

COMMONWEALTH OF PENNSYLVANIA



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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  
I-2024-3051857

Dear Secretary Homsher:

Attached for electronic filing please find the Office of Consumer Advocate's Main Brief **PUBLIC** version in the above-referenced proceeding.

Please note that the **CONFIDENTIAL** version of the OCA's Main Brief will only be sent to the parties that have executed the non-disclosure agreement as indicated on the Certificate of Service. The **CONFIDENTIAL** version of the OCA's Main Brief will be e-filed using the Public Utility Commission's Share Point file process.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectively,

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Administrative Law Judge Eranda Vero  
May 27, 2026  
Page 2

Enclosures

cc: The Honorable Eranda Vero (Email Only: [evero@pa.gov](mailto:evero@pa.gov))  
Certificate of Service

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Main Brief, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 27th day of May 2026.

**Can receive Confidential information \***

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Dated: May 27, 2026

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
Bureau of Investigation and Enforcement	:	
	:	Docket No. P-2024-3051855
v.	:	I-2024-3051857
	:	
Conneaut Lake Park Water Corporation, Inc.	:	

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MAIN BRIEF  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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## I. INTRODUCTION

### A. PROCEDURAL HISTORY

This matter involves the proceeding commenced by the Commission's Bureau of Investigation & Enforcement (I&E) on October 28, 2024, pursuant to Section 529 of the Public Utility Code, 66 Pa. C.S. Section 529, in which I&E filed the captioned Petition (Petition) with the Commission seeking the acquisition of Conneaut Lake Park Water Corporation, Inc. (CLPWC or Company) by a capable public utility. CLPWC serves approximately 165 customers, 162 of whom are residential customers. The purpose of the Petition was to determine whether the Commission should open an investigation to order a capable public utility to acquire CLPWC.

In CLPWC's most recent base rate proceeding, I&E, along with CLPWC, the OCA, the Office of Small Business Advocate (OSBA), and at least 68 customer complainants, agreed by unanimous settlement that I&E would file the instant Petition to explore the possible purchase of CLPWC by a managerially, technically, and financially fit public utility, municipal corporation, or authority. *Pa. PUC v. Conneaut Lake Park Water Corp.*, Docket Nos. R-2023-3041575 et al., Order (Aug. 1, 2024); Petition ¶ 34. In support of the Petition, I&E provided evidence from CLPWC's most recent rate case which demonstrated that the Company's customers were receiving inadequate service due to poor customer service and quality of service, and that the Company's owner threatened to terminate customers' service in retaliation for their involvement in the rate proceeding or other personal matters. Petition ¶ 30. Further, CLPWC was, at the time of its recent rate case, in violation of several requirements of the Public Utility Code and Commission regulations, including its failure to provide metered water service to its residential customers. Petition ¶ 28.

The matter was assigned to Administrative Law Judges (ALJs) Eranda Vero and Arlene Ashton and on November 1, 2024, they issued an Initial Telephonic Prehearing Conference Notice to take place on November 12, 2024. Aqua Pennsylvania, Inc. (Aqua) filed a Petition to Intervene on November 5, 2024. The OCA filed a Notice of Intervention, a Public Statement, and an Answer on November 12, 2024. Also on November 12, 2024, the OSBA filed a Notice of Appearance, Notice of Intervention, and Public Statement.

ALJs Eranda Vero and Arlene Ashton convened a Prehearing Conference on November 13, 2024. In its Prehearing Conference Memorandum, the OCA indicated that it would participate in settlement discussions, and it preferred the assignment of a settlement judge rather than a mediator because of the issues involved in the proceeding. *Pa. PUC v. Conneaut Lake Park Water Corp.*, Docket Nos. P-2024-3051855; I-2024-3051857, Order (Nov. 25, 2024).

A separate Settlement Judge, ALJ Gail Chiodo was assigned to serve as the Settlement Judge by order dated November 25, 2024. *Id.* ALJs Vero and Ashton remained the adjudicatory judges.

