



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

November 21, 2025

Via Electronic Filing

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

Re: Petition to Request the Commission Open a Section 529 Investigation Into
the Acquisition of Rock Spring Water Company
Docket No. P-2024-3051313
I&E Reply Brief

Dear Secretary Homsher:

Enclosed for electronic filing please find the Reply Brief of the Bureau of
Investigation and Enforcement in the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service.
Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Carrie B. Wright' with a stylized flourish at the end.

Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

CBW/ac
Enclosures

cc: Administrative Law Judge John M. Coogan (*via email* – jcoogan@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement	:	
	:	
v.	:	Docket No. P-2024-3051313
	:	
Rock Spring Water Company	:	

**REPLY BRIEF
OF
THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

Carrie B. Wright
Deputy Chief Prosecutor
PA Attorney ID No 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: November 21, 2025

TABLE OF CONTENTS

I. INTRODUCTION 1

II. BURDEN OF PROOF 1

III. SUMMARY OF THE ARGUMENT 2

IV. ARGUMENT 3

 A. SECTION 529 CRITERIA..... 3

 i. 66 Pa. C.S. Section 529(a)(1), (a)(2), and (a)(3)..... 3

 ii. 66 Pa. C.S. Section 529(a)(4)..... 6

 iii. 66 Pa. C.S. Section 529(a)(5)..... 10

 iv. 66 Pa. C.S. Section 529(a)(6)..... 10

 B. WHETHER BASED ON THE ABOVE ANOTHER CAPABLE
 UTILITY SHOULD BE REQUIRED TO ACQUIRE ROCK SPRING 11

 C. IF ANOTHER CAPABLE PUBLIC UTILITY SHOULD BE
 REQUIRED TO ACQUIRE ROCK SPRING, WHICH CAPABLE
 UTILITY SHOULD BE REQUIRED TO ACQUIRE THE SYSTEM 11

 D. OTHER FACTORS FOR CONSIDERATION 12

V. CONCLUSION 12

TABLE OF AUTHORITIES

Cases

Brockway Glass Co. v. Pennsylvania Public Utility Commission,
437 A.2d 1067 (Pa. Cmwlth. 1981) 1

Lower Frederick Twp. v. Pennsylvania Public Utility Commission,
409 A.2d 505 (Pa. Cmwlth. 1980). 1

Pa. P.U.C. vs. Twin Lakes,
Docket No. P-2020-3020914 (Order Entered September 17, 2020)..... 1

Statutes

66 Pa. C.S. § 332(a)..... 1

66 Pa. C.S. § 529 passim

66 Pa. C.S. § 529(a)..... 3, 12

66 Pa. C.S. § 529(a)(1) 3, 4, 6

66 Pa. C.S. § 529(a)(2) 3, 4, 6

66 Pa. C.S. § 529(a)(3) 3, 4, 6

66 Pa. C.S. § 529(a)(4) 3, 6, 10

66 Pa. C.S. § 529(a)(5) 10

66 Pa. C.S. § 529(a)(6) 10, 11

66 Pa. C.S. § 529(b)(1)-(5)..... 7

66 Pa. C.S. § 529(b)(5) 8

66 Pa. C.S. § 529(i)..... 1

Other Authorities

Order Granting Petition for Issuance of an Interim Emergency Order,
Docket No. P-2024-3051313 (Order Entered March 21, 2025). 2

I. INTRODUCTION

The background and procedural history were set forth in the Bureau of Investigation and Enforcement's (I&E) Main Brief which was served on November 7, 2025.¹ Main Briefs were also served by the Rock Spring Water Company (Rock Spring, RSWC, or Company), the State College Borough Water Authority (State College or SCBWA), the Pennsylvania American Water Company (PAWC), the Office of Consumer Advocate (OCA), the Pennsylvania Department of Environmental Protection (DEP), and Ferguson Township.

II. BURDEN OF PROOF

As explained in the I&E Main Brief, generally, under Section 332(a) of the Public Utility Code, the burden of proof in any proceeding involving the petition or application proposing a rule or order, or requesting relief from the Commission, is on the party seeking a rule or order from the Commission.² Additionally, the Public Utility Code places the statutory burden of proof on I&E in proceedings instituted under Section 529.³ However, even though "I&E bears a statutory burden of proof in a Section 529 proceeding pursuant to 66 Pa. C.S. § 529(i), we have previously stated that the burden is not exclusive to I&E."⁴

¹ I&E MB, pp. 1-4.

