

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
Bureau of Investigation & Enforcement :
Petition to Request the Commission Open : P-2024-3051313
a Section 529 Investigation into the :
Acquisition of Rock Spring Water Company :

BRIEF OF FERGUSON TOWNSHIP

**BABST, CALLAND, CLEMENTS &
ZOMNIR, P.C.**

/s/ Elizabeth A. Dupuis, Esq.

Elizabeth A. Dupuis, Esq.

PA I.D. No. 80149

Morgan M. Madden, Esq.

PA I.D. No. 324531

330 Innovation Boulevard, Suite 302

State College, PA 16803

(814) 867-8055

bdupuis@babstcalland.com

mmadden@babstcalland.com

TABLE OF CONTENTS

I. INTRODUCTION1

 A. Statement of the Case1

 B. Procedural History3

II. BURDEN OF PROOF5

III. SUMMARY OF ARGUMENT6

IV. ARGUMENT6

 A. Section 529 Criteria6

 1. Section 529 Criteria66 Pa.C.S. Section 529(a)(1)7

 2. 66 Pa.C.S. Section 529(a)(2)7

 3. 66 Pa.C.S. Section 529(a)(3)7

 4. 66 Pa.C.S. Section 529(a)(4)8

 5. 66 Pa.C.S. Section 529(a)(5)8

 6. 66 Pa.C.S. Section 529(a)(6)8

 B. Whether Based on the Above, Another Capable Utility Should be
 Required to Acquire Rock Spring.8

 C. If Another Capable Utility Should be Required to Acquire Rock Spring,
 Which Capable Utility Should be Required to Acquire Rock Spring9

V. CONCLUSION10

TABLE OF AUTHORITIES

	<u>Page</u>
<u>Case</u>	
<i>Pa. P.U.C. v. Rock Spring Water Co.,</i> Docket No. R-201202336662	1
<u>Statutes</u>	
66 Pa.C.S. §529	<i>passim</i>
66 Pa.C.S. §1501	7

I. INTRODUCTION

A. Statement of the Case

Rock Spring Water Company (“Rock Spring”) is a “public utility” as that term is defined by the Public Utilities Code, 66 Pa.C.S. §§101 *et seq.*, as it is engaged in providing water service to the public pursuant to a certificate of public convenience issued in 1947 by the Public Utility Commission (“PUC”). Rock Spring is owned by J. Roy Campbell and serves approximately 1,000 residents, most of whom are Ferguson Township (“Township”) residents, via 494 connections.

On October 13, 2012, Rock Spring filed a base rate case seeking \$21,813.00 in additional revenues and on June 13, 2013, the PUC adopted a Recommended Decision of Administrative Law Judge Susan D. Colwell and approved a Joint Petition for Settlement of All Issues in Rate Proceeding. *Pa. P.U.C. v. Rock Spring Water Company*, Docket No. R-201202336662 (Order entered June 13, 2013). The Joint Settlement required that Rock Spring significantly reduce its unaccounted-for water (“UFW”) level over a 66-month period with a required target of a 23.3% UFW at the end of that period, all to be achieved in 10% increments over successive 12-month periods. *Id.*, Recommended Decision at p. 4. To date, while Rock Spring has decreased its UFW, it has not achieved the benchmarks as set forth in the Recommended Decision, nor has it achieved 10% reductions since (at least) 2023.

In addition to the metric-based requirements of the aforementioned Joint Decision, Rock Spring was required to install between two and ten isolation valves in the event Rock Spring failed to achieve the annual 10% reduction in UFW; however, despite the failure to achieve the reduced UFW rates, Rock Spring did not report the installation of any valves. Moreover, the Joint Settlement further required Rock Spring to make efforts to sell its water system to a competent buyer and to provide the Office of the Consumer Advocate (“OCA”) and PUC’s Bureau of

Investigation and Enforcement (“I & E”) with the status of those negotiations, discussions and/or offers. As of September 2024, neither OCA nor I & E had received any such information.

Apart from its failure to adhere to the 2013 Joint Settlement as set forth above, Rock Spring has committed several violations of Pennsylvania Department of Environmental Protection (“DEP”) regulations. On June 20, 2006, Rock Spring entered into a Consent Order and Agreement with DEP to address excessive water loss and Rock Spring’s failure to properly operate and maintain its distribution system. In relation thereto, Rock Spring submitted a corrective action plan (“CAP”) in August 2006, which outlined a plan and schedule to reduce its UFW loss to less than 30% by September 31, 2010. As per the CAP, if Rock Spring’s UFW was greater than 30%, it would begin a waterline replacement project, including design and completion by no later than August 31, 2011. As per the DEP, Rock Spring has failed to adhere to its commitments under the CAP.

