case in this proceeding is:

Kevin C. Higgins  
Principal, Energy Strategies  
111 East Broadway, Suite 1200  
Salt Lake City, UT 84111  
[KHiggins@energystrat.com](mailto:KHiggins@energystrat.com)

Rebecca Forbes  
Consultant, Energy Strategies  
111 East Broadway, Suite 1200  
Salt Lake City, UT 84111  
[RForbes@energystrat.com](mailto:RForbes@energystrat.com)

The OSBA will participate in this proceeding to assure that the interests of PAWC’s and EBMA’s small business customers are adequately represented and protected.

After an initial review of the materials submitted, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether EBMA’s system is a troubled system in need of acquisition by PAWC.
2. Whether EBMA’s system will require over \$20 million in repairs, as proposed by PAWC.
3. Whether PAWC’s suggestion that the proposed acquisition will promote “regionalization,” and whether such a goal is reasonable given PAWC’s current service territory footprint.
4. Whether the proposed acquisition is in the public interest.
5. Whether the proposed acquisition satisfies the requirements of *City of York* for

affirmative public benefits.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

**IV. SERVICE OF DOCUMENTS**

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date<sup>1</sup> as satisfying the in-hand requirement. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

**V. SETTLEMENT**

The OSBA notes its willingness to enter settlement discussions at the appropriate phase of this proceeding.

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<sup>1</sup> In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

**VI. HEARING AND BRIEFING SCHEDULE**

At the time of this writing, the OSBA is working with the parties to develop a procedural schedule.

Respectfully submitted,

*/s/ Steven C. Gray*

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Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

Commonwealth of Pennsylvania  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101

Dated: June 2, 2025



Teresa K. Harrold, Esquire  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
[teresa.harrold@amwater.com](mailto:teresa.harrold@amwater.com)

Maurice A. Nernberg, Esquire  
David M. Nernberg, Esquire  
Maurice A. Nernberg & Associates  
301 Smithfield Street  
Pittsburgh, PA 15222  
[man@nernberg.com](mailto:man@nernberg.com)  
[dmn@nernberg.com](mailto:dmn@nernberg.com)

David P. Zambito, Esquire  
Jonathan P. Nase, Esquire  
Cozen O'Connor  
17 North Second Street, Suite 1410  
Harrisburg, PA 17101  
[dzambito@cozen.com](mailto:dzambito@cozen.com)  
[jnase@cozen.com](mailto:jnase@cozen.com)

Joseph R. Dalfonso, Esquire  
Gary J. Matta, Esquire  
Dodaro, Dalfonso, Matta & Cambest, P.C.  
1900 Main Street, Suite 207  
Canonsburg, PA 15317  
[jdalfonso@ddmclaw.com](mailto:jdalfonso@ddmclaw.com)  
[gmatta@ddmclaw.com](mailto:gmatta@ddmclaw.com)

Date: June 2, 2025

*/s/ Steven C. Gray* \_\_\_\_\_  
Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538