² 66 Pa. C.S. § 332(a). *See generally Brockway Glass Co. v. Pennsylvania Public Utility Commission*, 437 A.2d 1067 (Pa. Cmwlth. 1981); *Lower Frederick Twp. v. Pennsylvania Public Utility Commission*, 409 A.2d 505 (Pa. Cmwlth. 1980).

³ 66 Pa. C.S. § 529(i).

⁴ *Pa. P.U.C. vs. Twin Lakes*, pp. 2-12, Docket No. P-2020-3020914, Order Entered September 17, 2020.

I&E submits that it has met its burden of presenting a *prima facie* case that acquisition of the Rock Spring Water Company by another capable public utility is in the public interest.

III. SUMMARY OF THE ARGUMENT

Rock Spring has significant and long-standing quality of service and compliance issues, along with historically high levels of unaccounted-for water. Further, as this Commission has noted, Rock Spring has provided no indication that it is able or willing to improve the system or address the deficiencies.⁵ Rock Spring customer experience frequent service interruptions, leaks, delays in fixing main breaks, and an unsatisfactory emergency response plan.⁶ 66 Pa. C.S. § 529 gives the Commission the power to open an investigation and ultimately order the acquisition of small water and sewer utilities by a capable public utility. Section 529 lists six criteria that must be met before the Commission will order the acquisition of a small water or sewer utility by a capable public utility. I&E submits that all six criteria, as detailed below, have been met.

It is I&E's position that Rock Spring will not be able to easily resolve the issues it is facing and likely does not have the financial, managerial, or technical ability to do so. In light of the long history of inadequate service, Commission and DEP violations, and the historically high levels unaccounted-for water, the acquisition of Rock Spring by a larger capable public utility is required as it is in the best interest of Rock Spring customers.

⁵ *Order Granting Petition for Issuance of an Interim Emergency Order*, Order at 22 Docket No. P-2024-3051313 (Order Entered March 21, 2025).

⁶ *Id.*, p. 25.

IV. ARGUMENT

A. SECTION 529 CRITERIA

Section 529(a) of the Public Utility Code requires that the six enumerated elements be met in order for the Commission to order a capable public utility to acquire the small water or wastewater company. Rock Spring disagrees with I&E's assessment that another capable utility should be ordered to acquire the Rock Spring system. In addition, PAWC agrees that all elements of Section 529 have been met, with the exception of Section 529(a)(4). Based on its contention that Section 529(a)(4) has not been met, PAWC asserts that I&E has not met its burden and, therefore, the Commission is unable to order another capable utility to acquire the Rock Spring system. The arguments of Rock Spring and PAWC are addressed below.

In I&E's opinion, elements (1), (2), (3), (4), (5) and (6) of Section 529(a) are all met as detailed below. I&E submits that it has met its burden of proof in this proceeding and has demonstrated that Rock Spring is incapable of providing safe and reliable service to its customers. Therefore, I&E recommends the Commission issue an order requiring another capable utility to acquire the Rock Spring system.

i. 66 Pa. C.S. Section 529(a)(1), (a)(2), and (a)(3)

While not specifically delineated in the Rock Spring Main Brief, it appears from I&E's reading thereof, that Rock Spring had addressed Section 529(a)(1), (a)(2), and (a)(3) collectively. As a result, while they were addressed separately in the I&E Main Brief, I&E will address these sections under one heading in this Reply Brief as Rock Spring was the only party alleging that these criteria were not met.

As I&E explained in its Main Brief, Section 529(a)(1) requires that the subject small water or sewer utility at issue must be in violation certain statutory or regulatory standards, including but not limited to the Clean Streams Law, the Pennsylvania Sewage Facilities Act, the Pennsylvania Safe Drinking Water Act, or the regulations adopted pursuant to them.⁷ Additionally, Section 529(a)(2) requires that the small water or sewer utility has demonstrated its failure to comply with any Department of Environmental Resources or Commission order concerning safety, adequacy, efficiency or reasonableness of service, including, but not limited to, the availability, potability, or palatability of water or provision of water at adequate volume and pressure.⁸ Lastly, Section 529(a)(3) provides that the small water or sewer utility cannot reasonably be expected to furnish and maintain adequate, efficient, safe and reasonable service and facilities in the future.⁹

Rock Spring acknowledges that it has been in non-compliance with DEP regulations.¹⁰ In Main Brief, Rock Spring admits that as “...DEP regulations have become more stringent over the years, RSWC, due to lack of financial resources, has not kept pace with the requirements of the regulations. There is no dispute that RSWC has been cited with various violations by DEP over the years, and has not taken full action to correct all matters regarding the violations.”¹¹ This admission alone should be sufficient to justify taking action under Section 529 as Rock Spring

⁷ 66 Pa. C.S. § 529(a)(1).