On December 19, 2017, DEP conducted an inspection of the Rock Spring public water system and measured residual-chlorine levels higher than that which is permitted. In response thereto, DEP issued Rock Spring a Notice of Violation on January 10, 2018, which noted: (1) failure to provide appropriate public notification; (2) failure to provide public notification certification to DEP; and (3) failure to monitor for 21 volatile organic chemicals in the year 2017. The Notice of Violation requested that Rock Spring ensure free chlorine at a specific entry point remain at or above a particular metric, provide appropriate public notice and provide certification thereof to DEP. According to DEP, Rock Spring did not comply with those requests.

On May 21, 2018, DEP issued another Notice of Violation to Rock Spring for failure to monitor volatile organic chemicals, report chlorine residuals after the monitoring violation observed in December 2018, provide public notice, and include a Level 1 Assessment for a total-

coliform positive-sample violation in the Consumer Confidence Report. Rock Spring also failed to respond to the second Notice of Violation.

On August 27, 2018, DEP issued an Administrative Order requiring Rock Spring to install a Supervisory Control and Data Acquisition (“SCADA”) system by September 2019 for the operation of the well, booster pumps, and finished water storage tank. The Administrative Order further required Rock Spring to contract with a professional leak detection company to conduct complete system evaluation/leak detection surveys until UFW loss was reduced to below 30%. Upon information and belief, Rock Spring has not complied with that Administrative Order.

With regard to the Administrative Order, on January 18, 2024, the Commonwealth Court issued an Order granting a petition filed by DEP to enforce the Administrative Order and further requiring Rock Spring to submit a written report to DEP within 90 days. When Rock Spring failed to do so, the Commonwealth Court found Rock Spring in contempt and imposed a \$1,500.00 fine as a sanction against Rock Spring. The Commonwealth Court further ordered that Rock Spring prepare a report to be supplied to the Court and DEP – a report that was never supplied.

In May 2024, the PUC’s Bureau of Technical Utility Services (“TUS”) referred this matter to I & E. The Petition at bar is a result thereof.

B. Procedural History

On September 20, 2024, I & E filed a Petition to Request the PUC open a Section 529 Investigation into the Acquisition of Rock Spring Water Company (“Rock Spring”). Thereafter, several parties filed Notices of Intervention, including Pennsylvania American Water Company (“PAWC”) on October 10, 2024; Aqua Pennsylvania, Inc. (“Aqua”) on October 16, 2024; State College Borough Water Authority (“SCBWA”) on October 21, 2024; the Office of Small Business

Advocate (“OSBA”) on October 23, 2024; and the Department of Environmental Protection (“DEP”) on October 28, 2024. None of those parties filed an answer to I & E’s Petition.

Following submission of prehearing memoranda by I & E, OCA, OSBA, PAWC, Aqua, SCBWA, DEP and Veolia Water Pennsylvania, Inc. (“Veolia”), a prehearing conference was held on October 30, 2024. Each of the parties that submitted prehearing memoranda and J. Campbell Roy, President of Rock Spring, appeared at said conference. In a November 5, 2024 Order issued following that conference, the various then-existing Petitions to Intervene were granted, a schedule for the proceeding was established, and the PUC ordered that, *inter alia*, Rock Spring provide notice to its customers of the initiation of the proceeding; and that Ferguson Township (the “Township”) file a Petition to Intervene within 30 days if it desired to be part of the proceedings. On November 11, 2024, the Township filed a Petition to Intervene, and the PUC granted that petition by Order dated December 2, 2024.

On February 6, 2025, OCA filed a Petition for Issuance of an Interim Emergency Order to appoint a receiver. After responses from several parties, a telephone hearing was held on February 14, 2025, after which, briefs were submitted and an Order was entered by the PUC granting the Interim Emergency Petition and certifying the Material Question of the Commission of whether it was appropriate to appoint PAWC as receiver. On February 27, 2025, both PAWC and SCBWA filed briefs on the Material Question and on March 13, 2025, the PUC voted 5-0 to adopt a Joint Motion which, *inter alia*, answered the Material Question in the affirmative, and directed Rock Spring to negotiate in earnest for the transfer of its water system to SCBWA.

