



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

May 27, 2026

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,
Bureau of Investigation and Enforcement v.
Conneaut Lake Park Water Corporation, Inc.
Docket Nos. P-2024-3051855 and I-2024-3051857
I&E Main Brief

Dear Secretary Homsher:

Enclosed for electronic filing please find the Main Brief of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

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, appearing to read 'Adam Williams', written over a white background.

Adam J. Williams
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 310019
(717) 787-8754
adawilliam@pa.gov

AJW/ac
Enclosures

cc: Administrative Law Judge Eranda Vero (*via email* – evero@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement :
 :
 :
 v. : Docket Nos. P-2024-3051855
 : I-2024-3051857
 :
 Conneaut Lake Park Water Corporation, Inc. :

**MAIN BRIEF
OF
THE BUREAU OF INVESTIGATION AND ENFORCEMENT**

Adam J. Williams
Prosecutor
PA Attorney ID No. 310049

Michael A. Podskoch, Jr.
Prosecutor
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: May 27, 2026

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	PROCEDURAL HISTORY	1
B.	DESCRIPTION OF I&E	6
II.	BURDEN OF PROOF	7
III.	SUMMARY OF THE ARGUMENT	8
IV.	ARGUMENT	10
A.	SECTION 529 CRITERIA.....	10
i.	66 Pa. C.S. Section 529(a)(1)	10
ii.	66 Pa. C.S. Section 529(a)(2)	15
iii.	66 Pa. C.S. Section 529(a)(3)	19
iv.	66 Pa. C.S. Section 529(a)(4)	26
v.	66 Pa. C.S. Section 529(a)(5)	28
vi.	66 Pa. C.S. Section 529(a)(6)	30
B.	WHETHER BASED ON THE ABOVE ANOTHER CAPABLE UTILITY SHOULD BE REQUIRED TO ACQUIRE CLPWC.....	31
C.	IF ANOTHER CAPABLE PUBLIC UTILITY SHOULD BE REQUIRED TO ACQUIRE CLPWC, WHICH CAPABLE UTILITY SHOULD BE REQUIRED TO ACQUIRE THE SYSTEM	31
D.	OTHER FACTORS FOR CONSIDERATION	32
i.	Section 529(c) – Factors to be Considered by the Commission in Making a Determination Pursuant to Section 529(a)	32
ii.	Section 529(e) – Acquisition Price	34
iii.	Recommended Decision in the 2023 Rate Case	34
V.	CONCLUSION	36
	PROPOSED FINDINGS OF FACT.....	1
	PROPOSED CONCLUSIONS OF LAW	1
	PROPOSED ORDERING PARAGRAPHS.....	3

TABLE OF AUTHORITIES

Cases

Brockway Glass Co. v. Pennsylvania Public Utility Commission,
437 A.2d 1067 (Pa. Cmwlth 1981)..... 7

Lower Frederick Twp. v. Pennsylvania Public Utility Commission,
409 A.2d 505 (Pa. Cmwlth. 1980) 7

Norfolk & Western Ry. Co. v. Pennsylvania Public Utility Commission,
413 A.2d 1037 (Pa. 1980) 8

Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.,
Docket No. R-2023-3041575 (Order Entered August 1, 2024) passim

Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.,
Docket Nos. P-2024-3051855 & I-2024-3051857 21

Pa. PUC v. Delaware Sewer Company,
Docket No. P-2014-2404341 (Order Entered January 28, 2016) 7

Pa. PUC vs. Twin Lakes,
Docket No. P-2020-3020914 (Order Entered September 17, 2020)..... 7

Reidel v. County of Allegheny,
633 A.2d 1325, 1329 n. 11 (Pa. Cmwlth. 1993)..... 8

Statutes

66 Pa. C.S. § 102 1

66 Pa. C.S. § 1501 10, 34

66 Pa. C.S. § 1502 34

66 Pa. C.S. § 308.2 6

66 Pa. C.S. § 308.2(a)(11) 6

66 Pa. C.S. § 332(a)..... 7

66 Pa. C.S. § 529 passim

66 Pa. C.S. § 529(a)..... 10, 32, 36

66 Pa. C.S. § 529(a)(1) 10, 15

66 Pa. C.S. § 529(a)(2)	15, 16, 18
66 Pa. C.S. § 529(a)(3)	19, 26
66 Pa. C.S. § 529(a)(4)	26, 28
66 Pa. C.S. § 529(a)(5)	28, 29
66 Pa. C.S. § 529(a)(6)	30, 31
66 Pa. C.S. § 529(b).....	28
66 Pa. C.S. § 529(b)(1)-(5).....	27
66 Pa. C.S. § 529(c).....	32
66 Pa. C.S. § 529(c)(1)-(6)	32
66 Pa. C.S. § 529(e).....	34
66 Pa. C.S. § 529(i).....	7
66 Pa. C.S. § 529(m).....	1
66 Pa. C.S. §§ 101 et. seq.	7

Regulations

25 Pa. Code § 109.504(c)	13, 14
52 Pa. Code § 65.19(1)	11
52 Pa. Code § 65.20(4)	11
52 Pa. Code § 65.3.....	16
52 Pa. Code § 65.55(a)	15
52 Pa. Code §§ 1.1 et seq.....	7

Other Authorities

<i>Implementation of Act 129 of 2008; Organization of Bureaus and Offices,</i> Docket No. M-2008-2071852 (Order Entered August 11, 2011)	7
<i>In re: Loudenslager’s Estate</i> , 430 Pa. 33, 240 A.2d 477 (1968)	8

Joint Application of Trustees of Conneaut Lake Park, Inc. and Conneaut Lake Park Water Corporation, Inc.,
Docket Nos. A-2022-3031711 & A-2022-3031712 (Order Entered April 20, 2023) .. 2, 8

Joint Application of Trustees of Conneaut Lake Park, Inc. and Conneaut Lake Park Water Corporation, Inc., under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a),
Docket Nos. A-2022-3031711 & A-2022-3031712 (Order Entered April 20, 2023) 17

Petition of Deer Haven, LLC Requesting Ex Parte Emergency Order Allowing Aqua Pennsylvania, Inc. to Act as a Receiver to Operate the Deer Haven Water and Wastewater Systems,
Docket No. P-2024-3050545 et al. (Order Entered August 26, 2024)..... 29

Supplement No. 1 to Tariff – Water Pa. P.U.C. No. 1,
Docket No. R-2023-3041575, Statement of Reasons, p. 2 1, 2, 8

I. INTRODUCTION

This proceeding involves a Petition filed related to Section 529¹ of the Public Utility Code requesting an investigation to determine whether another “capable public utility”² should be ordered by the Pennsylvania Public Utility Commission (Commission) to acquire Conneaut Lake Park Water Corporation, Inc. (CLPWC or Company). CLPWC is a “public utility” as that term is defined under 66 Pa. C.S. § 102³ as it is engaged in providing water service to the public pursuant to a Certificate of Public Convenience issued by this Commission.

A. PROCEDURAL HISTORY

CLPWC is a “small water company” as defined under Section 529⁴ that provides water service in Conneaut Lake, Crawford County, Pennsylvania to approximately 162 residential customers, both annual and seasonal, and 3 commercial customers.⁵ The system is owned and operated by Todd Joseph. As noted in previous cases before the Commission, the CLPWC system has a very long history of financial struggles, fiduciary

¹ 66 Pa. C.S. § 529.

² 66 Pa. C.S. § 529(m) defines a “capable public utility” as:

A public utility which regularly provides the same type of service as the small water utility or the small sewer utility to 4,000 or more customer connections, which is not an affiliated interest of the small water utility or the small sewer utility and which provides adequate, efficient, safe and reasonable service.

³ 66 Pa. C.S. § 102 defines a “public utility” as:

(1) Any person or corporation now or hereafter owning or operating in this Commonwealth equipment or facilities for:

...

(ii) Diverting, developing, pumping, impounding, distributing, or furnishing water to or for the public for compensation.

⁴ 66 Pa. C.S. § 529(m) defines a “small water utility” as “[a] public utility which regularly provides water service to 1,200 or fewer customer connections.”

⁵ Supplement No. 1 to Tariff – Water Pa. P.U.C. No. 1, Docket No. R-2023-3041575, Statement of Reasons, p. 2.

mismanagement, poor record keeping and other managerial mismanagement.⁶

On August 31, 2023, CLPWC filed proposed Supplement No. 1 to Tariff – Water Pa. P.U.C. No. 1 to become effective October 31, 2023 at Docket No. R-2023-3041575. Simultaneously with the base rate filing (rate case), CLPWC filed a Petition for Approval of a Metering Exception (metering petition) at Docket No. P-2023-3042648. The parties to the rate case included: CLPWC, the Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), several individual customers, and approximately 67 Conneaut Lake residents (Conneaut Lake Objectors) represented by Joshua D. Brown, Esquire.

On October 19, 2023, the Commission entered an Order suspending the implementation of the proposed rates by operation of law until May 31, 2024, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein. On October 26, 2023, a telephonic Prehearing Conference was held before Administrative Law Judges (ALJ) Eranda Vero and Arlene Ashton wherein the rate case and the metering petition were consolidated and the parties agreed to engage in mediation.

