

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2025-3057983
Office of Consumer Advocate	:	C-2025-3058806
Office of Small Business Advocate	:	C-2025-3058770
Rik Bhattacharyya	:	C-2025-3058701
Curran Mitchell	:	C-2025-3058705
Michael Leone	:	C-2025-3058733
Zachary Bugay	:	C-2025-3058769
Mary Naydan	:	C-2025-3058792
Brian Dugas	:	C-2025-3058818
David R. Hurlbrink	:	C-2025-3058843
Patricia A. Finley	:	C-2025-3058864
Connie Horhut	:	C-2025-3058873
William Balint	:	C-2025-3058984
Jay S. Croft	:	C-2025-3059030
Brooke Birckbichler	:	C-2025-3059057
Marc Wills and Angelia Koser	:	C-2025-3059143
Neil Allen Brown	:	C-2025-3059169
David and Lynn Griffith	:	C-2025-3059162
Jeffrey Reichart	:	C-2025-3059136
Keith Sauer	:	C-2025-3059144
CAUSE-PA	:	C-2025-3059141
Karen W. Harris	:	C-2025-3059042
Deanna Pilkerton	:	C-2025-3059154
Angela McCloy	:	C-2025-3059209
	:	
v.	:	
	:	
Pennsylvania-American Water Company	:	

AND

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2025-3058051
Office of Consumer Advocate	:	C-2025-3058810
Office of Small Business Advocate	:	C-2025-3058771
Curran Mitchell	:	C-2025-3058707
Elaine L. Bowman	:	C-2025-3058815
Joel Jackson	:	C-2025-3059064

Patricia A. Finley	:	C-2025-3058826
David R. Hurlbrink	:	C-2025-3058845
Jay S. Croft	:	C-2025-3059031
Brooke Birckbichler	:	C-2025-3059053
Marc Wills and Angelia Koser	:	C-2025-3059417
Neil Allen Brown	:	C-2025-3059170
David and Lynn Griffith	:	C-2025-3059165
Jeffrey Reichart	:	C-2025-3059137
Keith Sauer	:	C-2025-3059146
CAUSE-PA	:	C-2025-3059142
Karen W. Harris	:	C-2025-3059048
Deanna Pilkerton	:	C-2025-3059172
	:	
v.	:	
	:	
Pennsylvania-American Water Company	:	
Wastewater Division	:	

PREHEARING ORDER

Water Service Filed at Docket No. R-2025-3057983

On November 14, 2025, Pennsylvania-American Water Company (PAWC), filed Supplement No. 58 to Tariff Water-PA P.U.C. No. 5 (Supplement No. 58) with the Pennsylvania Public Utility Commission (Commission) at Docket No. R-2025-3057983 to become effective January 13, 2026. Supplement No. 58, as proposed by PAWC, would increase PAWC’s total annual operating revenues for water service by approximately \$152.4 million, or 16.1%.

On November 18, 2025, a Formal Complaint was filed by Rik Bhattacharyya at Docket No. C-2025-3058701 and by Curran Mitchell at Docket No. C-2025-3058705. On November 20, 2025, A Formal Complaint was filed by Michael Leone at Docket No. C-2025-3058733.

On November 20, 2025, a Formal Complaint was filed by Karen W. Harris at Docket No. C-2025-3059042.

On November 21, 2025, the Office of Small Business Advocate filed a Formal Complaint at Docket No. C-2025-3058770 and the Office of Consumer Advocate filed a Formal Complaint at Docket No. C-2025-3058806.

On November 21, 2025, Formal Complaints were filed by Zachary Bugay at Docket No. C-2025-3058769 and by Mary Naydan at Docket No. C-2025-3058792.

On November 24, 2025, a Formal Complaint was filed by Brian Dugas at Docket No. C-2025-3058818.

On November 25, 2025, Formal Complaints were filed by David R. Hurlbrink at Docket No. C-2025-3058843 and by Patricia A. Finley at Docket No. C-2025-3058864.

On November 26, 2025, Formal Complaints were filed by Connie Horhut at Docket No. C-2025-3058873 and by William Balint at Docket No. C-2025-3058984.

On December 2, 2025, Formal Complaints were filed by Jay S. Croft at Docket No. C-2025-3059030 and by Brooke Birckbichler at Docket No. C-2025-3059057.

Pursuant to Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1308(d) (relating to general rate increases), the filing was suspended by operation of law until August 13, 2026, unless otherwise directed by Order of the Commission.

