

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of the City of Pittston, Nunc Pro Tunc, Pursuant to 66 PA. C.S. § 1102(A), for a Certificate of Public Convenience to offer, furnish, render, and supply wastewater service to the public in certain portions of the Borough of Duryea, the Borough of Hughestown and Pittston Township, all in Luzerne County, Pennsylvania

A-2026-3059911

**PREHEARING CONFERENCE MEMORANDUM
OF HUGHESTOWN BOROUGH**

The Borough of Hughestown (“Hughestown”), by and through its attorneys, Obermayer Rebmann Maxwell & Hippel LLP, submits this prehearing memorandum pursuant to the Prehearing Conference Order in advance of the March 11, 2026 Prehearing Conference in this matter.

I. Background

On January 16, 2026, the City of Pittston (“City” or “Applicant”) initiated this proceeding by filing a *nunc pro tunc* Application seeking a Certificate of Public Convenience under 66 Pa.C.S. §1102(a) for wastewater service to customers located in Hughestown, Duryea, and Pittston Township. The Application is tied to the City’s plan to sell its entire wastewater system to PAWC due to fiscal pressures and statutory debt limits. The City asserts it requires sale proceeds to avoid over \$1 million in increased annual debt service beginning in 2027.

Hughestown filed a timely Petition to Intervene on February 13, 2026. On February 26, 2026, the Commission issued a Prehearing Conference Order directing parties to file prehearing memoranda on or before March 6, 2026 and scheduling the initial prehearing conference for March 11, 2026 at 10:00 a.m.

II. Issues

A. Certificate of Public Convenience

Issue: Should the Pennsylvania Public Utility Commission approve the City of Pittston's Application for a Certificate of Public Convenience, Nunc Pro Tunc, allowing it to provide wastewater collection and conveyance service to the public in certain portions of the Boroughs of Duryea and Hughestown and Pittston Township, Luzerne County, Pennsylvania, that connect with the Applicant's system?

Hughestown's Position: No. Pittston seeks the issuance of a Certificate of Public Convenience now only because it seeks to turn around and immediately sell its wastewater collection and conveyance to Pennsylvania-American Water Company ("PAWC"). Hughestown has no interest in forcibly becoming PAWC customers and is actively seeking alternatives to such an outcome. Pittston has been knowingly providing service outside its legally permitted service boundary for many years. Now, instead of engaging Hughestown in meaningful discussion of a long-term and legally required bulk agreement, it seeks to have the PUC sanction this, which will ultimately force Hughestown into regulated rates – an entirely unjust outcome.

B. Provision of Service to Hughestown

Issue: How long has the City been aware that it has been providing service to residents of Hughestown without requisite PUC approval?

Hughestown's Position: Hughestown respectfully submits that this is an issue that will be the subject of discovery.

C. Refunds

Issue: Are refunds for the City's provision of services and charging of rates to residents of Hughestown without Commission approval appropriate?

Hughestown's Position: Hughestown submits that refunds may very well be appropriate as a matter of law.

D. Absence of a Bulk Service Agreement

Issue: If approval is to be granted, should the Pennsylvania Public Utility Commission require as a condition that the City and the Borough of Hughestown finalize and enter into a bulk wastewater service agreement establishing clear service terms, responsibilities, and protections?

Hughestown's Position: Yes. Hughestown currently has no bulk service agreement with the City of Pittston, despite the City serving 576 Hughestown customers and despite the City acknowledging that such an agreement is necessary. The absence of an executed agreement leaves Borough residents without contractual protection regarding flow conveyance, operational responsibilities, rate transitions, emergency response, and long-term service coordination. Given that Pittston is actively pursuing a sale of its entire wastewater system to PAWC and anticipates seeking to abandon service post-closing, Hughestown must ensure that a binding bulk agreement is in place to protect its residents before any certificate is granted. A bulk agreement is essential to ensure operational continuity, stable service terms, and orderly transition in the event of system transfer. Accordingly, if the Application is granted, Hughestown seeks a Commission-approved framework that conditions issuance of the certificate upon execution of such an agreement.