A Settlement Conference was held on January 16, 2025. On March 28, 2025, the parties received a Judge Change Notice, noting that ALJ Vero would preside over the matter. The parties continued settlement negotiations and exchanged discovery. The matter was not resolved, and the parties requested a Prehearing Conference Order to discuss a possible litigation schedule and other procedural matters on September 19, 2025. On September 24, 2025, ALJ Chiodo issued an Order and referred this matter to ALJ Vero for further proceedings and resolutions and terminated the settlement negotiations.

On October 7, 2025, the parties received Prehearing Order No. 2, scheduling a Prehearing Conference for October 17, 2025, and directing the parties to file and serve Prehearing Conference Memorandum on October 15, 2025.

The second prehearing conference was held as scheduled on October 17, 2025. The parties discussed the litigation schedule, public input hearings, and discovery modifications. On November 5, 2025, ALJ Vero issued Prehearing Order No. 3.

On December 3, 2025, ALJ Vero issued Notice announcing that two Public Input Hearings would take place on Wednesday, January 21, 2026. The Public Input Hearings were held as scheduled.

On February 6, 2026, CLPWC filed a Joint Motion to Amend the Litigation Schedule wherein the parties unanimously agreed to request that ALJ Vero reschedule testimony deadlines. On February 12, 2026, ALJ Vero issued Prehearing Order No. 5 granting the parties Joint Motion to grant additional time for the parties to submit their testimonies and to reschedule the dates for evidentiary hearings.

On Friday, February 20, 2026, the OCA, I&E, and CLPWC submitted direct testimony. On March 16, 2026, the OCA, I&E, and CLPWC submitted rebuttal testimony.

On April 2, 2026, CLPWC filed a Motion to Amend Prehearing Order No. 5 to permit certain Company witnesses to appear at the Evidentiary Hearings. No party opposed CLPWC's Motion to Amend. On April 6, 2026, the OCA, I&E, and CLPWC submitted surrebuttal testimony. On April 20, 2026, CLPWC submitted rejoinder testimony. On April 27, 2026, ALJ Vero granted CLPWC's Motion to Amend Prehearing Order No. 5.

On April 28, 2026, CLPWC filed and served a Motion to Strike on the OCA. On May 1, 2026, the OCA filed its Answer to CLPWC's Motion to Strike. Also on May 1, 2026, the parties submitted a Joint Stipulation of Fact and Request for Admissions. Following waiver of cross by all parties and all witnesses, on May 1, 2026, ALJ Vero issued a hearing notice converting the May 4, 2026, in-person evidentiary hearing into a telephonic evidentiary hearing and canceling the second day of

hearings schedule for May 5, 2026. On May 4, 2026, ALJ Vero and the Parties held a telephonic evidentiary hearing.

On May 12, 2026, CLPWC filed rejoinder testimony. On May 15, 2026, ALJ Vero issued an Order Denying CLPWC's Motion to Strike. On May 19, 2026, the OCA submitted all OCA testimony and exhibits to the court reporter for transmittal to the Commission. The OCA files the instant Main Brief in accordance with the May 27, 2026, Main Brief deadline established during the evidentiary hearing.

## **B. DESCRIPTION OF THE PARTY**

The Office of Consumer Advocate (OCA) is the statutory advocate with the authority and duty to represent the interests of consumers as a party before the Pennsylvania Public Utility Commission (Commission) in public utility acquisition investigations. 71 P.S. § 309-4. The OCA seeks to ensure that CLPWC customers are able to receive water from a capable provider that can provide service that complies with the character of service and facilities standards prescribed in Section 1501 of the Public Utility Code. 66 Pa. C.S. § 1501. The OCA supports the acquisition of CLPWC as it benefits consumers and meets the requirements of Section 529 of the Public Utility Code.

## **II. BURDEN OF PROOF**

In Section 529 proceedings, I&E bears the burden of proof to establish a *prima facie* case that acquisition of the small water utility would be in the public interest and in compliance with the provisions of Section 529. 66 Pa. C.S. § 529(i). *Pa. PUC v. Delaware Sewer Company*, Docket No. P-2014-2404341, Order at 27 (Jan. 28, 2016) (*Delaware Sewer*). The OCA supports I&E's Petition and is not precluded by statute or otherwise from producing its own evidence to address the requirements of Section 529. *Delaware Sewer* at 28.

