

November 17, 2025

Via E-File

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105

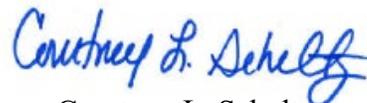
Re: Pennsylvania PUC v. City of Lancaster
Docket No. R-2025-3057237; C-2025-3058103

Dear Secretary Homsher:

Enclosed for filing, please find the Prehearing Memorandum of the City of Lancaster in the above-captioned matter.

Thank you for your attention to this matter.

Respectfully submitted,



Courtney L. Schultz

cc: All Parties per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

The City of Lancaster-Bureau of Water

2025 Water Base Rate Case; R-2025-3057237

CERTIFICATE OF SERVICE

I hereby certify that I have this 17 day of November, 2025 served a true copy of the
Deficiency Reponses upon the persons listed below *via Electronic Mail*:

Via E-File Only

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105

Honorable Erin L. Gannon
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Courtney L. Schultz

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge Erin Gannon, Presiding

Pennsylvania Public Utility Commission	R-2025-3057237
v.	C-2025-3057935
City of Lancaster - Bureau of Water	C-2025-3057993
	C-2025-3058103

**PREHEARING CONFERENCE MEMORANDUM OF
CITY OF LANCASTER - BUREAU OF WATER**

The City of Lancaster - Bureau of Water (“City”), through its undersigned counsel, submits the following memorandum in connection with the telephonic Prehearing Conference to be held on November 18, 2025:

I. History of the Proceeding.

This proceeding concerns the City’s Supplement No. 49 to Tariff Water-Pa. P.U.C. No. 6 (“Supplement No. 49”) filed on September 30, 2025. Supplement No. 49 would increase the City’s jurisdictional water revenues by \$7,005,217 per year.

The Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance on October 1, 2025. Complaints against the rate filing were filed by the Office of the Small Business Advocate (“OSBA”) on October 14, 2025, the Office of the Consumer Advocate (“OCA”) on October 16, 2025, and James M. Blevins on October 23, 2025,¹ at Docket Nos. C-2025-3057935, C-2025-3057993, and C-2025-3058103, respectively.

¹ In follow-up correspondence with Mr. Blevins, he conveyed to the City’s counsel a desire not to be included on the service list for this matter and stated his participation should be deemed limited to filing his Complaint. The were advised of this request and we have removed Mr. Blevins from our service lists in this matter.

By order entered November 6, 2025, the Pennsylvania Public Utility Commission (“Commission”) suspended Supplement No. 49 and instituted an investigation into the reasonableness of the proposed tariff change. On November 7, 2025, in compliance with the Commission’s suspension order, the City filed Supplement No. 50 to Tariff Water-Pa. P.U.C. No. 6 to suspend the rates set forth in Supplement No. 49.

The matter was assigned to Administrative Law Judge Erin Gannon.

II. The City’s Counsel.

The name, postal, and e-mail addresses and telephone and fax numbers for the City’s counsel to be included on the service list are:

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III. Proposed Plan and Schedule for Discovery.

OCA, OSBA, and I&E have begun to propound discovery and the City has submitted timely responses. OCA, OSBA, and I&E continue to propound new discovery requests. The City proposes that the opportunity to propound discovery concerning Supplement No. 49 and supporting information and direct testimony be concluded by December 1, 2025. Follow-up discovery would be permitted thereafter following the deadline for the submission of Rebuttal Testimony, and they City would agree to provide responses to post-Rebuttal discovery requests within five business days. The City is not proposing any discovery modifications.

The City has been overwhelmed by the volume of discovery requests propounded to date, which totaled 382 as of November 13th, and has worked cooperatively with the parties to provide timely responses and has been afforded additional time to respond where needed. The City thanks the parties for their courtesies and cooperations in this regard. That said, due to the limited resources of the City and the small number of individuals able to collect information and respond to said requests, it is unable to agree to any proposed discovery modifications that would shorten the allowable 15 days to respond to discovery, at this time.

IV. Possibility of Settlement.

The City hopes to engage in discussions with all other parties in an attempt to settle this proceeding, in whole or in part, on an appropriate and reasonable basis.