During the course of the rate case, I&E confirmed that CLPWC was in violation of several Commission regulations and provisions of the Public Utility Code.⁷ Additionally, at the public input hearings held on December 7, 2023, many customers testified about

⁶ See *Joint Application of Trustees of Conneaut Lake Park, Inc. and Conneaut Lake Park Water Corporation, Inc.*, Docket Nos. A-2022-3031711 & A-2022-3031712, Recommended Decision, p. 21 (Order Entered April 20, 2023); see also Supplement No. 1 to Tariff – Water Pa. P.U.C. No. 1, Docket No. R-2023-3041575, Statement of Reasons, p. 2; see also *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 34 (Order Entered August 1, 2024).

⁷ See Section 529 Petition, pp. 7-8.

customer service issues, water quality issues, the poor state of the water system, retaliatory and threatening communications with customers by the Company's owner Todd Joseph, and about being charged tapping fees to connect their residences to the water system.⁸

The mediation proceedings culminated in a settlement agreement (Settlement). The Settlement contained certain provisions wherein I&E agreed to initiate a Section 529 proceeding no later than three months after entry of a Commission Order. On July 1, 2024, ALJs Vero and Ashton issued a Recommended Decision recommending that the Commission approve the Settlement. On August 1, 2024, the Commission entered an Order approving the Settlement. Pursuant to the terms of the Settlement, I&E filed a Section 529 Petition (Petition) on October 28, 2024 requesting that the Commission open an investigation to determine whether a capable public utility should be ordered to acquire CLPWC.

On November 5, 2024, Aqua Pennsylvania, Inc. (Aqua) filed a Petition to Intervene which was subsequently granted. On November 12, 2024, OCA filed a Notice of Intervention and Public Statement, and an Answer in Support of I&E's Petition. That same day, OSBA filed a Petition to Intervene and Public Statement, and CLPWC filed an Answer to I&E's Petition.

A telephonic Prehearing Conference was held on November 13, 2024 before ALJs Vero and Ashton⁹ wherein the parties agreed to engage in discovery and settlement

⁸ See Section 529 Petition, p. 8.

⁹ On March 28, 2025, a notice was provided that ALJ Vero would be the presiding judge in this proceeding.

discussions and to provide a monthly status report to the ALJs. Additionally, OCA repeated its request from its Prehearing Memorandum that a separate settlement judge be assigned to this proceeding, to which the other parties either agreed with or did not object to. On November 25, 2024, an Order was entered granting OCA's request and assigning Administrative Law Judge Gail Chiodo to serve as the settlement judge in this proceeding.¹⁰

Following several months of discovery and settlement negotiations, the parties filed their Tenth Joint Status Report on September 19, 2025 informing the ALJs that settlement efforts were at an impasse and requesting that a prehearing conference be scheduled. By Order dated September 24, 2025, settlement negotiations with ALJ Chiodo were terminated and the proceeding was referred to ALJ Vero for adjudication.

A second telephonic Prehearing Conference was held on October 17, 2025 wherein the parties discussed the litigation schedule, public input hearings, discovery modifications and the status of Aqua in this proceeding. Aqua's counsel requested additional time to discuss and finalize the litigation schedule with the rest of the parties. The request was granted and by email dated October 28, 2025, counsel for Aqua submitted a proposed litigation schedule agreed to by all the parties, which was later memorialized in ALJ Vero's Prehearing Order dated November 5, 2025.

Two public input hearings, one in-person at Conneaut Lake, PA and one telephonic, were held on January 21, 2026.

¹⁰ That same day, a Corrected Order was issued correcting the Order's service date.

On February 6, 2026, the parties filed a Joint Motion to Amend the litigation schedule in order to provide more time to review CLPWC's recently filed Engineering Evaluation Report (Engineering Report) conducted by Deiss & Halmi Engineering, Inc. prior to the submission of direct testimony. The parties' request was granted in ALJ Vero's Prehearing Order dated February 12, 2026.

On April 30, 2026, the parties informed ALJ Vero that they had reached mutual waivers of cross-examination and requested that the in-person hearings be cancelled and rescheduled as telephonic hearings. The request was granted and a telephonic evidentiary hearing was held on May 4, 2026 wherein the parties moved for the admission of their testimonies and exhibits into the record. The following documents submitted by I&E were admitted into the record at that time:

- I&E Statement No. 1 – Direct Testimony of Zachari Walker;
- I&E Exhibit No. 1;
- I&E Statement No. 1-R – Rebuttal Testimony of Zachari Walker;
- I&E Exhibit No. 1-R;
- I&E Statement No. 1-SR – Surrebuttal Testimony of Zachari Walker;
- I&E Exhibit No. 1-SR;
- Verification of Zachari Walker;
- I&E Statement No. 2 – Direct Testimony of Ethan H. Cline;
- I&E Exhibit No. 2;
- I&E Statement No. 2-SR – Surrebuttal Testimony of Ethan H. Cline;
- Verification of Ethan H. Cline; and
- I&E Hearing Exhibit 1

The evidentiary hearing concluded with the extension of the rejoinder testimony due date to May 8, 2026 to allow the parties to properly address I&E Hearing Exhibit 2

(LSLR Letter).¹¹ ALJ Vero further extended the rejoinder testimony due date to May 12, 2026 to allow the parties to properly address I&E Hearing Exhibit 3 (Metering Letter).¹² On May 18, 2026, the parties filed a Joint Stipulation for Admission of Evidence wherein I&E moved for the admission of I&E Hearing Exhibit 2 and I&E Exhibit 3 and agreed to waive cross-examination of CLPWC’s rejoinder testimony (CLPWC Respondent Statement 8).¹³

I&E now submits this Main Brief in accordance with the litigation schedule.

B. DESCRIPTION OF I&E

Act 129 of 2008, 66 Pa. C.S. § 308.2, authorized the Pennsylvania Public Utility Commission to establish bureaus, offices and positions to, *inter alia*, take appropriate enforcement actions that are necessary to insure compliance with the Public Utility Code and Commission regulations and orders.¹⁴ In accordance with Act 129, the Commission established the Bureau of Investigation and Enforcement (I&E) to serve as the prosecutory bureau for the purposes of representing the public interest in ratemaking and

¹¹ The document identified as “I&E Hearing Exhibit 2” is the Final Notice Warning Letter dated April 29, 2026 titled “Re: Failure to File a Petition for Approval of a Lead Service Line Replacement (LSLR) Program” alleging CLPWC’s failure to comply with Commission regulations at Title 52, Chapter 65, Subchapter B of the Pennsylvania Code. This letter was filed by I&E’s Enforcement Division after the surrebuttal testimony deadline in this proceeding, but given the relevant nature of its contents, I&E moved for its admission into the record as a hearing exhibit.

¹² The document identified as “I&E Hearing Exhibit 3” is the Secretarial Letter dated May 5, 2026 titled “Re: Conneaut Lake Park Water Corporation, Inc. Metering Program Compliance at Docket No. A-2022-3031711” alleging CLPWC’s failure to comply with metering program requirements outlined in the Commission’s Order entered April 20, 2023. This letter was filed by the Commission’s Secretary’s Bureau after the evidentiary hearing held in this proceeding, but given the relevant nature of its contents, I&E moved for its admission into the record as a hearing exhibit.

¹³ The parties moved for the admission of I&E Hearing Exhibits 2 and 3 as well as CLPWC’s rejoinder testimony via a Joint Stipulation filed on May 18, 2026, with a corrected version filed on May 19, 2026. Though no ruling has been made on the stipulation, no party has objected to their admission nor has the ALJ cited any prior concerns with the proposed exhibits. I&E therefore submits this Main Brief, including references to I&E Hearing Exhibits 2 and 3 in good faith. Should the exhibits not be admitted, I&E will file an amended Main Brief as necessary.

¹⁴ 66 Pa. C.S. § 308.2(a)(11).

service matters, and enforcing compliance with the Public Utility Code, 66 Pa. C.S. §§ 101 *et seq.*, and Commission regulations, 52 Pa. Code §§ 1.1 *et seq.*¹⁵

I&E filed the above-referenced Petition acting in its role as the Commission’s prosecutory bureau.

II. BURDEN OF PROOF

Generally, under Section 332(a) of the Public Utility Code, the burden of proof in any proceeding involving a petition or application proposing a rule or order, or requesting relief from the Commission, is on the party seeking a rule or order from the Commission.¹⁶ Additionally, the Public Utility Code places the statutory burden of proof on I&E in proceedings instituted under Section 529.¹⁷ In Section 529 proceedings, the Commission has recognized that even though “I&E bears a statutory burden of proof in a Section 529 proceeding pursuant to 66 Pa. C.S. § 529(i), we have previously stated that the burden is not exclusive to I&E.”¹⁸ Rather, the Commission has stated:

While the burden of going forward with evidence is on I&E, I&E is not assigned this task with any predetermined or targeted result in mind and will be guided in making its recommendation by the evidence it adduces. This does not preclude any other party, however, from producing its own evidence to address the evidentiary and statutory requirements of Section 529.¹⁹

¹⁵ See *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order Entered August 11, 2011).

¹⁶ 66 Pa. C.S. § 332(a). See generally *Brockway Glass Co. v. Pennsylvania Public Utility Commission*, 437 A.2d 1067 (Pa. Cmwlth 1981); *Lower Frederick Twp. v. Pennsylvania Public Utility Commission*, 409 A.2d 505 (Pa. Cmwlth. 1980).

¹⁷ 66 Pa. C.S. § 529(i).

¹⁸ *Pa. P.U.C. vs. Twin Lakes*, Docket No. P-2020-3020914, Opinion and Order, pp. 2-12 (Order Entered September 17, 2020).

