

COMMONWEALTH OF PENNSYLVANIA



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June 13, 2025

Via Electronic Filing

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

Re: Joint Application of the York Water
Company and CMV Sewage, Inc., under
Sections 1102(a)(1)-(3)
Docket Nos.: A-2025-3054555
A-2025-3054556

Dear Secretary Homsher:

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

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

Respectfully submitted,

/s/ Christy M. Appleby
Christy M. Appleby, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
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Enclosures

cc: Administrative Law Judge Emily A. Farren (email only: efarren@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

In the Matter of the Joint Application of the	:	
York Water Company and CMV Sewage,	:	
Inc., under Sections 1102(a)(1)-(3) Public	:	
Utility Code for: (1) approval for approval of	:	
the right to transfer certain public wastewater	:	
facilities and rights from CMV Sewage Co.,	:	
Inc. to the York Water Company; (2) the	:	Docket Nos. A-2025-3054555
abandonment by CMV Sewage Co., Inc. of	:	A-2025-3054556
wastewater service to the public in its service	:	
territory in Chanceford Township, York	:	
County, Pennsylvania; and (3) approval for	:	
the York Water Company to begin to offer,	:	
render, furnish or supply wastewater service	:	
to the public in a portion of Chanceford	:	
Township, York County, Pennsylvania.	:	

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 Conference 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 13th day of June 2025.

SERVICE BY E-MAIL ONLY

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Dated: June 13, 2025

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Email: MElatieh@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In the Matter of the Joint Application of the :
York Water Company and CMV Sewage, :
Inc., under Sections 1102(a)(1)-(3) Public : Docket Nos. A-2025-3054555
Utility Code for: (1) approval for approval of : : A-2025-3054556
the right to transfer certain public wastewater :
facilities and rights from CMV Sewage Co., :
Inc. to the York Water Company; (2) the :
abandonment by CMV Sewage Co., Inc. of :
wastewater service to the public in its service :
territory in Chanceford Township, York :
County, Pennsylvania; and (3) approval for :
the York Water Company to begin to offer, :
render, furnish or supply wastewater service :
to the public in a portion of Chanceford :
Township, York County, Pennsylvania. :
:

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 C.S. Section 333, the Commission’s regulations at 52 Pa. Code Sections 5.221-5.224, and in response to the May 28, 2025 Prehearing Conference Order issued by the Honorable Administrative Law Judge (ALJ) Emily A. Farren of the Office of Administrative Law Judge (OALJ) of the Pennsylvania Public Utility Commission (Commission), in the above-captioned proceeding, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On April 11, 2025, York Water Company and CMV Sewage Company filed a Joint Application under Section 1102(a)(1)-(3) of the Public Utility Code for approval of: (1) the right to transfer certain public wastewater facilities and rights from CMV Sewage Company, Inc. to the

York Water Company; (2) the abandonment by CMV Sewage Company, Inc. of wastewater service to the public in its service territory in Chanceford Township, York County, Pennsylvania and (3) the approval of the York Water Company to begin to offer, render, furnish or supply wastewater service to the public in a portion of Chanceford Township, York County, Pennsylvania.

On May 12, 2025, the OCA filed its Protest, Public Statement and Notice of Appearance.

On May 28, 2025, the ALJ issued her Prehearing Conference Notice, and on May 28, 2025, ALJ Farren issued her Order setting forth a Prehearing Conference be held on Monday, June 16, 2025, at 10 a.m. and requiring that Prehearing Memoranda be filed by noon on Friday, June 13, 2025.

On June 13, 2025, the OCA filed the Notice of Appearance of Melanie Joy El Atieh.

The OCA files this Prehearing Memorandum consistent with ALJ Farren's Prehearing Conference Order.

II. ISSUES

Based upon a preliminary analysis of York Water's filing, the OCA has compiled a list of issues that it anticipates will be included in its review of the proposed acquisition. As the OCA identified in its Protest, the OCA has identified the following issues that may require further review as follows:

a. The Joint Application and accompanying materials provide no information about the projected costs of the capital investment contemplated by York Water in the years following the close of the proposed transaction, what the planned projects are, and what the projected revenue deficiency (sufficiency) will be. This bears on the cost of York Water's ownership and the reasonableness of the transaction, and the record should be clear on these issues.

b. Because the Joint Application does not provide sufficient information regarding original cost and accumulated depreciation of CMV's wastewater utility plant in service and York Water proposes to provide the results of an original cost study after the closing— it is not known what York Water's claimed addition to water rate base will be. *See* Joint Application at ¶8. The Joint Application provides scant financial details of CMV. *See* Joint Application at ¶8. Per the Commission's

website, the most recent annual report including depreciated original cost was last filed in 2013 for CMV. While the amount of the rate base additions and thus the impact on revenue requirement will not be known or determined until a future York Water base rate case, when the CMV sewage assets are included, the uncertainty is compounded because it is not known definitively whether York Water will seek acquisition adjustments under Section 1327 of the Public Utility Code, 66 Pa. C.S. Section 1327, for the wastewater system. Though it does appear from the estimate provided in Paragraph 8 that the Company anticipates a utility acquisition adjustment of potentially \$161,218. Joint Application at ¶8. The potential for a future claim for acquisition adjustments should be considered in assessing the reasonableness of the proposed transaction.

c. The Joint Application provides that the CMV Sewage customers will be charged a flat rate of \$86.90. If this proposal results in a rate increase to CMV Sewage customers immediately following the Transaction closing, customers must be noticed properly of this Application and the rate increase that can follow. Additionally, the proposed rates to be charged to CMV customers should be evaluated to determine whether the proposed rates are consistent with the principles of gradualism and whether they will result in unjust and unreasonable rates.

III. WITNESSES/EVIDENCE

The OCA has not yet determined if a witness is necessary for this proceeding. The OCA will notify Your Honor and all parties promptly if it determines that a witness is necessary.

IV. PROPOSED SCHEDULE

The OCA will work with the parties to develop a mutually agreeable procedural schedule. The OCA proposes a 30-day extension to setting a procedural schedule to allow the parties the opportunity to be able to exchange informal discovery and to attempt to resolve the OCA's issues in this matter without the need for litigation. If a litigation schedule is established, the OCA may recommend at that time discovery rule modifications.

V. SERVICE ON THE OCA

The OCA will be represented in this case by the attorneys listed below:

Christy M. Appleby, Senior Assistant Consumer Advocate
Melanie Joy El Atieh, Deputy Consumer Advocate

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For purposes of the Prehearing Conference, Ms. El Atieh will be the primary attorney speaking on behalf of the OCA.

VI. SETTLEMENT

The OCA is willing to participate in settlement discussions and specifically requests the 30-day extension in order to allow the parties to discuss resolution of the OCA's questions identified in its Protest.

Respectfully submitted,

/s/ Christy M. Appleby
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Dated: June 13, 2025

Counsel for:
Darryl A. Lawrence
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