⁸ 66 Pa. C.S. § 529(a)(2).

⁹ 66 Pa. C.S. § 529(a)(3).

¹⁰ Rock Spring MB, p. 4.

¹¹ Rock Spring MB, p. 2.

has admitted it is financially incapable and has not taken sufficient corrective actions to bring its system into compliance with DEP regulations.

However, in its Main Brief, Rock Spring alleges that the Commission must determine that the small water utility cannot reasonably be expected to furnish and maintain safe and reasonable service *in the future* and that this standard requires more than prior regulatory violations but demands a finding that Rock Spring will not be able to provide adequate service going forward.¹² Counsel for Rock Spring goes on the note that *under receivership* Rock Spring is currently providing adequate service and can be expected to do so in the future.¹³ As counsel aptly notes, Rock Spring's adequate service has been provided *under receivership*. In fact, PAWC notes:

As Receiver, PAWC has taken steps to address the lost water in the System. Leak detection has begun to locate any large leaks that can be repaired quickly. As of the end of August, 2025, PAWC fixed two major main breaks and two company side service leaks and identified and required customers to repair five customer side service leaks. During the first full three months of PAWC's Receivership, RSWC saw its average daily delivery of water decrease by 35%.¹⁴

Rock Spring has a long history of non-compliance both with DEP and with the Commission. Rock Spring's compliance efforts have occurred solely as a result of PAWC's receivership. PAWC is responsible for bringing this system in compliance with DEP regulations and significantly reducing lost and unaccounted for water. The record is

¹² Rock Spring MB, pp. 6-7.

¹³ Rock Spring MB, p. 7.

¹⁴ PAWC Main Brief, p. 4.

devoid of evidence that without PAWC's actions as receiver, Rock Spring would have taken any corrective actions to bring its system into compliance. Further, there is no indication that if PAWC's receivership is discontinued Rock Spring would continue on a path of compliance. If past history is any indication of the future, it would seem unlikely that without PAWC's assistance Rock Spring would continue to operate its system in compliance with all future and existing laws and regulations.

No party with the exception of Rock Spring has alleged that I&E has not met its burden on proofing that these criteria are satisfied. In fact, Rock Spring admits that it has been in violation of DEP regulations and has not taken sufficient efforts to correct those violations. Rock Spring bases its entire argument that it should not be acquired by a capable utility on reliance on PAWC as a receiver to cure its non-compliance.

As explained in detail above, the requirements of Section 529(a)(1), (a)(2), and (a)(3) have been met as Rock Spring has demonstrated failure to comply with DEP or Commission orders and regulations concerning safety, adequacy, efficiency or reasonableness of service. Rock Spring has not been able to demonstrate that it can be expected in the future to comply with Commission or DEP rules, regulations, or orders and maintain safe and reliable service.

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

Section 529(a)(4) requires that alternatives to acquisition be considered and be determined by the Commission to be impractical or not economically feasible.¹⁵ Some alternatives include: (1) reorganization under new management; (2) entering into a

¹⁵ 66 Pa. C.S. § 529(a)(4) .

contract with another public utility or management or service company to operate the small utility; (3) the appointment of a receiver to assure the adequate, efficient, safe and reasonable service and facilities are provided to the public; (4) the merger of the subject utility with one or more other public utilities and (5) the acquisition of the subject utility by a municipality, municipal authority or cooperative.¹⁶

While PAWC agrees that all other criteria for acquisition have been satisfied, PAWC alleges I&E did not meet its burden of demonstrating that the acquisition of the subject utility with a municipality, municipal authority, or cooperative would be impractical or not economically feasible.¹⁷ It appears that PAWC's argument in this regard is based largely on SCWBA's interest in purchasing the Rock Spring system.

Additionally, Rock Spring and PAWC apparently disagree with the extent to which the option of SCWBA acquiring the system has been explored, with Rock Spring arguing that it is the *only* alternative to acquisition that has been explored.¹⁸ Rock Spring alleges that other alternatives to acquisition have not been explored and, therefore, this criteria has not been met. Rock Spring and PAWC were the only parties to allege this criterion had not been met.