¹⁹ *Pa. P.U.C. v. Delaware Sewer Company*, Docket No. P-2014-2404341, Opinion and Order, p. 28 (Order Entered January 28, 2016).

In addition, it should be noted that this burden is comprised of two distinct burdens: the burden of production and the burden of persuasion. The burden of production tells the adjudicator which party must come forward with evidence to support a particular position.²⁰ The burden of persuasion determines which party must produce sufficient evidence to convince a judge that a fact has been established, and it never leaves the party on whom it is originally cast.²¹ Further, the Commission must ensure that any adjudication is supported by substantial evidence. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion.²²

I&E submits that it has met its burden of presenting a *prima facie* case that acquisition of Conneaut Lake Park Water Corporation, Inc. by another capable public utility is in the public interest. As explained in further detail below, there is substantial record evidence to support this determination.

III. SUMMARY OF THE ARGUMENT

As noted above, and discussed in detail below, the CLPWC system has a very long history of financial struggles, fiduciary mismanagement, poor record keeping and other managerial mismanagement.²³ These issues have persisted under Todd Joseph’s ownership, and issues specific to his management of the system have arisen, which

²⁰ *In re: Loudenslager’s Estate*, 430 Pa. 33, 240 A.2d 477 (1968).

²¹ *Reidel v. County of Allegheny*, 633 A.2d 1325, 1329 n. 11 (Pa. Cmwlth. 1993).

²² *Norfolk & Western Ry. Co. v. Pennsylvania Public Utility Commission*, 413 A.2d 1037 (Pa. 1980).

²³ *See Joint Application of Trustees of Conneaut Lake Park, Inc. and Conneaut Lake Park Water Corporation, Inc.*, Docket Nos. A-2022-3031711 & A-2022-3031712, Recommended Decision, p. 21 (Order Entered April 20, 2023); *see also* Supplement No. 1 to Tariff – Water Pa. P.U.C. No. 1, Docket No. R-2023-3041575, Statement of Reasons, p. 2; *see also Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 34 (Order Entered August 1, 2024).

include questions regarding his competence, potential bias against customers, and willingness to engage in the utility regulatory process. In addition to these issues, Mr. Joseph has also failed to comply with several Department of Environmental Protection (DEP) and Commission regulations and orders. The CLPWC system is in need of significant improvements, and it is unlikely that Mr. Joseph can provide the leadership the system needs to make these improvements, nor is it realistic to expect the small customer base to shoulder the costs of these improvements through what will likely be rate increases that exceed these customers' ability to pay. I&E argues that the record in this proceeding demonstrates that the CLPWC system is a proper candidate for acquisition under Section 529.

Section 529 gives the Commission the power to open an investigation and ultimately order the acquisition of small water and sewer utilities by a capable public utility. Section 529 lists six criteria that must be met before the Commission will order the acquisition of a small water or sewer utility by a capable public utility. I&E submits that all six criteria, as detailed below, have been met.

It is I&E's position that CLPWC will not be able to easily resolve the issues it is facing and likely does not have the financial, managerial, or technical ability to do so. In light of the history of Commission and DEP violations, issues specific to Mr. Joseph's management of the system, and the high likelihood that, if the current ownership remains, rate increases will unreasonably burden the system's small customer base, acquisition of CLPWC by another capable public utility is required as it is in the public interest.

IV. ARGUMENT

A. SECTION 529 CRITERIA

Section 529(a) of the Public Utility Code requires that the six enumerated elements be met in order for the Commission to order a capable public utility to acquire the small water or wastewater company. I&E has presented evidence that demonstrates that, in I&E's opinion, elements (1), (2), (3), (4), (5) and (6) of Section 529(a) are all met as detailed below. I&E submits that it has met its burden of proof in this proceeding and has demonstrated that CLPWC is incapable of providing adequate, efficient, safe and reasonable service to its customers. Therefore, I&E recommends the Commission issue an order requiring another capable utility to acquire the CLPWC system.

i. 66 Pa. C.S. Section 529(a)(1)

Section 529(a)(1) requires that the subject small water or sewer utility at issue must be in violation certain statutory or regulatory standards, including, but not limited to, the Clean Streams Law, the Pennsylvania Sewage Facilities Act, the Pennsylvania Safe Drinking Water Act, or the regulations adopted pursuant to them.²⁴

Additionally, Section 1501 of the Public Utility Code provides that:

Every public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and shall make all such repairs, changes, alterations, substitutions, extensions, and improvements in or to such service and facilities as shall be necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public.²⁵

²⁴ 66 Pa. C.S. § 529(a)(1).

²⁵ 66 Pa. C.S. § 1501.

As noted above, CLPWC has an extensive history of failure to comply with both Commission and DEP requirements. Following its investigation in this proceeding, I&E cites the following violations:

1. CLPWC's unaccounted-for water (UFW) levels for 2023 and 2024 were 20.1% and 20.8%, respectively. According to the Commission's statement of policy on water conservation measures, levels of unaccounted-for water should be kept within reasonable amounts, and levels over 20% have been considered excessive.²⁶ While I&E admits that UFW cannot be accurately measured when not all customers are metered, the system's lack of residential meters is itself a violation of Commission regulations and does not excuse the excessive UFW levels the system has shown in its most recent reports. The record also contains no data on CLPWC's UFW levels for 2025.
2. On March 31, 2026, CLPWC submitted a supplemental response to I&E-II-2 which included its 2023 and 2024 annual financial reports.²⁷ The response stated that the reports were submitted to the Commission on March 30, 2026, well beyond the filing deadline defined at 52 Pa. Code § 65.19.²⁸ The record also contains no evidence that CLPWC submitted its 2025 annual financial report by the April 30, 2026 deadline.
3. CLPWC submitted a Public Notification to its customers informing them of levels of arsenic above drinking water standards from test results received on October 13, 2025.²⁹ I&E witness Cline noted that the Company indicated in its response to OCA-20-5(c) that this Public Notification was not necessary because the exceedance was for a single sample and the limit that would cause a violation is based on a rolling four quarter average.³⁰ Further, the Engineering Report identified that tests showed arsenic levels exceeding the maximum contaminant level (MCL) of 10 parts per billion (ppb) in samples taken on September 3, 2025 (15 ppb) and September 29, 2025 (12 ppb).³¹

²⁶ See 52 Pa. Code § 65.20(4).

²⁷ See I&E Exhibit No. 1-SR, Schedule 1.

²⁸ See 52 Pa. Code § 65.19(1).

²⁹ I&E Statement No. 2, pp. 5-6 (*citing* I&E Exhibit No. 2, Schedule 3).

³⁰ *Id.* at p. 5 (*citing* I&E Exhibit No. 2, Schedule 4).

³¹ *Id.* at pp. 5-6 (*citing* I&E Exhibit No. 2, Schedule 7, p. 3).

4. DEP mailed a Notice of Violation (NOV) dated January 4, 2024 to CLPWC stating that the public water supplier failed to obtain a public water supply permit for a treatment process, failed to obtain a permit prior to adding, modifying and/or removing sources and/or facilities since the last sanitary survey, and that violations exist that are deemed to be a significant deficiency relating to the treatment plant or treatment processes.³² Specifically, the NOV listed the following violations:
 - a. The chemical storage tanks do not have secondary containment sufficient to hold the volume of 110% of the largest tank to prevent accidental discharge in the event of a spill or overflow. This does not meet the design standards set forth in the Public Water Supply Manual.
 - b. External ladders and/or tank hatches are not locked, which does not meet the design standards set forth in the Public Water Supply Manual.
 - c. The chemical feed pump plastic tubing is not as short as possible and/or is not sloped to permit draining, which does not meet the design standards set forth in the Public Water Supply Manual.
 - d. Appropriate backflow prevention devices are not installed, maintained and/or tested on all cross connections within the treatment plant.
 - e. Required performance monitoring samples are not collected as specified in the regulations.
 - f. Distribution system samples are not collected in accordance with monitoring plans.
 - g. The chemicals, treatment equipment, size of chemical pump and/or injection point locations being used for the treatment are not the same as those specified in the water system permit.
 - h. The exterior coating of the storage tank is peeled, cracked, rusted, covered in vegetation or in need of cleaning.

³² *Id.* at p. 6 (citing I&E Exhibit No. 2, Schedule 5).

- i. The water system has not inspected the interior of the storage tank within the last five years. AWWA Standard M42 recommends that storage tanks are cleaned and inspected no less than once every five years.
- j. The water system does not have a Stage 2 DBPR Compliance Monitoring Plan that contains all required elements.
- k. The water system does not have a Lead and Copper Rule Sample Siting Plan that contains all required elements.
- l. The water system does not review the Comprehensive Monitoring Plan annually and update it as necessary.
- m. The water system does not have a detailed map of the water system that contains all of the required elements.³³

I&E witness Cline noted that the January 4, 2024 NOV from DEP specifically stated that, in order to comply with safe drinking water regulations defined under Title 25, Chapter 109 of the Pennsylvania Code, it was recommended that the Company correct all significant deficiencies by May 3, 2024.³⁴ In response to OCA-20-15, dated January 1, 2026, the Company stated that it has been working through the corrective actions in cooperation with DEP, but provided no further detail.³⁵ Therefore, CLPWC did not comply with the May 3, 2024 deadline.