On March 17, 2025, PAWC filed an unopposed Motion to Stay, which was granted via PUC Order dated March 19, 2025. The order also suspended the litigation schedule previously established and directed that five days following Rock Spring’s filing of an Abandonment

Application, or 95 days following entry of the PUC's Opinion and Order answering the Material Question, whichever were to occur first, that all parties file a status report. On March 21, 2025, the PUC entered its Opinion and Order answering the Material Question.

Several months later, PAWC filed a letter stating that SCBWA and Rock Spring had not reached an agreement and requested that a further prehearing conference be scheduled. In response thereto, a hearing notice was issued on June 27, 2025, establishing a schedule for a prehearing conference and the rules therefor. In accordance therewith, I & E, OCA, OSBA, PAWC, Aqua, SCBWA, and DEP submitted prehearing memoranda, and the prehearing conference took place on July 23, 2025.

Following that conference, the PUC issued an Order dated July 24, 2025, adopting an updated schedule that set deadlines for direct, rebuttal and surrebuttal testimony, evidentiary hearings, and briefing. Parties had already submitted some testimony and exhibits at the time of the prehearing conference but continued to do so pursuant to the scheduling deadlines set forth in the July 24, 2025, Order. On October 20, 2025, an evidentiary hearing was held whereby several witnesses were cross-examined as to their previously submitted direct testimony and each of the parties previously submitted exhibits were entered onto the record.

In accordance with the July 24, 2025, Order, this post-hearing brief is submitted on behalf of the Township.

II. BURDEN OF PROOF

Section 529 of the Public Utilities Code establishes a two-part burden of proof in acquisition cases. 66 Pa.C.S. §529(i). First, I & E must establish a *prima facie* case that acquisition of a public utility is in the public interest and complies with Section 529's requirements. *Id.* Once I & E meets its burden, the burden shifts to two parties – the public utility and potential proximate

public utilities. *Id.* The small public utility must prove its ability to render adequate, efficient, safe and reasonable service at just and reasonable rates. 66 Pa.C.S. §529(i)(1). Section 529 further allows for a proximate public utility providing the same type of service as the small utility to demonstrate its financial, managerial or technical inability to acquire and operate the small utility. 66 Pa.C.S. §529(i)(2).

III. SUMMARY OF ARGUMENT

The Public Utilities Code specifically contemplates a situation wherein public utilities that do not perform in such a way that they are furnishing and maintaining adequate, efficient and reasonable services are subject to acquisition by another utility that can provide services in such a manner. Indeed, the Section 529 of the Public Utilities Code sets forth six specific criteria which, if met, allow the PUC to mandate the sale of a failing utility's infrastructure to an adequate utility.

In the case at bar, each of the six criteria set forth in Section 529 are satisfied by the competent evidence of record before the PUC. Rock Spring has categorically failed to provide adequate services to several Township residents over a sustained period of time, has failed to comply with requirements and commitments in both a 2013 Joint Settlement Agreement, a 2006 Consent Order, and a 2006 CAP, and has no capacity to "right" the proverbial wrongs and supply the statutorily-prescribed level of service to its customers. Moreover, after substantial review of alternatives and an opportunity for Rock Spring to demonstrate a viable alternative, it is clear based on the record that the acquisition of the system is the only viable path forward.

Beyond the longstanding regulatory and performance-based issues, the continuous loss of water pressure has rendered many of the fire hydrants in Ferguson Township useless. Not only is a forced acquisition necessary for the at-issue system to become compliant, but it is imperative in order to protect the health and safety of Ferguson Township residents.

IV. ARGUMENT

A. Section 529 Criteria

Section 1501 of the Public Utility Code, 66 Pa.C.S. §§101, *et seq.*, holds that public utilities must “furnish and maintain adequate, efficient, and reasonable service and facilities and that such service shall be reasonably continuous and without unreasonable interruptions or delay.” 66 Pa.C.S. §1501. In the event a public utility fails to adhere to those requirements, Sections 529(a)(1) through 529(a)(6) of the Public Utilities Code sets forth six mandatory criteria that if satisfied, authorize the PUC to open an investigation to determine whether it is in the public interest for the Commission to order a capable public utility to acquire a small water or sewer utility. 66 Pa.C.S. §529(a).