On December 4, 2025 the Commission entered an Order instituting an investigation of the filing and proposed tariff supplement to determine if the proposed changes in rates, rules, and regulations may be unlawful, unjust, unreasonable, and contrary to public interest, as well as the reasonableness of PAWC's existing rates, rules, and regulations, unless otherwise directed by Order of the Commission. In addition, this proceeding was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a recommended decision.

On December 8, 2025, Marc Wills and Angelia Koser filed a Formal Complaint at Docket No. C-2025-3059417, Neil Allen Brown filed a Formal Complaint at C-2025-3059170, David and Lynn Griffith filed a Formal Complaint at C-2025-3059165, and Jeffrey Reichart filed a Formal Complaint at C-2025-3059137.

On December 9, 2025, Keith Sauer filed a Formal Complaint at C-2025-3059146, CAUSE-PA filed a Formal Complaint at C-2025-3059142, and Deanna Pilkerton filed a Formal Complaint at C-2025-3059172.

On December 11, 2025, a Formal Complaint was filed by Angela McCloy at Docket No. C-2025-3059209.

The water complaints noted here include only the complaints filed and processed by the Commission's Secretary's Bureau as of the date this Order was prepared. There may be additional complaints filed which may not yet appear on the docket.

Wastewater Division Filed at Docket No. R-2025-3058051

On November 14, 2025, Pennsylvania-American Water Company – Wastewater Division (PAWC-WD), filed Supplement No. 61 to Tariff Wastewater PA P.U.C. No. 16 (Supplement No. 61) with the Pennsylvania Public Utility Commission (Commission) to become effective January 13, 2026. Supplement No. 61 would increase PAWC-WD's total annual operating revenues for wastewater service by approximately \$16.3 million, or 7.8%.

On November 19, 2025, a Formal Complaint was filed by Curran Mitchell at Docket No. C-2025-3058707.

On November 20, 2025, a Formal Complaint was filed by Karen W. Harris at Docket No. C-2025-3059042.

On November 21, 2025, the Office of Small Business Advocate filed a Formal Complaint at Docket No. C-2025-3058771. On November 24, 2025, the Office of Consumer Advocate filed a Formal Complaint at Docket No. C-2025-3058810.

On November 22, 2025, a Formal Complaint was filed by Elaine L. Bowman at Docket No. C-2025-3058815 and by Joel Jackson at Docket No. C-2025-3059064.

On November 24, 2025, Formal Complaints were filed by Patricia A. Finley at Docket No. C-2025-3058826.

On November 25, 2025, a Formal Complaint was filed by David R. Hurlbrink at Docket No. C-2025-3058845.

On December 2, 2025, Formal Complaints were filed by Jay S. Croft at Docket No. C-2025-3059031 and by Brooke Birckbichler at Docket No. C-2025-3059053.

On December 8, 2025, a Formal Complaint was filed by Marc Wills and Angelia Koser at Docket No. C-2025-3059417, by Neil Allen Brown at Docket No. C-2025-3059170, by David and Lynn Griffith at Docket No. C-2025-3059165, and by Deanna Pilkerton at Docket No. C-2025-3059172.

On December 9, 2025, a Formal Complaint was filed by Jeffrey Reichart at Docket No. C-2025-3059137, by Keith Sauer at Docket No. C-2025-3059146, and by CAUSE-PA at Docket No. C-2025-3059142.

On December 11, 2025, the Company filed a Motion to Consolidate and a Motion For Protective Order.

The wastewater complaints noted here include only the complaints filed and processed by the Commission's Secretary's Bureau as of the date this Order was prepared. There may be additional complaints filed which may not yet appear on the docket.

Suspension of the Rate Filing

Pursuant to Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1308(d) (relating to general rate increases), the filing was suspended by operation of law until August 13, 2026, unless otherwise directed by Order of the Commission.

On December 4, 2025, the Commission entered an Order instituting an investigation of the filing and proposed water and wastewater tariff supplements to determine if the proposed changes in rates, rules, and regulations may be unlawful, unjust, unreasonable, and contrary to public interest, as well as the reasonableness of PAWCs existing rates, rules, and regulations. In addition, this proceeding was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a recommended decision.

A telephone prehearing conference was convened as scheduled on Friday, December 12, 2025, at 10:00 a.m. The Company, OCA, OSBA, I&E, CAUSE-PA participated and were represented by Counsel. Individual Complainant Joel Jackson also participated, without counsel.