CLPWC witness Matthew Elchert claimed that a number of the violations described in the NOV “are not actually violations,” as they only apply when designing and constructing a water system, and therefore do not apply retroactively to the CLPWC system.³⁶ Mr. Elchert also claimed that the Company has resolved several of the

³³ *Id.* at pp. 6-8 (*citing* I&E Exhibit No. 2, Schedule 5).

³⁴ *Id.* at p. 9.

³⁵ *Id.* (*citing* I&E Exhibit No. 2, Schedule 6).

³⁶ CLPWC Statement No. 5, pp. 3-9.

violations and others will be addressed when the planned upgrades are eventually carried out.³⁷ Finally, Mr. Elchert notes that regarding the cited violation that the chemicals, treatment equipment, size of chemical pump and/or injection point locations being used for treatment are not the same as those specified in the water system permit, the conduct of the company “is actually improving the water system.”³⁸ In doing so, Mr. Elchert mischaracterizes the cited violation, as the regulation in question (25 Pa. Code § 109.504(c)) concerns any action taken outside the operations included in the permit.³⁹ Regardless of whether the action taken by the Company has a positive or negative effect on the water quality, this violation would remain, as the Company admits they acted beyond the terms of their permit, citing an alleged error in the transfer of permit from the previous owner.⁴⁰

Ultimately, I&E would recommend that the Commission give no weight to Mr. Elchert’s testimony, as his testimony does not include any evidence of a legal degree or that Mr. Elchert represents the opinion of the DEP in any manner.⁴¹ I&E submits that regardless of his experience in the field of geotechnical, environmental and water well drilling, Mr. Elchert is not qualified to provide a legal opinion on these violations, does not appear to understand the nature of some of the violations, and his opinion does not in any way negate, remove or modify the actual violations already cited by the DEP. Furthermore, as I&E witness Cline points out, the Company has not provided any

³⁷ *Id.* at p. 9.

³⁸ *Id.* at p. 9.

³⁹ 25 Pa. Code § 109.504(c) states the “[i]ssuance of an operation permit authorizes only the operation included in the permit.”

⁴⁰ *Id.* at p. 6.

⁴¹ *See Id.* at 2 (witness’ professional/educational background/experience).

updated information from DEP confirming Mr. Elchert's claims that any of the previously identified violations did not apply to CLPWC or have been corrected.⁴²

5. CLPWC failed to file a lead service line replacement (LSLR) petition by July 22, 2024 in violation of 52 Pa. Code § 65.55.⁴³ Mr. Joseph stated that he was "surprised" by the LSLR Letter because he "had not received any of the prior notifications from the Commission" and that the emails sent from the Commission to his personal email "had been captured by spam" and he only saw the most recent one because it "slipped through."⁴⁴ However, the LSLR Letter states that "[s]ince October of 2022, your organization has received three Secretarial Letters on the topic of LSRPs and the Commission's Bureau of Technical Utility Services ("TUS") has made multiple attempts to reach your organization via phone call to explain the LSLRP petition requirements. Your organization has failed to respond."⁴⁵

It is unacceptable that the Commission tried to get in contact with Mr. Joseph, a certificated utility owner, on three separate occasions via first-class mail, email, and telephone over the course of three and a half years and he failed to respond. Regardless of CLPWC's intent to file an LSLR petition within the time frame provided in the LSLR Letter, this will be yet another untimely filing in violation of Commission regulations that highlights Mr. Joseph's flippant nature regarding his role as a regulated utility owner. Based on the foregoing, I&E asserts that CLPWC is in violation of several Commission and DEP regulatory standards. Therefore, I&E submits that Section 529(a)(1) is satisfied.

ii. 66 Pa. C.S. Section 529(a)(2)

Section 529(a)(2) requires that the small water or sewer utility has demonstrated its

⁴² I&E Statement No. 2-SR, p. 5.

⁴³ See I&E Hearing Exhibit 2; *see also* 52 Pa. Code § 65.55(a).

⁴⁴ CLPWC Statement No. 8, p. 2.

⁴⁵ See I&E Hearing Exhibit 2.

failure to comply with any Department of Environmental Resources or Commission order concerning safety, adequacy, efficiency or reasonableness of service, including, but not limited to, the availability, potability, or palatability of water or provision of water at adequate volume and pressure.⁴⁶

I&E admits that a Notice of Violation issued by DEP is not an Order of the Department. However, CLPWC has violated multiple provisions of the Settlement reached in the 2023 rate case, which was approved by the Commission in its Order entered August 1, 2024.⁴⁷ OCA witness LeeAnn Wise cited the following violations:

1. “CLPWC’s records do not provide adequate information regarding the nature of complaints or the actions taken to resolve them in accordance with 52 Pa. Code Section 65.3”⁴⁸ in violation of Paragraph 46 of the Settlement.⁴⁹
2. CLPWC maintains a phone number for the water company, however, there remains confusion as to its association with other businesses⁵⁰ in violation of Paragraph 30 of the Settlement.⁵¹
3. CLPWC created a private group on the social media site Facebook, however, “CLPWC’s reliance exclusively on Facebook rather than a publicly accessible webpage raises several concerns for customer service” and “there are several utility regulations which necessitate the use of a publicly accessible website”⁵² in violation of Paragraph 35 of the Settlement.⁵³

⁴⁶ 66 Pa. C.S. § 529(a)(2).

⁴⁷ *See Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Final Order, p. 2 (Order Entered August 1, 2024).

⁴⁸ OCA Statement No. 1, p. 14.

⁴⁹ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 23 (Order Entered August 1, 2024).

⁵⁰ OCA Statement No. 1-SR, pp. 14-15.

⁵¹ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 19 (Order Entered August 1, 2024).

⁵² OCA Statement No. 1-SR, pp. 16-17.

⁵³ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 20 (Order Entered August 1, 2024).

4. CLPWC confirmed that its certified operator was not present at two of its public meetings⁵⁴ in violation of Paragraph 36 of the Settlement.⁵⁵
5. CLPWC has failed to identify the location of CLPWC's service line and shut off valve for each customer⁵⁶ in violation of Paragraph 40 of the Settlement.⁵⁷

In addition to violations of the Settlement, CLPWC has also failed to comply with the Commission's Order entered April 20, 2023.⁵⁸ Ordering Paragraph 7 of the April 2023 Order states:

That, at the time of filing its next base rate case or no later than three years from the issuance of the Certificate of Public Convenience pursuant to Ordering Paragraph 3, Conneaut Lake Park Water Corporation, Inc. shall finalize and submit a proposed metering program that would result in all customers except fire protection customers being metered and shall provide testimony and supporting data that addresses each of the following regarding the proposed metering program: (1) the numbers and sizes of water meters; (2) estimated investment costs for meters, appurtenances, meter reading devices, software, installation, etc.; (3) estimated annual operating expenses for meter reading, billing, maintenance, depreciation, etc.; (4) the date by which all customers except fire protection customers would be metered; and (5) whether the proposed revenue requirement includes metering program costs.⁵⁹

Pursuant to Ordering Paragraph 7 of the April 2023 Order, CLPWC was required to file its metering program and supporting data with the Commission by April 20, 2026

⁵⁴ OCA Statement No. 1-SR, p. 16.

⁵⁵ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 20 (Order Entered August 1, 2024).

⁵⁶ CLPWC Response to I&E-II-1, Exhibit 1A/1B.

⁵⁷ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 22 (Order Entered August 1, 2024).

⁵⁸ *See Joint Application of Trustees of Conneaut Lake Park, Inc. and Conneaut Lake Park Water Corporation, Inc., under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a)*, Docket Nos. A-2022-3031711 & A-2022-3031712, Final Order, p. 2 (Order Entered April 20, 2023).

⁵⁹ *Id.*

and failed to do so.⁶⁰ Mr. Joseph stated that he was “surprised” by the Metering Letter because he believed the Settlement reached in the rate case superseded the requirements of the April 2023 Order.⁶¹ However, the Settlement contains no language indicating that its terms supersede any prior Commission requirement. The Settlement term Mr. Joseph cites to states that “[n]o later than five (5) years from the date of the settlement, CLPWC shall install meters for all of its residential customers.”⁶² Nowhere does it state that CLPWC is exempt from any metering requirements like those outlined Ordering Paragraph 7 of the April 2023 Order. Furthermore, the requirements of Ordering Paragraph 7 are clearly distinct from the settlement term to which Mr. Joseph cites, as the Ordering Paragraph only requires the filing of a proposed metering plan, not the actual installation of meters. Regardless of CLPWC’s filing of its metering program and supporting data on May 11, 2026, this is yet another violation of a Commission order that displays Mr. Joseph’s incompetence when it comes to understanding and complying with directions from the Commission.

Based on the foregoing, I&E asserts that CLPWC has failed to comply with several Commission orders concerning the safety, adequacy, efficiency and reasonableness of its water service. Therefore, I&E submits that Section 529(a)(2) is satisfied.

⁶⁰ See I&E Hearing Exhibit 3.

⁶¹ CLPWC Statement No. 8, pp. 3-4.

⁶² *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 24 (Order Entered August 1, 2024).

iii. 66 Pa. C.S. Section 529(a)(3)

Section 529(a)(3) requires that the small water or sewer utility cannot reasonably be expected to furnish and maintain adequate, efficient, safe and reasonable service and facilities in the future.⁶³

As noted above, CLPWC has a history of non-compliance both with the Commission and the DEP. In addition to the issues previously discussed, the testimony and evidence submitted in this matter provide numerous additional examples of CLPWC's questionable managerial competence, potential bias against portions of its customer base and an apparent disdain for the utility regulatory process in general. All parties have also previously acknowledged that "CLPWC's water system is in need of large-scale maintenance and repairs and that CLPWC does not have the capital to invest nor the customer base to shoulder the costs of these improvements."⁶⁴ Given this small customer base, there is a significant risk that CLPWC customers will experience unreasonable increases in rates over the next several years should CLPWC retain ownership of the system.