1. 66 Pa.C.S. Section 529(a)(1)

Section 529(a)(1) of the Public Utilities Code requires the PUC to determine that the public utility in question is violating statutory or regulatory standards that affect the safety, adequacy, efficiency, or reasonableness of service. 66 Pa.C.S. §529(a)(1). The statute specifically calls out The Clean Streams Law and the Pennsylvania Safe Drinking Water Act as well as their implementing regulations. *Id.*

2. 66 Pa.C.S. Section 529(a)(2)

Subsection (a)(2) requires a finding that the at-issue public utility failed to comply with orders from either the DEP or the PUC concerning service safety, adequacy, efficiency, or reasonableness within a reasonable time period. 66 Pa.C.S. §529(a)(2). The subsection specifically references water availability, potability, palatability, and adequate volume and pressure.

3. *66 Pa.C.S. Section 529(a)(3)*

The third subsection of the pertinent statute requires the PUC to determine the future capability of the small utility. Specifically, the PUC has to find that the utility cannot reasonably be expected to furnish and maintain adequate, efficient, safe, and reasonable service and facilities in the future. 66 Pa.C.S. §529(a)(3).

4. *66 Pa.C.S. Section 529(a)(4)*

Subsection 529(a)(4) requires that the PUC consider alternatives to acquisition. Pointedly, the PUC has to find, in accordance with Section 529(b) of the Public Utilities Code, that alternatives to acquisition are either impractical or not economically feasible. 66 Pa.C.S. §529(a)(4).

5. *66 Pa.C.S. Section 529(a)(5)*

The fifth enumerated requirement sets forth the responsibility of the PUC to find that the acquiring utility is financially, managerially, and technically capable of acquiring and operating the issue-utility in compliance with applicable statutory and regulatory standards. 66 Pa.C.S. §529(a)(5).

6. *66 Pa.C.S. Section 529(a)(6)*

The final requirement set forth in Section 529 is that which provides customer protection by requiring that the PUC determine that rates charged by the acquiring utility to pre-acquisition customers will not unreasonably increase. 66 Pa.C.S. §529(a)(6).

B. Whether Based on the Above, Another Capable Utility Should be Required to Acquire Rock Spring.

Based on the Public Utilities Code requirements as set forth above, another capable utility should be required to acquire Rock Spring. Specifically, it is uncontroverted based on the evidence of record that Rock Spring has violated numerous regulatory standards that affect the safety,

adequacy, efficiency and reasonableness of service. Evidence as presented by DEP demonstrates that Rock Spring has routinely violated a number of DEP regulations, been provided notice thereof, and failed to bring its system into compliance. *See* Minium Direct Testimony at pp. 2-3. Additionally, there is evidence of record that that customers of Rock Spring have experienced decreased water pressure on a number of occasions and have received boil water advisories numerous times. *See generally*, White Direct Testimony.

Given the existence of both the 2013 Joint Settlement Agreement and the 2006 CAP, Rock Spring's consistent failure to adhere to the requirements and obligations of either of those instruments, and Rock Spring's own position that it cannot adhere to requirements and obligations of either of those documents without significantly raising rates, Rock Spring's future capabilities seem limited in nature. *See generally*, Minium Direct Testimony.

Throughout the proceedings in this case, it has become apparent that both PAWC and SCBWA have the capacity and means to acquire and effectively and efficiently operate the system. *See generally*, Heiser Direct Testimony, McCaulley Direct Testimony and Glenn Direct Testimony. Said capabilities are not refuted by Rock Spring. There is no evidence of record to suggest that either of those utilities will unreasonably raise rates to effectuate the successful transfer and operation of the system in question.

Moreover, Rock Spring's prolonged and ongoing service deficiencies as detailed in both the record and herein, have escalated from regulatory noncompliance to a significant public safety hazard. Due to inadequate system pressure, fire hydrants within the Rock Spring footprint in the Township are largely non-functional for fire suppression purposes, which places Township residents and property at risk. The protection of public safety is an inherent component of providing reasonable and adequate utility service.

C. If Another Capable Utility Should be Required to Acquire Rock Spring, Which Capable Utility Should be Required to Acquire Rock Spring.

The Township believes, based on prior discussions between counsel and the geographic location of the system in question, that SCBWA is best positioned to acquire and manage the system. SCBWA already owns and operates its own system that serves other residents of the Township and a consolidation of services under what has historically been a functional and adequate utility would best serve the residents of the Township.