Regarding consolidation, the Motion to Consolidate was granted without objection, and the matters at Docket No. R-2025-3057983 and R-2025-3058051 were consolidated under Docket No. R-2025-3057983. Additionally, the complaints filed by CAUSE-PA were consolidated with the Rate Filing. Further, this Prehearing Order consolidates all of the C-dockets identified above and subsequently filed and related to this proceeding under Docket No. R-2025-3057983.

Regarding the Motion for a Protective Order, the Parties agreed that any objections to the Motion for Protective will be filed by the close of business on Tuesday, December 16, 2025.

The instant Order memorializes the matters discussed at the Prehearing Conference and provides important information to the parties and customer complainants.

Litigation Schedule

The parties agreed upon the following litigation schedule, which was adopted:

Initial Filing	November 14, 2025
Prehearing Conference	December 12, 2025
Public Input Hearings	January 13, 2026, through January 21, 2026, as scheduled by the ALJs.
Opposing Party Direct Testimony	January 30, 2026
Rebuttal Testimony (all parties and all issues)	February 27, 2026
Surrebuttal Testimony (all parties and all issues)	March 13, 2026
Written Rejoinder or Outlines of Oral Rejoinder	March 19, 2026
In-Person Evidentiary Hearings (including oral rejoinder) in Harrisburg	March 23-25, 2026
Main Briefs due	April 6, 2026
Reply Briefs due	April 15, 2026
Public Meeting	July 16, 2026

End of Suspension Period	August 13, 2026

Additionally, the parties are directed to serve work papers in *Microsoft Excel* format within three calendar days of service of testimony.

Further, parties must submit a witness matrix as well as a master list of all parties' proposed exhibits by **noon on Friday, March 20, 2025**.

Evidentiary Hearings

In-Person Evidentiary Hearings will begin promptly at **10:00 a.m. on March 23, 2026, in Harrisburg**. The parties must confer before commencement of the hearings to schedule their witnesses so as to avoid "holes" or "dead time" during the hearings. PAWC noted its witness Ladner is unavailable beginning the afternoon of March 24. The Parties are directed to confer as to the order of witnesses for the hearing and accommodate witness Ladner's availability.

The parties are reminded of the Commission's requirements for the preparation and filing of written testimony. 52 Pa.Code §§ 5.412 and 5.412a. Written testimony must be accompanied by all exhibits to which it relates. Technical terms and concepts are to be clearly defined and explained in the testimonies and briefs. **No written testimony will be admitted into evidence unless accompanied by a verification or affidavit of the witness. The parties must agree on a list of common acronyms and use them consistently in all written testimony and briefs.**

Parties serving prepared testimony in proceedings pending before the Commission pursuant to 52 Pa.Code § 5.412(f) shall be required, within thirty (30) days after the final hearing in an adjudicatory proceeding, to e-file with the Secretary's Bureau a copy of all

testimony furnished to the court reporter during the proceeding consistent with 52 Pa.Code § 5.412a.

Technical terms and concepts are to be clearly defined and explained in the testimonies and briefs.

Parties

As of the date of this Order, PWSA, OCA, OSBA, I&E, and CAUSE-PA are the only active parties of record involved in this case. Any customer complainant who wishes to participate as an active party in this matter must file correspondence with the Commission's Secretary's Bureau indicating his or her intent to do so. Unless a customer complainant files such correspondence, he or she shall be treated as an inactive party. Inactive parties will be sent copies of all hearing notices, will be able to testify and present exhibits at a public input hearing, and will be served with and provided an opportunity to object to or provide written comments on any petition for settlement, and will be served with and provided an opportunity to file exceptions to the recommended decision.

The parties are directed to monitor filings with the Commission's Secretary's Bureau and advise the undersigned of any additional formal complaints or petitions to intervene filed after the date of this Order. A Service List of the parties is appended to this Order.

Service

All parties agreed to accept service by email. There is no need for parties to follow email service with service by First-Class Mail unless otherwise requested to do so.

The Presiding ALJs agree to accept email service from the parties and there is no need to follow email service by First-Class Mail unless otherwise directed to do so. The email addresses of the Presiding ALJs are edevoe@pa.gov and jeffwatson@pa.gov.

Further, if a party serves testimony, work papers, briefs, settlement petitions, or statements in support upon the Presiding ALJs, the party must also serve a copy upon the ALJs' technical advisors in this matter. Technical advisors and their email addresses will be provided to the Parties in separate correspondence.