The Commission previously stated that the burden is not exclusive to I&E. *Pa. PUC v. Twin Lakes*, Docket No. P-2020-3020914, Order at 21 (Sept. 17, 2020). Rather, the Commission 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.” *Petition of Delaware Sewer Company for the Opening of an Investigation into Whether the Public Utility Commission Should Order a Capable Public Utility to Acquire the Company Pursuant to 66 Pa. C.S. § 529*, Docket No. P-2014-2404341, Order at 28 (Jan. 28, 2016).

The standard of proof is such that “[a] litigant’s burden of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of evidence which is substantial and legally credible.” *Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm’n*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990). The preponderance of the evidence standard requires proof by a greater weight of the evidence. *Commonwealth v. Williams*, 732 A.2d 1167 (Pa. 1999).

Additionally, any finding of fact necessary to support an adjudication of the Commission must be based on substantial evidence. *Met-Ed Indus. Users Group v. Pa. Pub. Util. Comm’n*, 960 A.2d 189 (Pa. Cmwlth. 2008) *citing* 2 Pa.C.S. § 704. Substantial evidence is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. *Borough of E. McKeesport v. Special/Temporary Civil Serv. Comm’n*, 942 A.2d 274 (Pa. Cmwlth. 2008). Substantial evidence must be “more than a scintilla and must do more than create a suspicion of the existence of the fact to be established.” *Kyu Son Yi v. State Bd. of Vet. Med.*, 960 A.2d 864, 874 (Pa. Cmwlth. 2008) (internal citation omitted).

Once the Commission determines that I&E has established a prima facie case, CLPWC has the burden of proving its ability to render adequate, efficient, safe, and reasonable service at just and reasonable rates. 66 Pa. C.S. § 529(i)(1). Aqua has the burden of proving its financial, managerial, or technical *inability* to acquire and operate the small water or sewer utility. 66 Pa. C.S. § 529(i)(2). (emphasis added).

### **III. SUMMARY OF ARGUMENT**

This proceeding arose from a Commission-approved settlement in CLPWC’s base rate case. Under this settlement, CLPWC agreed that I&E would initiate a 529 proceeding, which could result in the Commission directing a managerially, technically, and financially fit public utility, municipal corporation, or authority to own and operate CLPWC. *Pa. PUC v. Conneaut Lake Park Water Corp.*, Docket No. R-2023-3041575 et al., Order (Aug. 1, 2024).

Pursuant to Section 529 of the Public Utility Code, the Commission may order a capable public utility to acquire a small water or sewer utility if certain factors are met. 66 Pa. C.S. § 529. In the base rate case proceeding, the ALJ found that “[t]he system is in need of significant repairs and upgrades.” *Pa. PUC v. Conneaut Lake Park Water Corp.*, Docket No. R-2023-3041575 et al., R.D. at 12 (July 1, 2024). As the OCA will describe below, the CLPWC system has been in disrepair for many years and improvements have not been made to ensure adequate, efficient, safe, and reasonable water service to its customers.

CLPWC is currently owned by a limited liability corporation whose sole member is Todd Joseph. Mr. Joseph has owned CLPWC for five years. Mr. Joseph has to date, not made meaningful improvements to the system and has not developed a practical plan to make critical improvements to the system. CLPWC has been in violation of Commission and Department of Environmental Protection (DEP) regulations and has recently failed to comply with multiple Commission orders

in a timely manner: (1) to create a lead service line replacement program, and (2) to submit plans to install meters. There is no reasonable expectation that CLPWC will be able to furnish and maintain service to its customers. There are financially, managerially, and technically capable utilities, such as Aqua Pennsylvania, who would be able to acquire the CLPWC water system, while not unreasonably affecting the rates of existing customers.

