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May 7, 2026

**Via Electronic Filing**

Matthew L. Homsher, Secretary  
Pa. Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Pennsylvania-American Water Company,  
Docket Nos. R-2025-3057983 and R-2025-3058051

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Dear Secretary Homsher:

In satisfaction of the requirements of 52 Pa. Code § 5.412(f) and consistent with the direction provided by Administrative Law Judges Watson and DeVoe, the below referenced testimony is being submitted on behalf of Victory Brewing Company following its admission to the record at the hearing held on March 23, 2026.

- Victory Brewing Statement No. 1-R – Rebuttal Testimony of Scott Shirley

Please contact me with any questions or concerns.

Sincerely,



Lauren M. Burge

Enclosure

cc: Hon. Jeffrey A. Watson w/enc.  
Hon. Emily I. DeVoe w/enc.  
Cert. of Service w/enc.

## CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the enclosed **Letter** upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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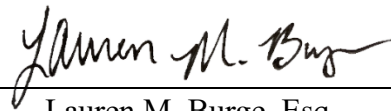
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Dated: May 7, 2026



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Lauren M. Burge, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**REBUTTAL TESTIMONY OF**

**SCOTT SHIRLEY**

**ON BEHALF OF VICTORY BREWING COMPANY**

**TOPICS:**

**Proposed Water Rates  
Proposed Wastewater Rates**

**February 27, 2026**

**Table of Contents**

	<b>Page</b>
<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>II. RESPONSE TO DIRECT TESTIMONY OF OCA WITNESS MIERZWA .....</b>	<b>3</b>
<b>III. RESPONSE TO DIRECT TESTIMONY OF OSBA WITNESS KUBAS .....</b>	<b>4</b>
<b>IV. CONCLUSION .....</b>	<b>7</b>

1       **I. INTRODUCTION**

2       **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

3       A. My name is Scott Shirley and I am the Vice President of Operations for the Victory  
4       Brewing Company (“Victory Brewing” or “VBC”). My business address is 3127 Lower  
5       Valley Road, Parkesburg, Pennsylvania 19365.

6       **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS PROCEEDING?**

7       A. No, I have not.

8       **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
9       **PROFESSIONAL EXPERIENCE.**

10      A. I served as the Head Brewer at Harpoon Brewery in Windsor, Vermont for almost two  
11      decades before becoming the Director of Brewing Operations at Lawson’s Finest Liquids  
12      in Waitsfield, Vermont. Since September 2024, I have been the Vice President of  
13      Operations for VBC.

14      **Q. WHAT ARE YOUR KEY RESPONSIBILITIES IN YOUR CURRENT**  
15      **POSITION?**

16      A. I have responsibility for all Victory Brewery operations at our Downingtown,  
17      Parkesburg, and Redhook breweries. This includes all brewery operations from raw  
18      materials, brewing operations, packaging, quality, warehousing, and logistics for Victory  
19      Brewing and Sixpoint brands.

20      **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE**  
21      **PENNSYLVANIA PUBLIC UTILITY COMMISSION?**

22      A. No.

23      **Q. ON WHOSE BEHALF IS THIS REBUTTAL TESTIMONY OFFERED?**

24      A. This Rebuttal Testimony is offered on behalf of Victory Brewing.

1 **Q. PLEASE DESCRIBE VICTORY BREWING.**

2 A. Victory Brewing is a craft brewery born out of a passion to introduce Americans to a  
3 high-quality beer and a drinking experience rooted in connectivity. In 1996, Victory  
4 Brewing opened its doors to serve full-flavored, innovative beers. Victory Brewing  
5 creates a vibrant culture and elevated beer-drinking experience across its taproom  
6 locations in Chester County, Pennsylvania, including the flagship location in  
7 Downingtown, as well as in Charlotte, North Carolina, and in Center City Philadelphia.  
8 As one of the most decorated craft breweries creating award-winning brands such as  
9 Golden Monkey, Prima Pils, DirtWolf, and Storm King, Victory Brewing continues to  
10 drive innovation and change through ingenuity in brewing, steadfast commitment to the  
11 community, and forward-thinking initiatives.

12 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR REBUTTAL TESTIMONY.**

13 A. The primary purpose of my Rebuttal Testimony is to respond portions of the Direct  
14 Testimony the Office of Consumer Advocate (“OCA”) witness Jerome D. Mierzwa and  
15 the Office of the Small Business Advocate (“OSBA”) witness Joseph Kubas with respect  
16 to their proposals that would affect Victory Brewing’s rates for water and wastewater  
17 services provided by Pennsylvania-American Water Company (“PAWC” or  
18 “Company”). My silence on other portions of the testimony submitted by these witnesses  
19 and on other parties’ testimony should not be viewed as agreement with positions  
20 advanced in their testimony.

21 **Q. DO YOU HAVE SPECIFIC RECOMMENDATIONS?**

22 A. Yes. I recommend that the Commission: (1) reject OCA witness Mierzwa’s  
23 recommendations that would result in a significantly higher increase to water rates for  
24 industrial customers like Victory Brewing; and (2) reject OSBA’s witness Kubas’

1 proposal that would increase Victory Brewing’s current special rate for wastewater  
2 service.

3 **II. RESPONSE TO DIRECT TESTIMONY OF OCA WITNESS MIERZWA**

4 **Q. PLEASE DESCRIBE OCA WITNESS MIERZWA’S POSITION RELATED TO**  
5 **WATER RATES FOR INDUSTRIAL CUSTOMERS.**

6 A. Mr. Mierzwa presents his own water class cost of service (“CCOS”) study and makes  
7 various recommendations as to how the proposed water rate increase should be allocated  
8 among the customer classes. Mr. Mierzwa’s proposals would result in a significantly  
9 higher increase for industrial customers like Victory Brewing as compared to PAWC’s  
10 proposal. (OCA St. No. 3 at 30–31). Specifically, if adopted, Mr. Mierzwa’s proposal  
11 would result in an increase of 24.1% for industrial customers, as opposed to the 11.9%  
12 increase proposed by PAWC. (OCA St. No. 3 at 30–31, Tables 4 and 5).

13 **Q. DO YOU AGREE WITH MR. MIERZWA’S PROPOSAL?**

14 A. No, I do not. Mr. Mierzwa’s recommendation unfairly shifts a significant amount of any  
15 water rate increase onto industrial customers and should be rejected.

16 **Q. PLEASE DISCUSS HOW OCA’S PROPOSAL WOULD AFFECT VICTORY**  
17 **BREWING AND ITS OPERATIONS.**

18 A. At the outset, I note that any increase would negatively affect Victory Brewing’s  
19 operations. As a brewery, water is an essential ingredient in Victory Brewing’s operations  
20 and any increase in our water rates will have a significant impact. This rate case  
21 represents the fourth rate increase that PAWC has requested since 2020 alone, meaning  
22 that Victory Brewing’s operations are already impacted and have been modified  
23 substantially to adjust to higher water costs over the last five years. These rate increases  
24 have also come at a time when craft beer sales have been declining across the board. Both  
25 the frequency and the magnitude of recent rate increases, including PAWC’s current

1 proposed increase, have created ongoing challenges for Victory Brewing’s operational  
2 costs.

3 While PAWC’s proposed 11.9% increase for industrial customers would itself be  
4 difficult for Victory Brewing to absorb, OCA’s proposal that would increase industrial  
5 rates by 24.1% is extreme. This would more than double the amount of the increase  
6 allocated to industrial water customers (i.e., a \$5,097,377 increase under PAWC proposal  
7 versus a \$10,353,798 increase under OCA’s proposal). While I understand that Mr.  
8 Mierzwa’s proposal includes a variety of factors, such as his proposed Act 11 shift, the  
9 result unreasonably shifts a significant additional increase away from residential and  
10 commercial customers and onto industrial customers. Meanwhile, PAWC’s original  
11 allocation proposal is more reasonable and supported.

12 **Q. WHAT DO YOU RECOMMEND?**

13 A. I recommend that the Commission reject OCA’s proposal that would result in a 24.1%  
14 increase on industrial customers.

15 **III. RESPONSE TO DIRECT TESTIMONY OF OSBA WITNESS KUBAS**

16 **Q. PLEASE DESCRIBE THE CURRENT RATE THAT VICTORY BREWING PAYS**  
17 **UNDER PAWC’S WASTEWATER TARIFF.**

18 A. Victory Brewing currently pays a special rate for wastewater service. This consists of a  
19 \$456.50 monthly service charge and a usage charge of \$1.48 per 100 gallons. This special  
20 rate has been approved by the Commission and is included in PAWC’s current  
21 wastewater tariff.<sup>1</sup> I would note that Cleveland-Cliffs Steel pays this same special rate  
22 under the tariff. To my knowledge, Victory Brewing and Cleveland-Cliffs are the two  
23 largest industrial customers in PAWC’s service territory.

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<sup>1</sup> Pennsylvania-American Water Company, Tariff Wastewater PA P.U.C. No. 16, Page No. 11.1.

1 **Q. DID PAWC PROPOSE ANY INCREASE TO VICTORY BREWING'S SPECIAL**  
2 **WASTEWATER RATE?**

3 A. No, PAWC did not propose any increase to the special wastewater rates in its tariff.

4 **Q. WHAT DOES OSBA WITNESS KUBAS RECOMMEND WITH RESPECT TO**  
5 **VICTORY BREWING'S WASTEWATER RATES?**

6 A. Mr. Kubas argues that for Victory Brewing and Cleveland-Cliffs, the monthly charges for  
7 wastewater service should increase by 19.6%. (OSBA St. No. 1 at 16; OSBA Exh. JK-3,  
8 page 1, lines 9–10). Specifically, Mr. Kubas recommends that the monthly service charge  
9 should increase from \$456.50 to \$546.00 and the usage charge should increase from  
10 \$1.49 to \$1.77 per 100 gallons. He argues that since he is proposing a 19.6% increase for  
11 other non-residential customers, the Victory Brewing and Cleveland-Cliffs special rate  
12 should also increase by 19.6%.

13 Additionally, Mr. Kubas argues that if the Commission approves a revenue  
14 requirement that is less than the amount PAWC has requested, the Victory Brewing and  
15 Cleveland-Cliffs monthly charge should be scaled back to match the percentage increase  
16 in the Zone 1 Non-Residential usage. However, he does not believe that the usage rate  
17 should be scaled back at all. (OSBA St. No. 1 at 51–52).

18 **Q. DO YOU AGREE WITH MR. KUBAS' RECOMMENDATIONS?**

19 A. No, I do not.

20 **Q. HOW DO YOU RESPOND TO OSBA'S TESTIMONY REGARDING VICTORY**  
21 **BREWING'S SPECIAL RATE FOR WASTEWATER SERVICE?**

22 A. In my opinion, OSBA's proposed increase to Victory Brewing's special rate is  
23 inappropriate and unsupported. Mr. Kubas' argument that a 19.6% increase for non-  
24 residential customers should be applied across the board ignores important differences  
25 between Victory Brewing and other non-residential customers. For example, Mr. Kubas

1 does not take into account the fact that Victory Brewing is currently constructing a  
2 multimillion-dollar wastewater pre-treatment facility that will also significantly *reduce*  
3 costs to PAWC for treatment of wastewater from Victory Brewing’s facilities. OSBA  
4 does not take into account or even acknowledge this significant fact.

5 The current special rate, which PAWC did not propose to change, appropriately  
6 considers the specific and unique factors that apply to Victory Brewing as one of the  
7 largest industrial customers in PAWC’s service territory, and should not be disturbed. I  
8 believe it is telling that none of the other parties made such a recommendation. OSBA’s  
9 proposal is an outlier and should be rejected.

10 I would also add that, as a general matter, any increase in rates for wastewater  
11 service would negatively affect Victory Brewing’s operations, in the same way that I  
12 discussed above related to water rates.

13 **Q. YOU MENTIONED THAT VICTORY BREWING IS BUILDING A**  
14 **WASTEWATER PRE-TREATMENT PLANT. PLEASE DESCRIBE THIS**  
15 **PROJECT FURTHER.**

16 A. Victory Brewing is currently constructing a wastewater pre-treatment plant that is  
17 intended to pretreat the wastewater effluent from the process of brewing beer before it  
18 enters PAWC’s wastewater system. This project is being completed after consultation  
19 with PAWC and to meet requirements imposed by PAWC. This project has cost Victory  
20 Brewing over \$8 million and is expected to be completed by July of 2026, meaning that  
21 the pre-treatment plant is expected to be online before any rate increase resulting from  
22 this proceeding would be effective.

23 The pre-treatment plant represents a significant investment by Victory Brewing,  
24 which will in turn reduce PAWC’s wastewater treatment costs. OSBA’s position does not  
25 account for either Victory Brewing’s multi-million-dollar investment or the resulting

1 reduction in costs for PAWC and generally fails to consider unique aspects of wastewater  
2 service to Victory Brewing. In my opinion, Victory Brewing's current special rate  
3 recognizes these realities at least to some extent and should not be disturbed, particularly  
4 for such cursory reasons as Mr. Kubas' desire to implement the same percentage increase  
5 across the board for non-residential customers.

6 **Q. HOW DO YOU RESPOND TO MR. KUBAS' SCALE BACK PROPOSAL?**

7 A. I do not agree with this proposal. To be clear, I do not believe any increase to Victory  
8 Brewing's wastewater special rate is appropriate or justified here. However, to the extent  
9 that any increase to the special rate is approved, both the monthly charge and the usage  
10 rate should be proportionately scaled back.

11 **Q. WHAT DO YOU RECOMMEND?**

12 A. I recommend that the Commission reject Mr. Kubas' proposed 19.6% increase to Victory  
13 Brewing's wastewater special rate.

14 **IV. CONCLUSION**

15 **Q. DOES THAT COMPLETE YOUR REBUTTAL TESTIMONY?**

16 A. Yes; however, I reserve the right to supplement this testimony as may be appropriate.

**VERIFICATION**

I, Scott Shirley, hereby state that: (1) I am Vice President of Operations for Victory Brewing Company (“Victory Brewing”); (2) the facts set forth in the foregoing testimony are true and correct to the best of my knowledge, information and belief; and (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

February 27, 2026

\_\_\_\_\_  
Dated

  
\_\_\_\_\_  
Scott Shirley  
Vice President of Operations  
Victory Brewing Company