Consolidation

At the prehearing conference, the presiding officers granted PAWC's Consolidation Petition, consolidating the R-dockets and associated C-docket complaints under Docket No. R-2025-3057983.

Public Input Hearings

It is anticipated there will be four days of in-person public input hearings, with two hearings each day, as well as one day of telephone public input hearings, with two hearings scheduled that day. A Public Input Hearing Notice will be issued setting the dates, times, and locations of these hearings.

PAWC shall confer with the Parties and address the concerns raised by OCA, CAUSE-PA and OSBA and generate a notice of the Public Input Hearings that contains all relevant information agreed upon and the date, time, location, and phone numbers and access codes, and must advertise the notice: (1) in the general readership section (not legal section) of at least one local newspaper within the service territory; (2) on its website; and (3) in social media posts which the Authority utilizes to advertise generally.

Further, the other parties involved in this proceeding, including OCA and OSBA, shall review these public input announcements prior to their publication and distribution and have input into the content of the notices and which publication the ads are placed.

Issues

In their respective prehearing memoranda, the parties identified various issues they may wish to pursue. The reader is directed to these documents to review a recitation of these issues. Additional issues may arise as the discovery process unfolds.

Discovery

The parties shall engage in informal discovery whenever and wherever possible in an attempt to resolve any discovery disputes amicably. 52 Pa.Code § 5.322. If this process fails, the parties have recourse to the Commission's procedures for formal discovery, as herein modified. 52 Pa.Code §§ 5.321, *et seq.* The parties must not send the Presiding ALJ discovery material or cover letters, unless attached to a motion to compel. **All motions to compel must contain a certification of counsel of the informal discovery undertaken and their efforts to resolve their discovery disputes informally.** If a motion to compel fails to contain such certification, the Presiding ALJ will contact the parties and direct them to pursue informal discovery.

At the prehearing conference, the parties agreed to modifications of the Commission's procedures for formal discovery, which were adopted will take effect on January 1, 2026.

Any outstanding interrogatories or requests for admissions are due no later than 10 business days after January 1, 2026, to the extent such responses are due later than such date, in accordance with Paragraph A below.

A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.

B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) business days of service of the interrogatories; unresolved objections shall be served in writing to the

propounding party within five (5) business days of service of the interrogatories and/or requests for production.

C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within five (5) business days of service of written objections.

D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.

E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.

G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal is served, the deadlines should be reduced as follows:

A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.

B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) business days of service; unresolved objections shall be served on the propounding party in writing within three (3) business days of service of the interrogatories and/or requests for production.

C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of written objections.

D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.

E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.

F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

Protective Order

On July 11, 2025, PWSA filed a Motion for Protective Order in the above-captioned proceedings pursuant to the provisions of 52 Pa. Code §§ 5.362(a) and 5.365. At the Prehearing conference, additional time was requested to review the Motion. Accordingly, any objections to the Motion shall be filed and served not later than December 16, 2025.

Settlement

The parties are reminded it is the Commission's policy to encourage settlements. 52 Pa.Code § 5.231(a). The parties are strongly urged to seriously explore this possibility.

If the parties reach a full, unanimous settlement prior to the hearing and wish to request that the evidentiary hearing(s) be cancelled, they must notify the Presiding ALJs as soon as possible, but no later than **10:00 a.m. on March 19, 2026**. A request to cancel the hearings may be granted only if all parties waive cross examination and waive appearance of the witnesses and agree to file a joint stipulation for the admission of evidence. Alternatively, the parties may request the hearing convene on March 23, 2025, to give the parties an opportunity to move their evidence into the record. Testimonies and exhibits may be admitted into the record upon oral motion or written stipulation, as long as all other parties waive cross-examination of the witness and waive appearance of the witnesses and an appropriate verification has been filed with the Commission's Secretary's Bureau.

A joint settlement petition, if any, must be executed by representatives of all parties, and, together with all parties' statements in support of settlement, must be filed with the Secretary's Bureau and received in-hand by the Presiding ALJs no later than **4:30 p.m. on April 15, 2026.** Any settlement petition must include stipulated findings of fact (either as part of the settlement petition or as part of a separately filed joint stipulation of fact), proposed conclusions of law, and proposed ordering paragraphs. Parties shall use a common outline to include common issues and sub issues and common abbreviations in the settlement, briefs and statements in support.