As detailed by I&E witness Walker,⁶⁵ the troubled history of the CLPWC water system begins prior to Todd Joseph's purchase of the system in 2021. However, in the last five years, Mr. Joseph, through his ownership via CLPWC, has done little to attempt to repair the system, has repeatedly failed to meet basic regulatory deadlines, has failed to

⁶³ 66 Pa. C.S. § 529(a)(3).

⁶⁴ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 55 (Order Entered August 1, 2024).

⁶⁵ I&E Statement No. 1, pp. 13-14.

competently complete regulatory documents when eventually submitted, and has allegedly engaged in inappropriate and unprofessional conduct with his customers, such as sending retaliatory text messages to customers following their opposition to the rate filing and threatening to discontinue water service.⁶⁶

While it is understandable that major repairs to the system require time and planning, and that the start of such planning did occur with the submission of the Engineering Report in February 2026, there remain troubling instances of CLPWC doing the bare minimum or seemingly taking the easiest or cheapest method to technically comply with regulatory requirements, regardless of the effect such methods may have on its customers. The rate case Settlement required CLPWC to obtain quotes to “place fencing or other security around the water tank.”⁶⁷ CLPWC technically complied with this requirement by submitting an obtained \$1,100 quote for a six-foot-high fence from G&J Fencing.⁶⁸ This requirement is plainly concerned with security, both of the potentially delicate equipment but also the danger such equipment may pose to customers in the area, particularly children. Despite these concerns, CLPWC has taken no steps to install adequate fencing, but instead installed basic construction fencing,⁶⁹ which, as seen in the pictures from CLPWC’s own Engineering Report as shown below,⁷⁰ is woefully inadequate to provide security, as the fencing does not even fully enclose the area around the water tank.

⁶⁶ See Section 529 Petition, Exhibit A, pp. 9-10.

⁶⁷ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 22 (Order Entered August 1, 2024).

⁶⁸ OCA Statement No. 1, p. 20.

⁶⁹ *Id.* at pp. 20-21.

⁷⁰ See CLPWC Statement No. 1, p. 39.



The Settlement also required CLPWC to create a website or accessible virtual location for customers to view water company documents.⁷¹ Rather than create a new website, CLPWC chose to meet this requirement by creating a private group on the social media site Facebook. While this does arguably meet the condition of the Settlement, there are significant limitations with such a choice, particularly for CLPWC customers who do not have a Facebook account.⁷² By virtue of being a private group, this information is not publicly available to customers unless they create or already have a

⁷¹ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 20 (Order Entered August 1, 2024).

⁷² *See Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket Nos. P-2024-3051855 & I-2024-3051857, In-Person Public Input Hearing Transcript, pp. 197; 210-12.

Facebook account. Further, there does not appear to be any legitimate basis to require these customers (many of whom are retired and elderly) to join a specific social media site, and relinquish a portion of their privacy as a result, except perhaps that starting a private Facebook group is easier than creating a new website. Though CLPWC witness Jaclyn McCoy stated that “[t]he Company is not opposed to establishing a website based on the experience of its customers,”⁷³ the record for this matter contains no CLPWC evidence of a solution or alternative means of obtaining necessary information other than joining Facebook, despite the complaints cited at the public input hearing and the admission that less than half of the customers have joined the Facebook group.⁷⁴

The evidence in this matter also shows a clear pattern of CLPWC’s failure to comply with regulatory standards and requirements. As noted by I&E witness Cline, CLPWC failed to submit annual financial reports for 2023 and 2024 in a timely fashion.⁷⁵ When these reports were eventually submitted in 2026, I&E witness Walker characterized the balance sheet contained within the report as “substandard” and generally opined that the failure to competently complete this report was “suggestive of a lack of managerial capability.”⁷⁶ Mr. Joseph’s surrebuttal testimony is also indicative of his apparent attitude to the regulatory process, as he failed to contact 8 of the 10 potential sale candidates identified by I&E in its Section 529 Petition,⁷⁷ stating that he viewed that as “a waste of time.”⁷⁸ As noted above, there have been multiple recent examples of CLPWC failing to

⁷³ CLPWC Statement No. 3, p. 5.

⁷⁴ *Id.*

⁷⁵ I&E Statement No. 2, p. 5; I&E Statement No. 2-SR, p. 4.

⁷⁶ I&E Statement No. 1-SR, pp. 6-7.

⁷⁷ Section 529 Petition, pp. 9-10.

⁷⁸ CLPWC Statement No. 7, p. 4.

meet regulatory standards, including failure to file a lead service line replacement plan⁷⁹ and failure to file a proposed metering plan,⁸⁰ either of which, if not remedied, would be grounds for formal action brought by I&E's Enforcement Division. Mr. Joseph chose to purchase a Commission regulated water utility which comes with certain requirements and agreed to enter into a settlement agreement which provided a rate increase and called for further investigation into the utility, yet Mr. Joseph appears happy to disregard portions of the regulatory process to the extent it suits him. This should raise significant concern as to CLPWC's ability to provide adequate, efficient, safe and reasonable service.

In addition to his questionable attitude regarding the regulatory process, Mr. Joseph has also allegedly exhibited inappropriate and unprofessional behavior with some of CLPWC's customers. The complaint of the Conneaut Lake Objectors, attached as Exhibit A to I&E's Petition, is rife with examples of such conduct, including retaliatory and threatening text messages allegedly sent by Mr. Joseph to customers.⁸¹ While Mr. Joseph has taken some steps to limit his direct contact with customers (as he was required to do so pursuant to the terms of the Settlement),⁸² these interpersonal issues appear to still be relevant in this proceeding, as nearly all of CLPWC's rebuttal witnesses made reference to ongoing issues between customers and Mr. Joseph. CLPWC witness Steven R. Halmi, in stark contrast to the objective, technical nature of the majority of his

⁷⁹ See I&E Hearing Exhibit 2.

⁸⁰ See I&E Hearing Exhibit 3.

⁸¹ Section 529 Petition, Exhibit A, pp. 9-10.

⁸² *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 19 (Order Entered August 1, 2024).

testimony as an engineer, characterized the testimony of multiple witnesses at the January 21, 2026 in-person public input hearing as “bringing up only minor issues with the water system, and perhaps they actually had a bigger personal vendetta against Mr. Joseph.”⁸³ CLPWC witness McCoy, who serves as “the primary point of contact for customer inquiries,” and would hopefully remain objective as to such inquiries, opined that “the customers who are complaining the most had a tiff/misunderstanding/incident/disagreement whatever you would like to call it about something unrelated to the water system.”⁸⁴

The actions taken by Mr. Joseph cited above are unprofessional, unbecoming of a utility owner, and exemplify an ongoing concern of potential bias against certain members of his customer base. The attempts by CLWPC witnesses to minimize these customers’ experiences with Mr. Joseph are concerning. Though Mr. Joseph has appeared to distance himself from direct customer contact since being ordered to do so by the Commission, the opinions of his staff and even his consultants concerning these customers appear to be in lockstep with Mr. Joseph, which means the risk of bias continues to be present, and this risk should be of serious concern to the Commission in determining whether CLPWC can continue to provide adequate, efficient, safe and reasonable service to its entire customer base, including those with whom Mr. Joseph is allegedly involved in a “personal vendetta.”

⁸³ CLPWC Statement No. 6, p. 6.

⁸⁴ CLPWC Statement No. 3, pp. 6-7.

Finally, as recognized in the Recommend Decision in the rate case, “CLPWC’s water system is in need of large-scale maintenance and repairs and . . . CLPWC does not have the capital to invest nor the customer base to shoulder the costs of these improvements.”⁸⁵ As noted by I&E witness Cline,⁸⁶ CLPWC serves only 162 residential customers and 3 commercial customers. Although CLPWC’s stated plan of piecemeal improvements over six phases⁸⁷ may be consistent with the principle of gradualism, there remains a risk that the multiple proposed rate increases over the next several years could result in rates higher than these customers can bear, as the extensive costs for repairs would be spread over a small customer base, as noted by both I&E witness Cline⁸⁸ and OCA witness Wise.⁸⁹ Aqua by comparison would be able to spread these repair costs over its much larger customer base, while still bringing the rates of CLPWC customers to a level commensurate with other comparable areas of the Commonwealth⁹⁰.

It also bears noting that Aqua’s testimony highlights some of the additional future costs beyond the estimated repair costs of approximately \$2.7 million from the Engineering Report (which does not include metering costs), as Aqua attributes CLPWC’s failure to comply with basic regulatory requirements to the lack of a “robust regulatory staff,”⁹¹ and recommends CLPWC engage in a fully litigated rate case.⁹² To the extent that these staffing and litigation costs are passed on to the small customer base

⁸⁵ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, p. 55 (Order Entered August 1, 2024).

⁸⁶ I&E Statement No. 2, p. 4.

⁸⁷ *See* CLPWC Statement No. 1, Exhibit 6; CLPWC Statement No. 6, p. 5.

⁸⁸ I&E Statement No. 2, pp. 10-11; I&E Statement No. 2-SR, p. 6.