All of the criteria for acquisition of the CLPWC water system as a troubled water system by a capable utility have been met under Section 529. 66 Pa. C.S. § 529(a). The CLPWC system should be acquired by a capable utility as the system is troubled.

#### **IV. DISCUSSION**

##### **A. SECTIONS OF 529 CRITERIA**

The Commission may order a capable public utility to acquire a small water or sewer utility if the Commission determines that the six elements of Section 529 are satisfied. 66 Pa. C.S. § 529(a). The record evidence supports a finding that each of the 529(a) requirements are met for the reasons detailed below.

##### **1. 66 Pa. C.S. Section 529(a)(1)**

Section 529(a)(1) requires that the small water or sewer utility at issue 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. 66 Pa. C.S. § 529(a)(1). CLPWC is in violation of Section 1501 of the Public Utility Code. The Code states in relevant part:

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. Such service also shall be

reasonably continuous and without unreasonable interruptions or delay. Such service and facilities shall be in conformity with the regulations and orders of the commission.

Pa. C.S. § 1501.

The Commission has stated: “Section 1501 makes a public utility responsible for complying with Section 1501. Its failure to do so is not excused by the actions or inactions of others.” *Stephen Sutter, et al. v. Clean Treatment Sewage Company*, 2009 Pa. PUC LEXIS 7, \*27 (Order May 15, 2009). It is the Commission’s duty to uphold the standard of Section 1501. *Popowsky v. Pa. PUC*, 594 Pa. 583, 614 (Pa. 2007).

CLPWC’s continued obligation to provide safe, adequate, efficient and continuous water service is not met under the Company’s current ownership and management. *Id.* There are numerous specific instances that show CLPWC operates in a substandard manor contrary to Section 1501. For example, CLPWC witness Joseph states that the Company he owns is not ultimately accountable to meet the standards set forth in the Public Utility Code:

[T]he PUC parties enabled the prior owners to allow the system to significantly degrade and are now trying to lay the blame for that at my feet. The reality is that the alleged financial instability of this utility is in the hands of the Commission, the Bureau of I&E and the OCA. If the Company can obtain the rates needed to operate this system in the fashion in which they apparently want to see it operate, then they have to be willing to accept the kind of rate increases needed to accomplish that goal, which will simply put these customers in line with what people in the rest of the state pay.

CLPWC St. 4 at 3.

As shown above, CLPWC’s owner states that the blame for CLWPC’s failure to provide adequate service rests with the Commission, I&E, and the OCA. *Id.* However, the Commission should not accept a system that has been “significantly degraded” to substandard conditions, contrary to the law. CLPWC St. 4 at 3; 66 Pa. C.S. § 501.

CLPWC witness Joseph avers that if CLPWC were able to raise rates dramatically, then CLPWC would be able to provide adequate service for its 165 customers. *See* CLPWC Sts. 2, 4, 6, and 7. However, there is no basis in record evidence as to how much rates would need to be increased until CLPWC is able to provide adequate service, only that rates would need to be increased by some unknown percentage. *Id.* The fact that CLWPC's customers would need to undergo multiple rate increases, or undergo rate shock through a significant rate increase, is unreasonable.

In CLPWC's most recent rate case, it requested a 970% rate increase. *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575 R.D. at 1 (July 1, 2024) (*BRC Settlement R.D.*). Broken down, CLPWC requested a 750% rate increase for seasonal customer bills and a 1,600% rate increase request for non-seasonal customer bills. *Id.*

The Commission subsequently approved the settlement in the rate case, on August 1, 2024, including a much less dramatic rate increase. *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Order (August 1, 2024) (*BRC Settlement Order*). CLPWC's 970% increase request was proposed before an engineering report was completed and accurate cost estimates were established. *BRC Settlement R.D.* at 21-22. In total, Mr. Joseph's company has owned CLPWC for five years, but has yet to make any major improvements to the system. OCA St. 1 at 6-10.