On or before March 26, 2025, the parties shall confer and agree on a common brief and settlement outline with common issues and sub issues and common abbreviations, which shall be filed and served upon the presiding officers. Briefs, and statements in support of settlement that do not conform with the Common outline of issues and all sub issues will not be considered by the presiding officers. Additional requirements for briefs are listed below.

Stipulations

If settlement is not feasible, the parties are encouraged to stipulate to any matters they reasonably can to expedite this proceeding, lessen the burden of time and expenses in litigation on all parties, and conserve precious administrative hearing resources. 52 Pa.Code §§ 5.232 and 5.234.

All stipulations entered into by the parties must be reduced to writing, signed by the parties to be bound thereby, and moved into the record in this case either orally at an evidentiary hearing or through a motion filed with the Secretary's Bureau.

Cross-Examination

Friendly cross-examination or cumulative cross-examination during hearings will not be permitted. 52 Pa.Code §§ 5.76 & 5.243.

Briefs

The parties must comply with 52 Pa.Code §§ 5.501, *et seq.*, regarding the preparation and filing of briefs. Page limitations on briefs will be discussed on or before the last day of hearing. The parties shall submit an electronic copy of all briefs to the Presiding ALJs in a *Microsoft Office Word* format.

IMPORTANT NOTICE: All briefs must conform to the “Instructions for Briefs” attached hereto as Appendix A and made a part of this Order. **Also, Rate Case Tables will be electronically provided to the Parties. These Tables must be used by the Company and all Parties in this proceeding.** If any party fails to follow these instructions in the smallest detail, that party’s position will not be considered, regardless of where the record may support it or the position of any other party to this proceeding. Your anticipated cooperation will be appreciated.

Modification

Any of the provisions of this Prehearing Order may be modified upon motion and good cause shown by any party in interest.

Date: December 17, 2025

_____/s/
Emily I. DeVoe
Jeffrey A. Watson
Administrative Law Judges

Appendix A

Special Instructions for Briefs and Exceptions in Major General Rate Increase Proceedings

1. Each brief shall follow the general organization shown in the attached standardized format.
2. Briefs shall be prepared in Times New Roman, 13 point font, with citations in footnotes, rather than embedded in the text.
3. Each brief shall contain a table of contents with page references to a summary of argument and to each topic addressed in the argument.
4. Adjustments contained in each brief shall:
 - a. be based on a specific test year, to be selected before the close of the record;
 - b. be complete and self-contained, include accurate reference to the appropriate record sources, be on a before-income-tax basis (never on a net income or revenue requirement basis) and be on a consistent jurisdictional basis (if record support cannot be located, the adjustment may/will be rejected);
 - c. be detailed to demonstrate the step-by-step calculation of that adjustment together with appropriate accurate record references (once again, if the record support cannot be located for the necessary steps, the adjustment may/will be rejected);
 - d. include concomitant rate base, revenue, expense, depreciation expense, and tax (i.e., taxes other, State Income, and Federal Income) adjustments set forth, together with the details of their calculation;
 - e. include within the brief calculations which are the basis for proposed adjustments, but which are incomplete in the record.
5. Tables showing all proposed rate base and income adjustments, organized as shown in the attached Table I and Table II, shall be submitted with each brief which includes such adjustments.
 - a. The starting point of Table I “Income Summary” shall be the utility’s final *pro forma* showing at present rates. The ALJs shall specify the starting point to be the most recent update admitted into

evidence. The update, admission, and ALJs ruling shall be cited on the table.

- b. The effect of deferred or accrued taxes on the various tax adjustments presented in Table II “Summary of Adjustments” shall be indicated by a footnote.

6. The following schedules shall be submitted with each brief.

- a. A schedule showing the precise derivation of any adjustment to proposed cash working capital allowance.
 - i. The schedule describing an adjustment to a Utility’s claim for Cash Working Capital shall separately list (1) adjustments originating from Table II “Summary of Adjustments” and (2) adjustments resulting from the proposed revenue increase. Any effect on deferred and/or accrued taxes shall be shown in a separate column or footnote.
 - ii. Net Revenue and Expense Lag Days for all Cash Working Capital Adjustments shall be calculated to at least one decimal place.
- b. A schedule showing all tax and jurisdictional allocation factors utilized (any deviations from standard or obvious factors should be explained on the schedule on in the brief).
- c. A schedule listing, for the party or Parties filing the brief, each exhibit or other document admitted into the record, along with the date the document was identified and the date the document was admitted.