As I&E explained in its Main Brief, the issue facing Rock Spring is the level of disrepair and the long-term failure to comply with DEP and Commission orders and requirements. The first two alternatives to acquisition would not have addressed the financial resources needed to address the issues with the Company's extremely high

¹⁶ 66 Pa. C.S. § 529(b)(1)-(5).

¹⁷ PAWC MB, p. 21.

¹⁸ Rock Spring MB, p. 9.

UFW as well as other DEP violations that had been issues going back more than ten years. There has been an apparent lack of interest by the Rock Spring owner in investing financially or technically in the system to keep it viable. Therefore, contrary to Rock Spring's contention, I&E has considered these options and found them non-viable.

Regarding the third alternative, I&E submits that while the receivership by PAWC has cured some defects in Rock Springs service, it is not a viable long-term solution. Rock Springs states that under proper management through receivership it has shown its ability to correct violations and provide adequate service.¹⁹ This is simply untrue. These corrections have all been accomplished by PAWC. Rock Spring has not demonstrated that it has the ability to provide adequate service without PAWC's intervention. Receivership should not continue into perpetuity and Rock Spring has failed to demonstrate that at the conclusion of receivership, it would be able to maintain and manage the system. It is unfair to both PAWC and its ratepayers to ask it to manage this system into perpetuity for owners and operators who have demonstrated an inability and unwillingness to manage Rock Springs appropriately without allowing for the eventual acquisition of this system.

Regarding the fourth and fifth elements, I&E submits that Rock Spring is likely not a viable merger or acquisition candidate based on the state of the system and the current owner's lack of operating the system in compliance with DEP and Commission regulations. PAWC states that it does not believe I&E has demonstrated that Section 529(b)(5) has been met because it alleges I&E has not demonstrated that the acquisition

¹⁹ Rock Spring MB, p. 10.

of Rock Spring by SCBWA is impractical or not economically feasible. PAWC states that the only “evidence” that the acquisition would be impractical or not economically feasible is that Rock Spring and SCWBA have not been able to come to an agreement on the sale.²⁰ In order for an acquisition to be practical and economically feasible, a willing seller and a willing buyer are the minimum requirements. In this instance, while SCWBA has indicated it is a willing buyer, it is not clear that Rock Spring is a willing seller. While I&E remains unconvinced that Rock Spring is a willing buyer, assuming arguendo that it is, Rock Spring and SCWBA are apparently unable to agree on a purchase price which makes an acquisition fairly difficult. PAWC explains:

In 2025, SCBWA offered to purchase the System for \$65,000 – almost six times the net utility plant – but RSWC did not accept that offer. Neither did RSWC make a counter-offer. SCBWA St. No. 4 p. 1. In this proceeding, RSWC has introduced no evidence of the value of its System. Although the owners of RSWC have repeatedly professed their intention to sell the System, they have never followed through with serious efforts to sell it. DEP St. No. 2 (Feb. 13, 2025) p. 6; DEP St. No. 2 pp. 7-8; DEP St. No. 4 p. 4.²¹

As I&E previously explained, the Company has been in contact with SCBWA since at least 2008 to acquire its water system but the two have unable to reach an agreement. Based on this information, I&E submits that the acquisition between SCWBA would be impractical or not economically feasible. Without Rock Spring’s willingness and serious effort to sell the system, any acquisition would likely be impractical and not economically feasible. As a result, since we do not have a willing seller and a willing

²⁰ PAWC MB, p. 21.

²¹ PAWC MB, p. 22.

buyer, the alternative is Section 529, which can be used to order a small water system to be sold to a capable public utility.

Accordingly, I&E notes, that contrary to Rock Spring's allegation, all alternatives under Section 529(a)(4) have been explored. Additionally, with regard to PAWC's argument, I&E has in fact explored the option of SCWBA acquiring the system and based on previous history, determined that the acquisition would likely not be practical or economically feasible as Rock Spring and SCWBA have been unable to reach an agreement over a number of years on the sale of this system. As a result, I&E submits that the criteria for element four of Section 529 have been met.

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

Section 529(a)(5) requires the acquiring capable public utility to be financially, managerially and technically capable of acquiring and operating the small water or sewer utility in compliance with applicable statutory and regulatory standards.²² No party has disputed that PAWC is financially, managerially, and technically capable of operating Rock Spring. In addition, while SCWBA does not enjoy the same presumption of fitness as PAWC, it appears that it would also be capable of operating the system in compliance with DEP and Commission requirements.