**a. CLPWC Stands in Multiple Violations of a Commission Orders**

CLPWC is in violation with portions of the Commission Orders, violating Section 501(c) of the Public Utility Code which requires:

Compliance.--Every public utility, its officers, agents, and employees, and every other person or corporation subject to the provisions of this part, affected by or subject to any regulations or orders of the commission or of any court, made, issued,

or entered under the provisions of this part, shall observe, obey, and comply with such regulations or orders, and the terms and conditions thereof.

66 Pa. C.S. § 501(c).

On August 1, 2024, the Commission approved a binding and enforceable settlement that was reached by the parties in CLPWC's most recent rate increase. *BRC Settlement Order*. As outlined in greater detail above, Section 501(c) of the Public Utility Code, the legal force of a Commission Order means CLPWC "shall observe, obey, and comply with such regulations or orders, and the terms and conditions thereof." 66 Pa. C.S. § 501(c). However, as OCA witness Wise testified, CLPWC has not complied with several aspects of the Commission-approved Settlement from its previous base rate case. OCA St. 1 at 12-22. Ms. Wise found CLPWC has not done the following four items in accordance with the Settlement:

Create a customer complaint log in accordance with 52 Pa. Code Section 65.3, create a phone number for the water company only, create a website or accessible virtual location for customers to view water company documents, and commit to holding one meeting with customers each year during the summer season, starting in 2024, and having CLPWC's certified operator present at the meeting.

OCA St. 1 at 12.

Each of the four items identified by Ms. Wise will be addressed in turn below.

**b. CLPWC's Failure to Arrange a Meeting with Certified Operator with Customers**

Paragraph 36 of the Settlement states that CLPWC must hold one (1) meeting each year with customers starting in the summer of 2024 as follows:

36. CLPWC shall commit to holding one (1) meeting with customers each year during the summer season, starting in 2024. **CLPWC's certified operator shall be present at the meeting.** The meeting shall include discussion of the status of the water system any current/planned improvement projects. CLPWC shall provide confirmation to the Commission and statutory advocates with when the meeting was held and shall include meeting minutes. CLPWC shall hold the meeting once a year during the summer months (June - August).

*BRC Settlement R.D.* at 9 (emphasis added).

CLPWC witness McCoy testified that the Company's lack of including a certified operator at its annual summer meeting with customers was "simply an oversight on my part." CLPWC St. 3 at 5. What Ms. McCoy downplays as an "oversight" was an important obligation to CLPWC's customers and was agreed to by all parties to CLPWC's base rate case. As OCA witness Wise testified: "The presence of a water operator at the annual customer meetings was an important obligation intended to provide customers with direct access to technical expertise and essential information about water operations." OCA St. 1 at 20. CLPWC witness McCoy's testimony confirmed that there was no certified operator at the August 2024 and August 2025 meetings. CLPWC St. 3 at 5. Instead, CLPWC scheduled one follow-up meeting in September 2025 with the Company's certified operator in an apparent attempt to make up for this back-to-back violation of the Settlement provision. CLPWC St. 3 at 5. This is another demonstration of CLPWC failing to meet Commission orders. *See BRC Settlement Order.*

### **c. CLPWC's Failure to Establish an Accessible Website**

Settlement paragraph 35 states that CLPWC must establish a website which must be accessible to customers as follows:

35. After the signing of the Settlement Agreement, CLPWC shall create a website or accessible virtual location for customers to view water company documents (i.e., tariffs, reports). In addition, CLPWC shall place the latest CCR on its Company website or Facebook Page.

*BRC Settlement R.D.* at 20.

OCA witness Wise testified that CLPWC utilizes a Facebook page and therefore the Company claims that it is compliant with the website provision of the Commission Settlement. OCA St. 1 at 15-16. She was unable to evaluate its effectiveness as a communication tool because the OCA was not given access to view the Facebook page. *Id.* Ms. Wise testified as follows:

The Facebook page is set to private, and an administrator must allow members to join the group. The Company stated in discovery, OCA Set 19-13, Jaclyn McCoy oversees the Facebook page. When a request to join the page occurs, Ms. McCoy gets a notice and then decides whether to allow access. Access is granted if the requester has properly responded to the questions and is a customer of the Company. The OCA requested access on October 21, 2025, November 14, 2025, and December 3, 2025. To date, the OCA has not received a response and access has not been granted.

