



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

BUREAU OF  
INVESTIGATION  
&  
ENFORCEMENT

December 11, 2025

**Via Electronic Filing**

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

Re: Pennsylvania Public Utility Commission v.  
Pennsylvania-American Water Company  
Docket Nos. R-2025-3057983 (Water)  
R-2025-3058051 (Wastewater)

**I&E Prehearing Memorandum**

Dear Secretary Homsher:

Enclosed for electronic filing is the Bureau of Investigation and Enforcement's ("I&E") Prehearing Memorandum in the above-referenced matter.

Copies are being served on parties 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". The signature is written in a cursive, slightly slanted style.

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

CBW/nb  
Enclosures

cc: Administrative Law Judge Jeffrey A. Watson (via email - [jeffwatson@pa.gov](mailto:jeffwatson@pa.gov))  
Administrative Law Judge Emily I. DeVoe (via email - [edevoe@pa.gov](mailto:edevoe@pa.gov))  
Per Certificate of Service



## **I. INTRODUCTION**

On November 14, 2025, Pennsylvania American Water Company (“PAWC” or “Company”) filed both a water and wastewater base rate case. This filing contained proposed changes in rates, rules, and regulations calculated to produce \$152.4 million, or 16.1%, in additional annual revenues for water rates, and an additional \$16.3 million or 7.8% in annual wastewater revenues.

The Pennsylvania Public Utility Commission (“PUC” or “Commission”) entered an order suspending the implementation of this rate increase by operation of law until August 13, 2026, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the rate case filing. Further, the matter was assigned to the Office of Administrative Law Judge (“OALJ”) to schedule such hearings as necessary to develop a record in this proceeding.

A telephonic Prehearing Conference is scheduled for Friday, December 12, 2025, at 10:00 am, with Administrative Law Judges Jeffrey A. Watson and Emily I. DeVoe presiding.

## **II. ISSUES**

The following list represents I&E’s preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

- Rate of Return
  - Overall Rate of Return
  - Cost of Equity and Cost of Equity Adjustments

- Cost of Debt
- Capital Structure
- Proxy Group
- Operation and Maintenance Expenses, including but not limited to:
  - Compensation
  - Group Insurance
  - Pension and OPEBs
  - Purchased Power
  - Purchased Water
  - Chemicals
  - Change in Consumption Expense
  - Transportation Expense
  - Insurance other than Group
  - Regulatory and Rate Case Expense
  - Service Company Expense
  - Postage and Customer Accounting
  - Acquisition O&M
  - 401k and Defined Contribution Plan
  - Rent Expense
  - Waste Disposal
  - Miscellaneous Adjustments
  - Taxes other than Income
  - Cash Working Capital
  - Customer Assistance Program (CAP) Rider
- Rate Base/Rate Structure/ Revenue Allocation
  - Annual Depreciation
  - Accrued Depreciation
  - Acquisitions
  - Amortization for Acquisitions
  - Contributions in Aid of Construction
  - Plant in Service
  - Customer Advances
  - Other Rate Base Additions
  - Other Rate Base Deductions
  - Materials and Supplies

- Projected Customer Usage
- Contract Rates
- Regional Surcharge
- Customer Charges
- Usage Rates
- Wastewater Rates
- Scale-back of Rates
- Wastewater to Water Cost Allocation

### **III. WITNESSES**

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Ethan Cline, Fixed Utility Valuation Engineer
- Esysan Sakaya, Fixed Utility Valuation Engineer
- Divya Dorairajan, Fixed Utility Valuation Engineer
- Vanessa Okum, Fixed Utility Financial Analyst
- DC Patel, Fixed Utility Financial Analyst

The I&E witnesses may be contacted through the information listed above for Prosecutor Wright. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above. In the event that I&E decides to call additional witnesses, I&E will notify the ALJs and the parties as soon as possible.

### **IV. EVIDENCE**

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other

documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

## **V. DISCOVERY**

Pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing. I&E can agree to the discovery modifications as proposed by the Office of Consumer Advocate.

## **VI. SCHEDULE**

I&E will work with the parties to develop a mutually agreeable schedule in this proceeding.

Given that this proceeding involves multiple I&E employees who are based out of the Harrisburg PUC offices, I&E request that if in person hearings are held, those hearings be held in Harrisburg in order to conserve the Commission's financial resources.

## **VII. PUBLIC INPUT HEARINGS**

To the extent that public input hearings are deemed necessary in this proceeding, I&E requests the use of telephonic public input.

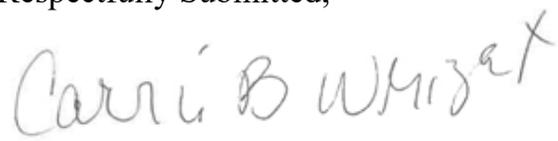
## **VIII. SERVICE OF DOCUMENTS**

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept and prefers electronic delivery of documents without the need to follow up with hard copies.

**IX. SETTLEMENT**

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,

A handwritten signature in black ink that reads "Carrie B. Wright". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Carrie B. Wright  
Prosecutor  
PA Attorney ID No. 208185

Pennsylvania Public Utility Commission  
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Dated: December 11, 2025



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John W. Sweet, Esq.  
Elizabeth R. Marx, Esq.  
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