Should the PUC decide that Rock Springs be acquired, or in layman's terms, taken over, by another operator, the Township is aware of the obligations of the PUC to choose a PUC-regulated entity. Without further consideration of a common sense approach, the PUC will miss the opportunity to make a change that benefits the residents of Ferguson Township. SCBWA is the closest operating system to Rock Springs and although not regulated by the PUC, no one questions the qualifications of SCBWA to operate Rock Springs but for this requirement. Even the current receiver, PAWC, recommended that SCBWA be the receiver given its proximity to the Rock Springs customers and capability to serve as receiver for Rock Springs. The only holdback is the requirement that the PUC appoint a PUC-regulated entity rather than the logical, adjacent, qualified entity. The PAWC and SCBWA have provided a legal path to get to this juncture. The Township requests that the PUC consider the same and make a decision that is in the best interests of the residents served by Rock Spring.

V. CONCLUSION

For the reasons set forth hereinabove, and in alignment with the proposed Findings of Fact and Conclusions of Law attached hereto as Appendices A and B, respectively, Ferguson Township respectfully requests that the Public Utility Commission enter an order directing the acquisition of

Rock Spring Water Company by the State College Borough Water Authority and granting whatever other relief it deems appropriate.

Respectfully submitted,

**BABST, CALLAND, CLEMENTS &
ZOMNIR, P.C.**

/s/ Elizabeth A. Dupuis, Esq. _____

Elizabeth A. Dupuis, Esq.

PA I.D. No. 80149

Morgan M. Madden, Esq.

PA I.D. No. 324531

330 Innovation Boulevard, Suite 302

State College, PA 16803

(814) 867-8055

bdupuis@babstcalland.com

mmadden@babstcalland.com

APPENDIX A: PROPOSED FINDINGS OF FACT

1. Rock Spring owns and operates a water system serving approximately 1,000 customers, most of whom reside in Ferguson Township, via approximately 475 connections.
2. Since approximately 2006, Rock Spring has been subject to corrective action by DEP vis-à-vis both the 2006 Consent Order and Corrective Action Plan and the 2013 Joint Settlement Agreement, both of which set forth metric-based goals for Rock Spring's compliance with both statutory and regulatory requirements.
3. Rock Spring has failed to comply with the requirements of the Consent Order, Corrective Action Plan, and the Joint Settlement Agreement.
4. Residents of Ferguson Township have, at times, experienced decreased water pressure.
5. Residents of Ferguson Township have, on more than one occasion, received boil water advisories from Rock Spring.
6. Due to water pressure issues, the fire hydrants in the Rock Spring serve area are largely non-functional and not available for assistance in fire suppression.
7. The PUC has considered alternatives to the acquisition of Rock Spring.
8. The water system geographically closest to that currently owned by Rock Spring is that which is owned by SCBWA.
9. SCBWA currently provides service to approximately 73,000 customers via roughly 15,068 connections in State College Borough and portions of College, Ferguson, Harris, and Patton Townships.

10. If SCBWA were to acquire the system currently owned by Rock Spring, the Rock Spring System would be integrated into the SCBWA system such that the two currently independent systems would operate as a single system.

11. SCBWA has the capacity to accommodate the acquisition of the customers currently served by Rock Spring without any necessity to construct new facilities.

12. SCBWA anticipates that only a nominal rate increase to the current Rock Spring customers would be necessary to accommodate the acquisition of the Rock Spring system.

13. PAWC maintains the system second most proximate to Rock Spring's system, but it is approximately 13 miles away.

14. PAWC was appointed as receiver but during such appointment process preferred that SCBWA be the chosen receiver given its proximity to the Rock Spring system.

APPENDIX B: PROPOSED CONCLUSIONS OF LAW

1. Rock Spring is a public utility as defined by the Public Utilities Code.
2. I & E has satisfied the burden of proof in terms of establishing that acquisition of a public utility is in the public interest and complies with Section 529's requirements.
3. Rock Spring is and has violated statutory or regulatory standards that affect the safety, adequacy, efficiency, or reasonableness of service.
4. Rock Spring failed to comply with orders from either the DEP or the PUC concerning service safety, adequacy, efficiency, or reasonableness within a reasonable time period.
5. Rock Spring cannot reasonably be expected to furnish and maintain adequate, efficient, safe, and reasonable service and facilities in the future.
6. Alternatives to the forced acquisition of Rock Spring are either impractical or not economically feasible.
7. Both SCBWA and PAWC are financially, managerially, and technically capable of acquiring and operating Rock Spring in compliance with applicable statutory and regulatory standards.
8. If SCBWA acquires Rock Spring, rates for existing Rock Spring customers will not unreasonably increase.
9. The competent evidence of record demonstrates that SCBWA is best positioned to acquire and operate the Rock Spring system.