7. Rate structure proposals shall be reasonably specific and explicit, shall, as appropriate, refer accurately to record support and shall be summarized at the end of the “Rate Structure” topic heading of each brief.

8. Parties shall, as feasible and appropriate, discuss alternative rate design proposals for overall rate increases at and below the requested increase

9. Regarding the filing of exceptions, the following instructions are provided:

- a. Each exception shall be separately identified and, as necessary, discussed.

- b. Each exception shall include, before any discussion is provided, the following elements (see examples attached):
 - i. a reference to the relevant part of the Recommended Decision, at least to the relevant pages;
 - ii. a reference to related discussions in the excepting party's brief and, as appropriate, to other briefs; and
 - iii. a concise statement of the exception.
- c. The exceptions shall follow the order of presentation provided in the table of contents to the Recommended Decision.
- d. If a party takes exception concerning a topic not included within the Recommended Decision or the table of contents thereto, the appropriate exception shall be included at the end of the appropriate major topic heading (such as "Rate Base" or "Expenses").
- e. If a party seeks to correct computations associated with the Recommended Decision, replacement computations, with source references to briefs or the record, shall be provided.

Standardized Brief Format for
General Rate Increase Proceedings

- I. Introduction
- II. Summary of Argument
- III. Rate Base
 - A. Fair Value
 - B. Plant in Service
 - C. Depreciation Reserve
 - D. Additions to Rate Base
 - E. Deductions from Rate Base
 - F. Conclusion
- IV. Revenues
- V. Expenses
- VI. Taxes
- VII. Rate of Return
- VIII. Miscellaneous Issue
- IX. Rate Structure
 - A. Cost of Service
 - B. Revenue Allocation
 - C. Tariff Structure
 - D. Summary and Alternatives
- X. Conclusion

Note: Appropriate modifications may be agreed upon by the parties. For instance, a party might add “Affiliated Interest Expenses” as a major topic heading or might brief only rate structure and not use other topic headings. A summary and alternatives should be provided under “Rate Structure” but the “Rate Base” and “Rate Structure” formats shown may be modified, as appropriate. Additional subheadings should be used, as appropriate. The parties are directed to confer and create a common brief outline which is tailored to the specific issues raised in this proceeding. The agreed-upon common

brief outline must be provided to the presiding officers by the deadline provided above.

TABLE I

INCOME SUMMARY
(\$000)

	<u>Pro Forma</u> <u>Present</u> <u>Rates</u> \$	<u>Recommended</u> <u>Adjustments</u> \$	<u>Adjusted</u> <u>Present</u> <u>Rates</u> \$	<u>Revenue</u> <u>Adjustment</u> \$	<u>Total</u> <u>Allowable</u> <u>Revenues</u> \$
Operating Revenues	_____	_____	_____	_____	
Deductions:					
O&M Expenses					
Depreciation					
Taxes:					
State					
Federal					
Other	_____	_____	_____	_____	
Total Deductions	_____	_____	_____	_____	
Net Income Available for Return	=====	=====	=====	=====	
Rate Base					
Recommended Rate of Return					

Examples of Specific Exceptions

1. Staff excepts to the ALJS's rejection of the Staff (and OCA) rate case expense adjustment. See R.D., pp. 31-2; Staff brief, pp. 54-5; OCA brief, pp. 98-9. The \$128,000 adjustment, based on a filing once every four years and on disallowance of certain expenses, should be accepted.
2. The Company excepts to the adoption of the OCA revenue adjustment. See R.D., pp. 28-30; Company brief, pp. 56-9; Company reply brief, p. 12. This adjustment was based on unreasonable projections of industrial consumption (see OCA brief, p. 84). The Company projection, as modified at Company St. 14, pp. 11-12, should be used.
3. OCA excepts to the ALJS's failure to address, and accept, its weather adjustment to revenues. See OCA brief, pp. 21-4; OCA reply brief, p. 12.
4. Corrections to calculations underlying salary increases (R.D., p. 41), force reductions (R.D., pp. 48-9) and tax normalization (R.D., pp. 81-2) are offered and explained at Appendix B.

R-2025-3057983 and R-2025-3058051 - PA PUBLIC UTILITY COMMISSION v. PENNSYLVANIA AMERICAN WATER COMPANY - WATER & WASTEWATER

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