E. Rate Increases and Protection of Hughestown Residents

Issue: If it approves the Application, should the Commission impose conditions to protect Hughestown residents from rate instability or potential rate increases associated with Pittston's financial distress, its Application, and its proposed sale of the wastewater system to PAWC?

Hughestown's Position: Yes. Hughestown seeks to protect its residents from the significant rate impacts that will function to subsidize the funds the City seeks to receive in its transaction with PAWC, particularly given:

- (1) the City’s admission that it has reached its statutory debt limit and requires sale proceeds to address over \$1 million in additional annual debt service beginning in 2027;
- (2) the City’s intent for PAWC to establish new base rates following acquisition under 66 Pa.C.S. § 1329; and
- (3) Billing irregularities in Hughestown, including several residents who historically received no bills until December 2025.

Because these factors create material risk of rate instability, Hughestown requires enforceable conditions such as:

- interim rate protections;
- advance notice and Borough consultation on rate transitions; and
- provisions preventing retroactive or unexpected surcharges.

Absent adequate protections, Hughestown must reserve the right to explore alternative conveyance arrangements—including directing wastewater flows through non-Pittston pathways—should the approved framework result in unreasonable rate impacts for Borough residents.

F. Continuity of Safe, Reliable, and Affordable Service

Issue: Should the Commission require protections to ensure that Hughestown residents continue receiving safe, reliable, and affordable wastewater service under any Commission-approved certificate and during any subsequent transaction, including the proposed sale to PAWC?

Hughestown’s Position: Yes. Hughestown seeks to ensure that its residents continue receiving safe and affordable wastewater service on fair, acceptable terms, both during Pittston’s continued interim operation and following any proposed sale to PAWC. The City’s Application acknowledges that it will seek to abandon service in the Applied-For Territory after the PAWC

transaction closes, making it essential that residents experience no lapse in service or reduction in quality.

III. Witnesses

Hughestown anticipates presenting the testimony of Carolyn D'Elia Moscatelli, President of the Hughestown Council in support of its position(s) in this proceeding. Hughestown reserves its right to call additional witnesses if necessary, and agrees to notify Administrative Law Judges and the parties promptly should it determine that any additional witnesses will be called.

IV. Litigation Schedule

Hughestown is willing to work with Administrative Law Judges and the parties to develop an agreed-upon litigation schedule.

V. Public Input Hearings

Hughestown respectfully submits that public input hearings are appropriate so that, at minimum, its residents can weigh in on the issues that are the subject of this proceeding.

VI. Discovery

Hughestown will comply with any modifications of the discovery rules that Administrative Law Judges deem to be appropriate.

VII. Settlement

Hughestown is willing to engage in good-faith settlement discussions if they involve the required protections as discussed above.

VIII. Hearing Time

At this juncture, it is premature to determine the amount of hearing time that may be required. Hughestown respectfully submits that the appropriate hearing time will depend on the scope of issues that remain after discovery and the development of the evidentiary record.

IX. Designation of Primary Counsel

For purposed of the Prehearing Conference, Hughestown designates Matthew Olesh as primary counsel.

Respectfully submitted,

/s/ Matthew S. Olesh

Thomas Wyatt, Esquire (PA I.D. 89342)

Matthew S. Olesh, Esquire (PA I.D. 206553)

OBERMAYER REBMANN

MAXWELL & HIPPEL LLP

Centre Square West

1500 Market Street, Suite 3400

Philadelphia, PA 19102

Tel.: (215) 665-3000

Fax: (215) 665-3165

Thomas.Wyatt@obermayer.com

Matthew.Olesh@obermayer.com

Counsel for Hughestown Borough

Dated: March 6, 2026

CERTIFICATE OF SERVICE

I, Matthew Olesh, Esq., hereby certify that I have served a true and correct copy of the foregoing Prehearing Memorandum upon all parties to this proceeding in accordance with the requirements of 52 Pa. Code §§ 1.54 (relating to service by a party) via electronic mail and e-filing.

Dated: March 6, 2026

/s/ Matthew Olesh

Matthew Olesh, Esquire