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing Brief of Ferguson Township and that notification of such filing and a copy of such filing was electronically served on all interested parties of record who have accepted electronic service as follows:

Carrie B. Wright, Deputy Chief Prosecutor
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
carwright@pa.gov

Amanda Chaplin, Esquire
Glenn P. Masser, Esquire
Assistant Counsel
Northcentral Regional Office
208 West Third Street, Suite 101
Williamsport, PA 17701
achaplin@pa.gov
gmasser@pa.gov
*Counsel for Commonwealth of Pennsylvania
Department of Environmental Protection*

Jacob D. Guthrie, Esquire
Emily A. Farren, Esquire
Office of Consumer Advocate
555 Walnut Street 5th Floor
Forum Place
Harrisburg, PA 17101-1923
OCARockSpring@paoca.org

Elizabeth Rose Triscari, Esquire
Teresa K. Harrold, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Elizabeth.triscari@amwater.com
Teresa.harrold@amwater.com
*Counsel for Pennsylvania-American Water
Company*

Robert A. Mix, Esquire
Robert Mix Law
211 Kimport Avenue
Boalsburg, PA 16827
Bmix470@gmail.com
bmix@lmgrlaw.com
*Counsel for State College Borough Water
Authority*

Rebecca Lyttle, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
relyttle@pa.gov

Alexander R. Stahl, Esquire
Aqua Servies, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
astahl@aquaamerica.com
Counsel for Aqua Pennsylvania, Inc.

David P. Zambito, Esquire
Jonathan P. Nase, Esquire
Cozen O'Connor
17 North Section Street, Suite 1410
Harrisburg, PA 17101
dzambito@cozen.com
jnase@cozen.com
*Counsel for Pennsylvania American Water
Company*

J. Roy Campbell
Rock Spring Water Company
1750 Tadpole Road
Pennsylvania Furnace, PA 16865
Rsw5@comcast.net

Rodney A. Beard, Esquire
Beard Law Company
101 N. Allegheny Street
Bellefonte, PA 16823
rod@beardlawco.com
Counsel for Rock Spring Water Company

Dated: November 7, 2025

By: /s/ Elizabeth A. Dupuis
Elizabeth A. Dupuis, Esquire
Pa. I.D. No. 80149
bdupuis@babstcalland.com
Babst, Calland, Clements & Zomnir, P.C.
330 Innovation Blvd., Suite 302
State College, PA 16803
(814) 867-8055
(814) 867-8051 *fax*

APPENDIX C: PROPOSED ORDERING PARAGRAPHS

Pennsylvania Public Utility Commission :
Bureau of Investigation & Enforcement :
Petition to Request the Commission Open : P-2024-3051313
a Section 529 Investigation into the :
Acquisition of Rock Spring Water Company :

PROPOSED ORDER

AND NOW, this _____ day of _____, 2025, following an evidentiary hearing, review of testimony and evidence submitted to this body, and review of the post-hearing briefs submitted by the respective parties to this case, the Pennsylvania Public Utility Commission (“PUC”) finds and orders as follows:

1. The PUC Bureau of Investigation and Enforcement’s Petition to Request a Section 529 Investigation into the Acquisition of Rock Spring Water Company is granted.
2. Rock Spring Water Company is directed to transfer the assets comprising the Rock Spring Water company’s water system to the State College Borough Water Authority by agreement within 60 days of this Order and, if no agreement can be reached within 60 days, the State College Borough Water Authority is directed to begin the process of acquisition of the system via Eminent Domain proceedings.
3. Within 30 days of transfer of the Rock Spring Water Company system, Rock Spring Water Company shall file an application to surrender its certificate of public convenience.
4. The State College Borough Water Authority shall, prior to the acquisition of the Rock Spring Water Company system, submit to the PUC a plan and proposed timeline for bringing the Rock Spring Water company’s system into compliance with applicable statutory and regulatory requirements.

5. Rock Spring Water Company is prohibited from engaging in the purchase, sale, payment, lease, loan or exchange of any service, infrastructure, property, money, security, right or thing under contract relative to its system unless approved in writing by the Receiver.

Dated: _____

John M. Coogan, Administrative Law Judge