⁸⁹ OCA Statement No. 1, pp. 40-43.

⁹⁰ *See generally* OCA St. 1-R, p. 6.

⁹¹ Aqua Statement No. 1-SR, p. 3.

⁹² Aqua Statement No. 1-R, pp. 2-3.

of CLPWC, they represent a further increased risk of unreasonable rates should CLPWC file multiple base rate cases over the next several years, as indicated in its plan⁹³. As noted by I&E Witness Walker, CLPWC's issues "do not start and end with financial hurdles" and its lack of compliance "is not merely a financial issue."⁹⁴ The issues CLPWC faces are multifaceted, and it is unrealistic to think these issues can be appropriately addressed merely through the filing of more rate cases.

The collective evidence on the record paints a clear picture of Mr. Joseph, who, despite owning a water utility for nearly five years, remains resistant to the regulatory process while retaining staff and consultants who appear to share his potential bias against certain CLPWC customers. The deficiencies and risks identified above, based on the behavior of CLPWC's representatives and the Company's small customer base, cast clear and significant doubts as to whether CLPWC can reasonably be expected to furnish and maintain adequate, efficient, safe and reasonable service and facilities in the future. Therefore, I&E submits that Section 529(a)(3) is satisfied.

iv. 66 Pa. C.S. Section 529(a)(4)

Section 529(a)(4) requires that alternatives to acquisition be considered and be determined by the Commission to be impractical or not economically feasible.⁹⁵ These alternatives include: (1) reorganization under new management; (2) entering into a contract with another public utility or management or service company to operate the small utility; (3) the appointment of a receiver to assure the adequate, efficient, safe and

⁹³ See CLPWC Respondent St. No. 2, p. 6.

⁹⁴ I&E Statement No. 1-SR, p. 4.

⁹⁵ 66 Pa. C.S. § 529(a)(4).

reasonable service and facilities are provided to the public; (4) the merger of the subject utility with one or more other public utilities; and (5) the acquisition of the subject utility by a municipality, municipal authority or cooperative.⁹⁶

As discussed by I&E witness Walker, Mr. Joseph confirmed in responses to I&E discovery that the Company considered these alternatives and determined each of them to be impractical or not economically feasible.⁹⁷ In response to I&E-I-1, Mr. Joseph stated that a reorganization of the Company would be impractical and not economically feasible.⁹⁸ In response to I&E-I-2, Mr. Joseph stated that the Company is already under contract with a third-party certified operator.⁹⁹ In response to I&E-I-3, Mr. Joseph stated that the problems CLPWC is experiencing are rooted in the need for long-term investments in system infrastructure as opposed to day-to-day operations, adding that appointing a receiver would not solve these issues.¹⁰⁰ In response to I&E-I-4, Mr. Joseph stated that a merger is not practical nor economically feasible.¹⁰¹ Lastly, in response to I&E-I-5, Mr. Joseph stated that, despite multiple attempts and inquiries, CLPWC has been unable to attract a municipality or a municipal authority to acquire the Company, and that CLPWC has not received any indication that the current water customers have an interest in forming a cooperative to own and operate CLPWC's water system.¹⁰²

I&E agrees with CLPWC's conclusion that each alternative to acquisition listed in

⁹⁶ 66 Pa. C.S. § 529(b)(1)-(5).

⁹⁷ I&E Statement No. 1, pp. 5-6.

⁹⁸ *Id.* at p. 5 (*citing* I&E Exhibit No. 1, Schedule 1).

⁹⁹ *Id.* (*citing* I&E Exhibit No. 1, Schedule 2).

¹⁰⁰ *Id.* (*citing* I&E Exhibit No. 1, Schedule 3).

¹⁰¹ *Id.* at pp. 5-6 (*citing* I&E Exhibit No. 1, Schedule 4).

¹⁰² *Id.* at p. 6 (*citing* I&E Exhibit No. 1, Schedule 5).

Section 529(b) are neither practical nor economically feasible considerations for the Company. Therefore, I&E submits that Section 529(a)(4) is satisfied.

v. 66 Pa. C.S. Section 529(a)(5)

Section 529(a)(5) requires the acquiring capable public utility to be financially, managerially and technically capable of acquiring and operating the small water or sewer utility in compliance with applicable statutory and regulatory standards.¹⁰³

In its Petition, I&E identified 10 potential capable proximate water service providers, including Aqua, and served a copy of the Petition as per the Certificate of Service.¹⁰⁴ Aqua was the only entity identified that chose to participate in this proceeding. As noted by I&E witness Walker, CLPWC's water system is located less than a mile from Aqua's Crawford water system.¹⁰⁵ Aqua confirmed in its testimony that it would be able to incorporate the CLPWC system into its territory if it was ordered by the Commission to acquire the system.¹⁰⁶

It is undisputed that Aqua is a "capable public utility" under Section 529. It is also undisputed that Aqua is financially, managerially and technically capable of acquiring and operating CLPWC. Aqua already holds a Certificate of Public Convenience to own and operate water and wastewater systems regulated by the Commission. Further, Aqua has received Commission approval to own and operate several other water and wastewater utilities. To name a few, Aqua recently acquired the James Black Water

¹⁰³ 66 Pa. C.S. § 529(a)(5).

¹⁰⁴ Section 529 Petition, pp. 9-10.

¹⁰⁵ I&E Statement No. 1, p. 8 (*citing* I&E Exhibit No. 1, Schedule 7, p. 3).

¹⁰⁶ Aqua Statement No. 2, p. 6.

Service Company in 2024 and the Municipal Authority of the Borough of Shenandoah water system in 2023, which provide water service to 19 and 2,899 customers, respectively.¹⁰⁷

To further demonstrate Aqua’s fitness, the Company was recently appointed temporary emergency receiver of the troubled Deer Haven water and wastewater systems as a result of Deer Haven’s various DEP violations among other circumstances.¹⁰⁸ In Aqua’s direct testimony in the Deer Haven proceeding, Aqua witness William C. Packer stated:

[Aqua] is the second largest investor-owned regulated water/wastewater utility operating in the Commonwealth of Pennsylvania. Aqua provides water and wastewater utility service to approximately 520,000 customers – 458,000 water and 64,000 wastewater. [Aqua] employs approximately 600 highly trained utility professionals to achieve its mission to provide safe, adequate, and reliable utility service at reasonable rates. In addition, [Aqua] is one of eight regulated water and wastewater subsidiaries of Essential [Utilities, Inc.], which brings to bear its own financial, technical, and managerial resources to assist in [Aqua’s] mission.¹⁰⁹

The record evidence clearly demonstrates that Aqua would be able to operate the system in compliance with DEP and Commission rules and regulations.

I&E asserts that Aqua is financially, managerially and technically capable of acquiring and operating CLPWC in compliance with applicable statutory and regulatory standards. Therefore, I&E submits that Section 529(a)(5) is satisfied.

¹⁰⁷ *Id.* at p. 9 (citing I&E Exhibit No. 1, Schedule 8).

¹⁰⁸ *Petition of Deer Haven, LLC Requesting Ex Parte Emergency Order Allowing Aqua Pennsylvania, Inc. to Act as a Receiver to Operate the Deer Haven Water and Wastewater Systems*, Docket No. P-2024-3050545 et al. (Order Entered August 26, 2024).

¹⁰⁹ I&E Statement No. 1, p. 10 (citing I&E Exhibit No. 1, Schedule 9, pp. 1-2).

vi. 66 Pa. C.S. Section 529(a)(6)

Lastly, Section 529(a)(6) requires that the rates charged by the acquiring capable public utility to its preacquisition customers will not increase unreasonably because of the acquisition.¹¹⁰ As discussed by I&E witness Walker, CLPWC's 165 water customers would represent less than 0.1% (165 customers ÷ 456,000 customers) of the approximately 456,000 water customers currently served by Aqua.¹¹¹ CLPWC's Engineering Report quoted an estimate for recommended distribution system repairs totaling \$2,773,400.¹¹² Mr. Walker stressed that what would be a sizeable investment for CLPWC would represent less than 0.1% ($\$2,773,400 \div \$4,723,092,000$) of Aqua's \$4,723,092,000 rate base as reported on its most recent third quarter earnings report.¹¹³ Given the difference in scale of both customer base and rate base, CLPWC's customers are unlikely to unreasonably increase rates for Aqua's preacquisition customers if Aqua acquires the Company. Aqua also confirmed in its testimony that its acquisition of the CLPWC system would not significantly impact the rates of its existing customers.¹¹⁴

Mr. Walker also noted that, in addition to confirming that there would be no immediate effect on the rates of current Aqua customers if Aqua acquired CLPWC in response to OCA-I-7, Aqua has demonstrated through its prior acquisition of several other water and wastewater systems that it is capable of acquiring both large and small

¹¹⁰ 66 Pa. C.S. § 529(a)(6).

¹¹¹ I&E Statement No. 1, pp. 10-11.

¹¹² *Id.* at p. 11 (*citing* I&E Exhibit No. 3, Schedule 7).

¹¹³ *Id.* (*citing* [Aqua Q3 2025 Quarterly Earnings Report](https://www.puc.pa.gov/pcdocs/1904418.pdf), <https://www.puc.pa.gov/pcdocs/1904418.pdf>, accessed February 25, 2026).