As the two most likely candidates to acquire Rock Spring are PAWC or SCWBA, Section 529(a)(5) would be satisfied.

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

Section 529(a)(6) requires that the "rates charged by the acquiring capable public

²² 66 Pa. C.S. § 529(a)(5) .

utility to its preacquisition customers will not increase unreasonably because of the acquisition.”²³ By all indications, it appears either PAWC or SCWBA would have the ability to absorb the Rock Spring customers without unreasonable increases to their current customers bases.

Accordingly, I&E submits that this requirement under Section 529 has been met.

B. WHETHER BASED ON THE ABOVE ANOTHER CAPABLE UTILITY SHOULD BE REQUIRED TO ACQUIRE ROCK SPRING

As explained above, the record evidence demonstrates that it is in the best interest of the Rock Spring customers that another capable utility should be required to acquire the system. The long history of mismanagement by the Campbell’s and the history of non-compliance with DEP and Commission regulations and orders demonstrates that they are not currently capable of providing safe and reliable service to customers.

C. IF ANOTHER CAPABLE PUBLIC UTILITY SHOULD BE REQUIRED TO ACQUIRE ROCK SPRING, WHICH CAPABLE UTILITY SHOULD BE REQUIRED TO ACQUIRE THE SYSTEM

As explained above, it is I&E’s position that the Commission must order another capable utility to acquire the Rock Spring system.

It is I&E’s position, that as a Commission-jurisdictional utility, it would be appropriate for the Commission to order the acquisition of the Rock Spring system to PAWC. To the extent that the Commission determines it has the jurisdiction to order SCWBA to acquire Rock Spring, I&E submits SCWBA would also be a viable candidate to acquire the system.

²³ 66 Pa. C.S. § 529(a)(6) .

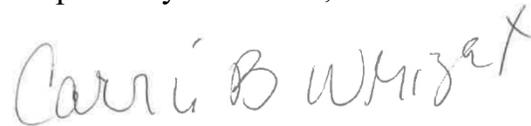
D. OTHER FACTORS FOR CONSIDERATION

All other factors for consideration that I&E identified were addressed in I&E's Main Brief. No further discussion of is warranted in this Reply Brief.

V. CONCLUSION

For the reasons set forth in this brief, I&E respectfully submits, that the criteria in Section 529(a) of the Public Utility Code have been met and the Commission should order the acquisition of Rock Spring by Pennsylvania American Water, or in the alternative, the State College Borough Water Authority.

Respectfully submitted,



Carrie B. Wright
Deputy Chief Prosecutor
PA Attorney ID No. 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
(717) 783-6156

Dated: November 21, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
the Acquisition of Rock Spring Water :
Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Reply Brief** dated November 21,
2025, in the manner and upon the persons listed below:

Served via Electronic Mail Only

Alexander R. Stahl, Esq.
Aqua Services, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
astahl@aquaamerica.com

Elizabeth Rose Triscari, Esq.
Teresa K. Harrold, Esq.
Erin K. Fure, Esq.
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
elizabeth.triscari@amwater.com
teresa.harrold@amwater.com
erin.fure@amwater.com

David P. Zambito, Esq.
Jonathan P. Nase, Esq.
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
dzambito@cozen.com
jnase@cozen.com

Jacob D. Guthrie, Esq.
Melanie Joy El Atieh, Esq.
Janna E. Williams, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
OCARockSpring@paoca.org

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

Robert A. Mix, Esq.
Robert Mix Law
211 Kimport Avenue
Boalsburg, PA 16827
bmix470@gmail.com
bmix@lmgrlaw.com

David S. Gaines, Jr., Esq.
Miller, Kistler & Campbell
720 South Atherton Street, Suite 201
State College, PA 16801
dgaines@mkclaw.com
*Counsel for
State College Borough Water Authority*

Elizabeth A. Dupuis, Esq.
Morgan M. Madden, Esq.
Babst, Calland, Clements & Zomnir, P.C.
330 Innovation Blvd, Suite 302
State College, PA 16803
bdupuis@babstcalland.com
mmadden@babstcalland.com
Counsel for the Township of Ferguson

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

J. Roy Campbell
Rock Spring Water Company
1750 Tadpole Road
Furnace, PA 16865
rsw5@comcast.net

Amanda Chaplin, Esq.
Glenn Masser, Esq.
Commonwealth of Pennsylvania
Department of Environmental Protection
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*



Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov