

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2026-3061282
Office of Small Business Advocate	:	
Margaret O'Brien	:	C-2026-3061627
Alex Arduino	:	C-2026-3061588
	:	C-2026-3061478
v.	:	
	:	
Montgomery Sewer Co., Inc.	:	

PREHEARING ORDER #1

On March 23, 2026, Montgomery Sewer Co., Inc (Montgomery), Utility Code 230284, filed proposed Sewer-Pa. P.U.C. No. 2 (Tariff No. 2) with the Pennsylvania Public Utility Commission (Commission) containing proposed changes in rates, terms, and other provisions calculated to produce \$84,600 (51.1%) in additional annual revenues, an increase in residential customer's bills per year from \$400.00 to \$700.00 (75%), to become effective July 1, 2026.

On March 31, 2026, Margaret O'Brien filed a Formal Complaint to the proposed rate increase. The Complaint was docketed at C-2026-3061588. On April 1, 2026, Alex Arduino filed a Formal Complaint to the proposed rate increase. The Complaint was docketed at C-2026-3061478.

On April 7, 2026, Steven C. Gray, Esquire entered a Notice of Appearance on behalf of the Office of Small Business Advocate (OSBA). Additionally, OSBA filed a Formal Complaint, a Public Statement and Verification at Docket No.C-2026-3061627.

By Order entered on April 30, 2026, the Pennsylvania Public Utility Commission (Commission) instituted an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules and regulations contained in the Montgomery Sewer Co., Inc.'s proposed Sewer- PA P.U.C. No. 2 and that the proposed Sewer- PA P.U.C. No. 2 is suspended by operation of law until February 1, 2027, unless otherwise directed by Order of the Commission.

In addition, the Commission ordered that the investigation include consideration of the lawfulness, justness, and reasonableness of Montgomery's existing rates, rules, and regulations. The matter was assigned to the Office of Administrative Law Judge for Alternative Dispute Resolution and for the prompt scheduling of hearings, as may be necessary, culminating in the issuance of a Recommended Decision.

Further, the Recommended Decision and any settlement related thereto, shall include the impacts the rates recommended for approval will have on Montgomery Sewer Co., Inc.'s customers. Moreover, the rate impact information shall include the average bill impact for residential and commercial customers with the percentage increases compared to the rates in effect prior to the filing of the proposed Montgomery Sewer Co., Inc-PA P.U.C. No.2.

In accordance with the Commission's April 30, 2026, Order, the matter was assigned to Administrative Law Judge Barbara Shadie Nause.

On April 30, 2026, a Hearing Notice was issued which established a telephonic prehearing conference for this matter on Tuesday, May 12, 2026, at 10:00 a.m. In addition, a Prehearing Conference Order, which set forth rules that would govern the prehearing conference, was also issued.

On May 6, 2026, Steven H. Lupin, Esquire entered a Notice of Appearance on behalf of Montgomery Sewer Co., Inc. and by email dated May 7, 2026, he requested a continuance of the Prehearing Conference.

On May 7, 2026, Montgomery Sewer Co., Inc. filed its prehearing memoranda and on May 8, 2026, OSBA filed its prehearing memoranda.

On May 11, 2026, Christy Appleby entered a Notice of Appearance on behalf of the Office of Consumer Advocate (OCA) and filed a Notice of Intervention. Additionally, OCA filed its prehearing memoranda.

By agreement of the parties, and by Rescheduled Telephonic Prehearing Conference dated May 11, 2026, the prehearing conference was rescheduled to Wednesday, May 13, 2026, at 1:00 p.m.

The prehearing conference convened as scheduled on May 13, 2026. The following parties were present and represented by the following counsel: Steven H. Lupin, Esquire, for Montgomery Sewer; Christy M. Appleby, Esquire, for OCA; Steven C. Gray, Esquire, for OSBA; Margaret O'Brien, *pro se*; and Alex Arduino, *pro se*.

This Prehearing Order sets forth the procedural matters addressed during the Prehearing Conference.

ORDER

THEREFORE,

IT IS ORDERED:

1. That all Formal Complaints filed against the pending general rate increase are consolidated with docket number R-2026-3061282 for purposes of Commission investigation and disposition.
2. That the Notice of Intervention filed by the Office of Consumer Advocate is granted.

3. That going forward, petitions to intervene, if not defective on their face, shall be deemed granted if not objected to within three business days after filing. If objected to, such pleadings will be addressed by order.

4. That the active parties of record as of the date of this Prehearing Order are Montgomery Sewer, OCA, OSBA, Margaret O'Brien, *pro se* and Alex Arduino, *pro se*.

5. That any party that did not appear at the May 13, 2026 Prehearing Conference will be treated as an inactive participant to this proceeding. Inactive participants will receive our written orders, notices of hearings and copies of any Commission decisions and orders. Inactive participants will not participate in discovery, testify at the evidentiary hearing, cross-examine witnesses, or file briefs. Inactive parties may testify at public input hearings. Inactive participants will not receive copies of the hearing exhibits or briefs filed by the active participants. Any participant entering their appearance after the May 13, 2026, Prehearing Conference must designate whether they want to be treated as an active participant in writing to us and the current participants of record; otherwise, said party will be treated as an inactive participant.

6. That the active parties shall receive all documents and shall copy all other active parties on documents they file with the Commission or serve on me. The active parties are expected to conduct discovery, attend hearings, or present or cross-examine witnesses, as appropriate. The active parties shall serve the documents so that the documents are received in-hand by the active parties and us no later than 4:30 p.m. on the dates listed. Active parties may serve the documents via e-mail to meet this requirement. Active parties shall not file testimony with the Commission but shall file a certificate of service.

7. That the active parties are reminded to address in this proceeding the issues identified in the Order entered on April 30, 2026, by the Commission.

8. That our informal e-mail distribution list for the active parties in this proceeding is as follows. Any changes or corrections should be communicated to us, via e-mail,

as soon as possible. Please include our legal assistants, Pamela McNeal and Eric Ball, on anything you send to us.

Party	Counsel	e-mail
Montgomery	Steven H. Lupin, Esquire	slupin@hrmml.com
OSBA	Steven C. Gray, Esquire	sgray@pa.gov
OCA	Christy M. Appleby, Esquire	cappleby@paoca.org
OCA	Harrison Breitman, Esquire	hbreitman@paoca.org
Margaret O'Brien	N/A (Pro Se)	margeobrien@mns.com
Alex Arduino	N/A (Pro Se)	ajma99@yahoo.com
OALJ	ALJ Shadie Nause	bshadienau@pa.gov
OALJ	Pamela McNeal	pmcneal@pa.gov

9. That the following schedule is adopted for this proceeding:

Non-Company Direct Testimony	July 22, 2026
All parties' Rebuttal Testimony	August 19, 2026
All parties' Surrebuttal Testimony	September 2, 2026
Rejoinder	September 11, 2026
Evidentiary Hearings	September 15-16, 2026
Main Briefs	October 6, 2026
Reply Briefs	October 16, 2026

10. That the September 15, 2026 and September 16, 2026 evidentiary hearings will be held in-person in Harrisburg. The initial day will commence at 10:00 a.m.; the subsequent day will commence at 9:00 a.m. An evidentiary hearing notice will be issued and published on the Commission's website. Parties will complete the daily witness listing and cross-examination grid as directed.

11. That one in-person public input hearing is tentatively scheduled for July 14, 2026. Detailed notice of the public input hearing will be issued once the time, date, and location for the public input hearing is set.

12. That any evidentiary hearing in this matter constitutes a formal legal proceeding and will be conducted in accordance with the Commission's Rules of Administrative Practice and Procedure, as well as the rules of evidence as applied to administrative hearings.

13. That written testimony shall comply with the requirements of 52 Pa.Code § 5.412 and shall be marked with numerical, sequential statement numbers.

14. That evidentiary hearing exhibits shall be provided by Friday, September 11, 2026, at 10:00 a.m. and rejoinder exhibits shall be provided by Monday, September 14, 2026 at 4:30 p.m.

15. That any motions with respect to, or objections to, written testimony must be presented in writing no later than three days prior to the day that the witness sponsoring that testimony is scheduled to testify. Answers to such motions or objections may be filed within three days or sooner if circumstances warrant. Oral motions, other than for good cause, shall not be accepted.

16. That all parties shall comply with the provisions of 52 Pa.Code § 5.243(e) which prohibits the introduction of evidence during rebuttal which should have been included in the party's case-in-chief or which substantially varies from the party's case-in-chief, unless the party is introducing evidence in support of a proposed settlement.

17. That discovery shall be conducted according to the Commission's rules and regulations at 52 Pa. Code § 5.321.

18. That the parties shall conduct discovery pursuant to 52 Pa.Code §§ 5.321-5.373. The parties are encouraged to cooperate and exchange information on an informal basis.

The parties shall cooperate rather than engage in numerous or protracted discovery disagreements that require formal resolution. All motions to compel shall contain a certification by counsel setting forth the informal discovery undertaken and their efforts to resolve their discovery disputes informally. If a motion to compel does not contain this certification, the parties will be directed to pursue informal discovery. There are limitations on discovery and sanctions for abuse of the discovery process. 52 Pa.Code §§ 5.361, 5.371-5.372.

19. That the parties shall 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 administrative hearing resources. 52 Pa.Code §§ 5.232 and 5.234.

20. That the parties should do their best to avoid the use of **Confidential Security Information (CSI)**, as defined by 35 P.S. § 2141 et seq., in this proceeding. Where possible, the parties should develop alternative means of introducing information into the record, such as joint stipulations or redaction when proposing testimony or exhibits. If the parties cannot avoid the use of CSI, the parties are to contact the presiding ALJs in advance of any submission, and prior to the evidentiary hearing.

21. That the parties must comply with 52 Pa. Code §§ 5.501, *et seq.*, regarding the preparation and filing of briefs. 52 Pa. Code § 5.501(e) requires that “[b]riefs shall be as concise as possible.” **All briefs must be written pursuant to an identical outline.** Service of briefs can be made electronically by no later than 4:30 p.m. on the dates listed. Parties are directed to e-mail to us a copy of as-filed briefs in ADOBE or other compatible PDF format in addition to a **WORD-formatted document**. The format of the briefs served electronically on the parties may be as requested by the parties.

22. That all briefs, regardless of length, must contain:

- A. A table of contents;
- B. A history of the proceeding;
- C. A discussion;

- D. Proposed findings of fact (with record citations to transcript pages or exhibits where supporting evidence appears);
- E. Proposed conclusions of law (with citations to supporting statutes, regulations or relevant case law); and
- F. Proposed ordering paragraphs specifically identifying the relief sought.

23. That all briefs are to comply with the “Instructions for Briefs” attached as Appendix A to this Order. Also, **Rate Case Tables** will be electronically provided to the parties. These Tables **must** be used by Montgomery Sewer and all active parties in this proceeding. A party’s failure to follow these instructions in the smallest detail will result in non-consideration of that party’s position, regardless of where the record may support it or the position of any other party to this proceeding.

24. That I will issue a briefing order with further instructions following the evidentiary hearing in this case.

25. That the parties are to confer amongst themselves in an attempt to resolve all or some of the issues associated with this proceeding. 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 a settlement is reached, a joint settlement petition executed by representatives of all parties to be bound thereby, together with statements in support of settlement by all signatory parties, must be filed with the Secretary for the Commission and served on us.

26. That the parties shall comply with the procedural rules and regulations discussed herein.

**R-2026-3061282, C-2026-3061627, C-2026- 3061588 – PENNSYLVANIA PUBLIC
UTILITY COMMISSION v. MONTGOMERY SEWER COMPANY INC**

Revised: May 11, 2026

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APPENDIX A
INSTRUCTIONS FOR BRIEFS

Each brief shall follow the general organization shown herein.

Adjustments contained in each brief shall:

- a. Be based on a specific test year, to be selected before the close of record;
- b. be complete and self-contained;
- c. include accurate reference to the appropriate record sources;
- d. be on a before-income-tax basis;
- e. be detailed to demonstrate the step-by-step calculation of that adjustment together with appropriate accurate record references;
- f. include concomitant rate base, revenue, expense, depreciation expense, and tax adjustments set forth, together with the details of their calculation;
- g. include with the brief those calculations which are the basis for proposed adjustments but which are incomplete on the record.

Tables showing all proposed rate base and income adjustments shall be submitted with each brief which includes such adjustments.

STANDARD FORMAT

- 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. Conclusion
- IV. Revenues
- V. Expenses
- VI. Taxes
- VII. Rate of Return
- VIII. Miscellaneous Issue(s)
- IX. Rate Structure
 - A. Cost of Service
 - B. Revenue Allocation
 - C. Tariff Structure
 - D. Summary and Alternatives

Conclusion