¹¹⁴ Aqua Statement No. 1-R, p. 5.

systems and meeting service commitments.¹¹⁵ Additionally, its acquisition of small systems similar to CLPWC under investigation in Section 529 proceedings have occurred without a significant increase in rates for existing customers directly related to those acquisitions.¹¹⁶

I&E argues that the acquisition of CLPWC by Aqua would most likely not result in an unreasonable increase in rates for Aqua's current customers. Therefore, I&E submits that Section 529(a)(6) has been satisfied.

B. WHETHER BASED ON THE ABOVE ANOTHER CAPABLE UTILITY SHOULD BE REQUIRED TO ACQUIRE CLPWC

As explained above, the record evidence demonstrates that it is in the public interest that another capable utility should be ordered to acquire the CLPWC system. The long history of mismanagement and non-compliance with DEP and Commission regulations and orders demonstrates that it is not currently capable of providing adequate, efficient, safe and reasonable service to customers.

C. IF ANOTHER CAPABLE PUBLIC UTILITY SHOULD BE REQUIRED TO ACQUIRE CLPWC, WHICH CAPABLE UTILITY SHOULD BE REQUIRED TO ACQUIRE THE SYSTEM

As explained above, it is I&E's position that the Commission must order another capable utility to acquire the CLPWC system. CLPWC's water system is located less than a mile from Aqua's Crawford water system.¹¹⁷ No party has presented evidence disputing that Aqua is financially, managerially and technically capable of acquiring and

¹¹⁵ *Id.* (citing I&E Exhibit No. 1, Schedule 10).

¹¹⁶ *Id.*

¹¹⁷ I&E Statement No. 1, p. 8 (citing I&E Exhibit No. 1, Schedule 7, p. 3).

operating CLPWC. Therefore, I&E recommends that Aqua should be ordered to purchase the CLPWC system.

D. OTHER FACTORS FOR CONSIDERATION

i. Section 529(c) – Factors to be Considered by the Commission in Making a Determination Pursuant to Section 529(a)

Section 529(c) lists six factors the Commission shall consider when determining whether to order a capable public utility to acquire a small water or sewer company. These factors include: (1) the financial, managerial, and technical ability of the small water or sewer utility; (2) the financial, managerial, and technical ability of all proximate public utilities providing the same type of service; (3) the expenditures which may be necessary to make improvements to the small water or sewer utility to assure compliance with applicable statutory and regulatory standards concerning the adequacy, efficiency, safety or reasonableness of utility service; (4) the expansion of the franchise area of the acquiring capable public utility so as to include the service area of the small water or sewer utility to be acquired; (5) the opinion and advice, if any, of the Department of Environmental Resources as to what steps may be necessary to assure compliance with applicable statutory or regulatory standards concerning the adequacy, efficiency, safety or reasonableness of utility service; and (6) any other matters which may be relevant.¹¹⁸

I&E witness Walker noted the unpredictability CLPWC’s customers have experienced with this system, including under Mr. Joseph’s ownership:

As outlined in I&E’s Petition, CLPWC’s ratepayers have experienced significant instability extending beyond the last 12 years. This included: (1) mismanagement of the water system

¹¹⁸ 66 Pa. C.S. § 529(c)(1)-(6).

by previous ownership that ultimately led to a bankruptcy proceeding in 2014; (2) six years of uncertainty prior to the eventual December 2020 sale of CLPWC's water system to Mr. Joseph's Keldon Holdings, LLC; (3) several years of water quality issues according to the testimonies of numerous customers during the public input hearings held in the 2023 base rate case; (4) Mr. Joseph sending retaliatory text messages to customers in response to the Conneaut Lake Objectors filing a complaint in opposition to the proposed rate increase; and (5) Mr. Joseph's numerous other inappropriate communications with customers. CLPWC's ratepayers deserve stability from the utility that provides a necessity as important as water. Aqua's provision of safe, adequate, and reliable drinking water service delivers that stability.¹¹⁹

When discussing Mr. Joseph's relationship with customers, Mr. Walker stated:

Mr. Joseph's comments regarding customers continue to demonstrate a lack of neutrality in handling the concerns of CLPWC's customers. As alluded to in I&E's Section 529 Petition, Mr. Joseph's general tone towards customers has historically been aggressive, and he has now become dismissive of their concerns.¹²⁰

As discussed above, Mr. Joseph's hostility towards customers is inappropriate and unprofessional and the Commission should not tolerate this kind of behavior from utility owners, especially for an essential service like water. While Mr. Joseph may no longer directly interface with customers when service issues are addressed, his concerning relationship with customers cannot be ignored. As noted in I&E's Petition, Mr. Joseph allegedly communicated with customers through text messages and made statements such as "Enjoy no water," "Having a lawyer fight an increase in free water . . . is just priceless," and "So what are u gonna do for water? Have any of u though about that?"¹²¹

¹¹⁹ I&E Statement No. 1, pp. 13-14.

¹²⁰ I&E Statement No. 1-SR, p. 7.

¹²¹ Section 529 Petition, Exhibit A, pp. 9-10.

Mr. Joseph's bias against many of the water system's customers has been documented in both the 2023 rate case and the instant proceeding. The risk of customers' water service being affected by personal disputes with the utility owner is a risk that should not exist in the regulated utility industry. Such a risk flies in the face of a utility's duty to provide reasonably continuous, non-discriminatory service.¹²² I&E asks that the Commission seriously consider this risk when making its determination in this proceeding.

ii. Section 529(e) – Acquisition Price

Section 529(e) provides that the price for the acquisition shall be determined by agreement between the small water utility and the acquiring capable public utility subject to a determination by the Commission that the price is reasonable.¹²³ Section 529(e) also prescribes that, in the event the subject utility and the acquiring utility cannot agree on a purchase price or if the Commission disapproves of the agreed-upon acquisition price, the Commission shall order the acquiring utility to follow the procedure for exercising the power of eminent domain.¹²⁴

I&E submits that it is in the best interest of CLPWC, its customers, and the acquiring utility to agree to a reasonable purchase price rather than resorting to an eminent domain proceeding.

iii. Recommended Decision in the 2023 Rate Case

Finally, I&E notes the following discussion from the Recommended Decision in the 2023 rate case:

¹²² See 66 Pa. C.S. §§ 1501; 1502.

¹²³ 66 Pa. C.S. § 529(e).

¹²⁴ *Id.*

Upon review, we find that CLPWC is a troubled system and that Section 529 of the Public Utility Code (66 Pa. C.S. § 529) should be instituted due to quality of service and compliance issues. Based on concerns raised at the public input hearings and in the parties' Statements in Support, we conclude that it is in the public interest to investigate, through a Section 529 proceeding, whether a more capable public utility with greater access to capital and a larger customer base should own and operate the water system. We anticipate that this process will bring in more competent management, which will facilitate necessary repairs and restore community trust in the water utility. We note all parties agreed that it is in the public interest to initiate a Section 529 proceedings for CLPWC.¹²⁵

I&E asserts that the conclusions reached in the Recommended Decision in the 2023 rate case were proven true following its investigation in the instant proceeding. CLPWC is a troubled system that continues to suffer from quality of service and compliance issues. A more capable public utility, like Aqua, with greater access to capital and a larger customer base should own and operate the water system. The Section 529 process will bring in more competent management, which will facilitate necessary repairs and restore community trust in the CLPWC system. It is in the public interest for a more capable public utility to acquire CLPWC.

¹²⁵ *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Recommended Decision, pp. 49-50 (Order Entered August 1, 2024).

V. CONCLUSION

For the reasons set forth in this Main Brief, I&E respectfully submits that the criteria in Section 529(a) of the Public Utility Code have been met and the Commission should order the acquisition of Conneaut Lake Park Water Corporation, Inc. by Aqua Pennsylvania, Inc.

Respectfully submitted,



Adam J. Williams
Prosecutor
PA Attorney ID No. 310049

Michael A. Podskoch, Jr.
Prosecutor
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Dated: May 27, 2026

PROPOSED FINDINGS OF FACT

1. Conneaut Lake Park Water Corporation, Inc. is a Commission-certificated public utility that provides water utility service to approximately 165 customers. Section 529 Petition, pp. 2-4.
2. Todd Joseph is the sole member of CLP Water LLC, which is the sole shareholder of CLPWC. CLPWC St. No. 2, p. 2.
3. On October 28, 2024, I&E filed a Petition requesting the Commission open a Section 529 investigation into the acquisition of CLPWC. Section 529 Petition.
4. In its Petition, I&E identified 10 potential capable proximate water service providers notifying them of the Section 529 investigation. Section 529 Petition, pp. 9-10.
5. Of the 10 entities identified by I&E in its Petition, only Aqua has chosen to participate in this proceeding.
6. Attached to I&E's Petition was the Complaint filed by the Conneaut Lake Objectors on October 13, 2023, which alleged that Mr. Joseph sent retaliatory text messages to customers following their opposition to the rate filing and threatened to discontinue water service in violation of 66 Pa. C.S. §§ 1501 and 1502. Section 529 Petition, Exh. A, pp. 9-10.
7. At the public input hearings held on December 7, 2023, many customers testified about customer service issues, water quality issues, the poor state of the water system, and Mr. Joseph's retaliatory and threatening communications with customers. Section 529 Petition, p. 8.
8. In its Petition, I&E identified the following alleged statutory and regulatory violations:
 - a. CLPWC does not maintain a customer complaint log in accordance with 52 Pa. Code § 65.3 regarding complaints. Section 529 Petition, p. 7.
 - b. CLPWC does not investigate billing or water quality disputes in accordance with 52 Pa. Code § 56.151(2) regarding dispute investigations. Section 529 Petition, p. 7.
 - c. CLPWC's residential customers are not metered in accordance with 52 Pa. Code § 65.7. Section 529 Petition, p. 7.

- d. CLPWC's commercial customers are metered but CLPWC does not test or maintain these meters in accordance with 52 Pa. Code § 65.8 regarding meters. Section 529 Petition, p. 7.
 - e. CLPWC does not segregate its revenues, expenses, and property from non-utility businesses in accordance with 66 Pa. C.S. § 1311(c) regarding segregation of property. Section 529 Petition, p. 7.
 - f. CLPWC does not maintain a system of accounts in accordance with 66 Pa. C.S. § 1701 and 52 Pa. Code § 65.16 regarding system of accounts. Section 529 Petition, p. 7.
 - g. CLPWC does not follow termination procedures in accordance with 52 Pa. Code §§ 56.81-56.131 regarding termination of service and 52 Pa. Code §§ 56.140-56.181 regarding disputes, termination disputes, and informal and formal complaints. Section 529 Petition, p. 8.
 - h. CLPWC does not maintain written or recorded disputes and complaints regarding service terminations and reconnections in accordance with 52 Pa. Code § 56.202 regarding record maintenance. Section 529 Petition, p. 8.
9. In addition to the alleged violations cited in its Petition, I&E cited the following alleged statutory and regulatory violations following its investigation in the instant proceeding:
- a. CLPWC's unaccounted-for water levels for 2023 and 2024 were excessive in violation of 52 Pa. Code § 65.20. I&E Exh. No. 1-SR, Sch. 1.
 - b. CLPWC untimely filed its 2023 and 2024 annual financial reports in violation of 52 Pa. Code § 65.19. I&E Exh. No. 1-SR, Sch. 1.
 - c. CLPWC's arsenic levels exceeded drinking water standards from samples taken on September 3, 2025 and September 29, 2025, and test results received on October 13, 2025. I&E St. No. 2, pp. 5-6.
 - d. CLPWC failed to comply with the May 3, 2024 deadline outlined in the January 4, 2024 NOV from DEP which recommended that the Company correct all significant deficiencies in order to comply with safe drinking water regulations defined under Title 25, Chapter 109 of the Pennsylvania Code. I&E St. No. 2, pp. 6-9.
 - e. CLPWC failed to file a lead service line replacement petition by July 22, 2024 in violation of 52 Pa. Code § 65.55. I&E Hrg. Exh. 2.

10. In addition to the alleged statutory and regulatory violations, I&E and OCA cited the following violations of Commission orders following their investigations in the instant proceeding:
 - a. CLPWC violated the following terms of the settlement agreement reached in the 2023 rate case and approved by the Commission's Order entered August 1, 2024:
 - i. CLPWC's customer compliant logs are not in compliance with 52 Pa. Code § 65.3. OCA St. No. 1, p. 14
 - ii. The status of CLPWC's dedicated phone number is uncertain. OCA St. No. 1-SR, pp. 14-15.
 - iii. CLPWC uses the social media site Facebook as an accessible virtual location instead of a publicly accessible website. OCA St. No. 1-SR, pp. 16-17.
 - iv. CLPWC confirmed that its certified operator was not present at two of its public meetings. OCA St. No. 1-SR, p. 16.
 - v. CLPWC has failed to identify the location of CLPWC's service line and shut off valve for each customer. CLPWC Response to I&E-II-1, Exhibit 1A/1B.
 - b. CLPWC failed to file its metering program and supporting data with the Commission by April 20, 2026 in accordance with the Commission's Order entered April 20, 2023. I&E Hrg. Exh. 3.
11. CLPWC's current leadership has demonstrated an unwillingness and inability to comply with DEP and Commission requirements.
12. CLPWC's failure to comply with DEP and Commission requirements raises significant concerns regarding its financial, managerial, and technical ability.
13. CLPWC's water system is located less than a mile from Aqua's Crawford water system. I&E St. No. 1, p. 8.
14. Aqua is financially, managerially, and technically capable of acquiring and operating the CLPWC system. I&E St. No. 1, pp. 7-10.

15. CLPWC's 165 water customers would represent less than 0.1% ($165 \text{ customers} \div 456,000 \text{ customers}$) of the approximately 456,000 water customers currently served by Aqua. I&E Statement No. 1, pp. 10-11.
16. CLPWC's Engineering Report quoted an estimate for recommended distribution system repairs totaling \$2,773,400, which would represent less than 0.1% ($\$2,773,400 \div \$4,723,092,000$) of Aqua's \$4,723,092,000 rate base as reported on its most recent third quarter earnings report. I&E Statement No. 1, p. 11.
17. It is in the public interest to have this system sold to another capable utility.

PROPOSED CONCLUSIONS OF LAW

1. The burden of proof in any proceeding involving the petition or an application filed by a utility proposing a rule or order, or requesting relief from the Commission, is on the utility. 66 Pa. C.S. § 332(a).
2. Although I&E bears a statutory burden of proof in Section 529 proceedings pursuant to 66 Pa. C.S. § 529(i), the burden is not exclusive to I&E. *Pa. P.U.C. vs. Twin Lakes*, pp. 2-12, Docket No. P-2020-3020914 (Order entered September 17, 2020).
3. Any party in a Section 529 proceeding may present or rebut a *prima facie* case in support of its position in the Section 529 proceeding. *Pa. P.U.C. v. Delaware Sewer Company*, Docket No. P-2014-2404341, Opinion and Order p. 28 (Order entered January 28, 2016).
4. The burden of proof must be satisfied by a preponderance of evidence. *Samuel J. Lansberry, Inc. v. Pennsylvania Public Utility Commission*, 578 A.2d 600 (Pa. Cmwlth 1990).
5. A preponderance of evidence is such evidence that is more convincing, by even the smallest amount, than that presented by another party. *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).
6. This burden of proof is comprised of two distinct burdens: the burden of production and the burden of persuasion. The burden of production tells the adjudicator which party must come forward with evidence to support a particular position. *In re: Loudenslager's Estate*, 430 Pa. 33, 240 A.2d 477 (1968). The burden of persuasion determines which party must produce sufficient evidence to convince a judge that a fact has been established, and it never leaves the party on whom it is originally cast. *Reidel v. County of Allegheny*, 633 A.2d 1325, 1329 n. 11 (Pa. Commw. 1993).
7. The Commission must ensure that any adjudication is supported by substantial evidence. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. *Norfolk & Western Ry. Co. v. Pennsylvania Public Utility Commission*, 413 A.2d 1037 (Pa. 1980).
8. Section 529 of the Public Utility Code requires that the Commission conduct an investigation to determine whether the six elements enumerated in Section 529(a) are met before the Commission may order a capable public utility to acquire the small water or wastewater company. 66 Pa. C.S. § 529(a).

9. Section 529(c) lists six factors the Commission shall consider during its investigation of whether the six enumerated elements of Section 529(a) are met. 66 Pa. C.S. § 529(c).
10. If the subject utility and acquiring utility cannot agree on a purchase price, an eminent domain proceeding will be instituted. 66 Pa. C.S. § 529(e).

PROPOSED ORDERING PARAGRAPHS

THEREFORE,

IT IS ORDERED:

1. That, having found Conneaut Lake Park Water Corporation, Inc. is incapable of providing adequate, efficient, safe and reasonable service, another capable public utility shall acquire Conneaut Lake Park Water Corporation, Inc.
2. That Aqua Pennsylvania, Inc., as a capable public utility, shall acquire Conneaut Lake Park Water Corporation, Inc.
3. That Aqua Pennsylvania, Inc. and Conneaut Lake Park Water Corporation, Inc. shall engage in good-faith, arms-length negotiations regarding the sale price of Conneaut Lake Park Water Corporation, Inc.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement	:	
	:	
v.	:	Docket Nos. P-2024-3051855
	:	I-2024-3051857
Conneaut Lake Park Water Corporation, Inc.	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Main Brief** dated May 27, 2026, in the manner and upon the persons listed below:

Served via Electronic Mail Only

Mark J. Shaw, Esq.
Julia T. Guerrein, Esq.
MacDonald Illeg Jones & Britton LLP
100 State Street, Suite 700
Erie, PA 16507-1459
mshaw@mijb.com
jguerrein@mijb.com

Alexander R. Stahl, Esq.
Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
astahl@aquaamerica.com

Stephen Kelkenberg, Esq.
Buchanan Ingersoll & Rooney
Union Trust Building
501 Grant Street, Suite 200
Pittsburgh, PA 15219
stephen.kelkenberg@bipc.com

Todd Joseph
Conneaut Lake Park Water Corporation Inc
P.O. Box 242
Harmonsburg, PA 16422
tjosephproperties@hotmail.com

John F. Povilaitis, Esq.
Alan M. Seltzer, Esq.
Buchanan Ingersoll & Rooney
409 N. Second Street, Suite 500
Harrisburg, PA 17101-1357
john.povilaitis@bipc.com
alan.seltzer@bipc.com

Rebecca Lyttle, Esq.
Steven Gray, Esq.
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
relyttle@pa.gov
sgray@pa.gov

Harrison W. Breitman, Esq.
Janna E. Williams, Esq.
Ryan Morden, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
hbreitman@paoca.org
jwilliams@paoca.org
rmorden@paoca.org



Adam J. Williams
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 310019
(717) 787-8754
adawilliam@pa.gov