V. Issues the City Intends to Raise and Pursue.

The critical inquiry in this proceeding is whether the rates, regulations, and rules proposed by the City in Supplement No. 49 are fair, just, reasonable, non-discriminatory, and lawful. The City is currently unable to identify with any specificity the issues that I&E, OCA, OSBA, and any other participants in this proceeding may raise. However, the City anticipates that the following issues will be raised during this proceeding:

1. Whether the City's rate base claim is reasonable?
2. Whether the City's claimed rate of return is reasonable?
3. Whether the City's claims for operating revenue, expenses, and depreciation are reasonable?
4. Whether the City's proposed rate-design is fair, reasonable, non-discriminatory, and lawful?

The City submits that Supplement No. 49 and the corresponding supporting information filed along with it demonstrate that each of the foregoing issues should be resolved in the City's

favor. It is the City’s position that the rates, regulations, and rules proposed in Supplement No. 49 are fair, just, reasonable, non-discriminatory and lawful and should be permitted to go into effect as proposed.

VI. Service of Documents

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the City agrees to accept electronic mail delivery of documents on the due date as satisfying the in-hand requirement, and proposes to serve documents electronically only as well.

VII. Amount of Hearing Time Needed.

The City proposes to schedule two days for hearings, with the likelihood that only one day may be necessary.

VIII. The City’s Witnesses and Areas of Testimony.

The City has provided written direct testimony from the following witnesses:

Statement	Witness	General Subject Matter
1	Tina Campbell Director of Administrative Services City of Lancaster	The City of Lancaster’s financial organization and accounting systems; responses to filing requirements; reasons for rate increase. Exhibits TC-1, TC-2, and TC-3.
2	Stephen Campbell Director of Public Works City of Lancaster	The City of Lancaster’s water system; capital improvement projects. Exhibits SC-1 and SC-2
3	Christine Volkay-Hilditch Deputy Director, Public Works City of Lancaster	Compliance with settlement terms from 2021 BRC; tariff changes. Exhibits CVH-1 through CVH-9.
4	Gregory R. Herbert Rate Analyst Gannet Fleming Valuation and Rate Consultants, LLC	Revenue and revenue requirements. Exhibits GRH-1, GRH-2, and GRH-3.

Statement	Witness	General Subject Matter
5	John J. Spanos President Gannet Fleming Valuation and Rate Consultants, LLC	Depreciation, including depreciation studies as of December 31, 2020 and December 31, 2021, identified as Exhibits JJS-1, JJS-2, and JJS-3.
6	Harold Walker, III Manager, Financial Studies Gannet Fleming Valuation and Rate Consultants, LLC	Rate of return. Exhibit HW-1.

IX. Schedule for Submission of Testimony, Hearings and Briefs.

The parties have corresponded over the past several days concerning a potential schedule, and have not been able to find consensus as of the time of filing; however, the City will continue to work with the parties to see if an agreed schedule can be reached before the Prehearing Conference. However, the City’s currently proposed schedule for submission of testimony, hearings, and briefs is below:

Description	Date
Public Input Hearings	December 16, 2025
Other Parties’ Direct Testimony	December 17, 2025
Rebuttal Testimony	January 8, 2026
Surrebuttal Testimony	January 20, 2026
Rejoinder Outline	January 26, 2026
Hearing Dates	January 27-28, 2026
Close of Record	February 1, 2026
Main Briefs	February 26, 2026
Reply Briefs	March 17, 2026

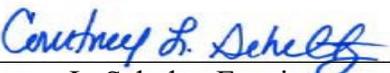
X. Public Input Hearings.

The City agrees to participate in any public input hearings deemed necessary in this proceeding. Additionally, the City advocates the use of telephonic or virtual public input hearings should they be warranted. The City would be amenable to an in-person public input hearing to be held in Lancaster County, on one day, at two different times, i.e., 1 p.m. and 5 p.m.

XI. Conclusion.

Based on the evidence described above, the City submits that the rates proposed in Supplement No. 49 are just, reasonable, and lawful. Additionally, and as explained above, the City remains open to settling issues and concerns raised by other parties on fair and reasonable terms

Respectfully submitted,

By: 
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*Attorneys for the City of Lancaster-
Bureau of Water*

Dated: November 17, 2025