*Id.*

In rebuttal testimony, CLPWC witness McCoy affirmed that the OCA was denied access to review CLPWC's Facebook page. Ms. McCoy testified that "the Facebook page is private and is reserved for customers only. OCA has not been allowed into the Facebook page as it is not a customer." CLPWC St. 3 at 5. By the standard stated by Ms. McCoy, the Public Utility Commission, DEP, or the Office of Attorney General would be forbidden from accessing the Company's Facebook page unless an employee from a state agency was a customer of CLPWC.

*See Id.*

In paragraphs 14 and 15 of the compliance report the Company was required to file following the approval of the base rate case settlement, CLPWC claimed it complied with the website provision of the settlement as follows:

14. Paragraph 35 provides:
  35. After the signing of the Settlement Agreement, CLPWC shall create a website or accessible virtual location for customers to view water company documents (i.e., tariffs, reports). In addition, CLPWC shall place the latest CCR on its Company website or Facebook Page.
15. CLPWC certifies that it has complied with the provisions of Paragraph 35. See screenshot of Facebook page, attached hereto as Exhibit 8. The Facebook page is an "accessible virtual location." Access of the Facebook page can be achieved as follows:
  1. Go onto Facebook.
  2. Search "CLP Water Corp" then hit the groups tab and it should be first on the list.
  3. Answer the following two questions:

- a. Do you use park water? (Y/N)
- b. What is your street address?
4. Once you answer and address is confirmed, you will be let into the page.

The latest CCR has been posted on the Facebook page as has the current Tariff. The approved tariff supplement will be added once it is filed.

*Pa. PUC v. Conneaut Lake Park Water Corporation, Inc*, Docket No. R-2023-3041575  
Compliance Report of Conneaut Lake Park Water Corporation, LLC (August 30, 2024).

The compliance report included an exhibit to demonstrate that the Facebook page existed, which stated: “Only residents on the park water system are allowed.” *Id.* This means future customers who may wish to join the Conneaut Lake community have no opportunity to assess the quality of the services provided because they are unable to access reports, notices, or other important documents.

OCA witness Wise testified that reliance exclusively on a Facebook page rather than creating a website also creates several accessibility issues for *current* customers, several of whom shared their poor user experience during the January 21, 2026, public input hearing as follows:

CLPWC’s sole use of a Facebook page presumes that all customers have and regularly use social media. However, this is not the case. Mr. Baldwin testified at the public input hearing that he did not have a Facebook account, and that he believed something better than Facebook should be set up. Another concern raised by customers at the public input hearing is the accessibility of information via a Facebook page rather than a publicly accessible website.

Mr. Tolbert testified at the public input hearing that the problem with Facebook is that information gets buried. If he wanted to refer to something posted in October, it would require scrolling through pages and pages to try to find it. He further stated that a website could have a menu where information was more accessible.

OCA St. 1 at 16. (internal citates omitted).

Ms. Wise affirmed the comment by Mr. Tolbert and testified that “Facebook does not always provide the most recent information first, nor does it provide a standardized page with

menus, links, and easily accessible information.” *Id.* During the January 21, 2026, public input hearing, a witness testified that a Facebook page is not designed to meet the needs of utility customers as follows: “Facebook is a social media site. Websites are more professional... Facebook was developed for a completely different reason.” Tr. 203-204.

CLPWC witness Jaclyn McCoy testified that “[t]here are currently 80 members of the Company's Facebook page.” CLPWC St. 3 at 5. With 165 customers, that means at a minimum, 85 customer accounts do not have access to pertinent information such as announcements, notices, or regulatory documents because of the Company’s exclusion policy. As noted above, it is unclear whether ALJ Vero or the Commission would be given access to view the Facebook page, though no evidence supports that it would.

By law, the Consumer Advocate is “[A]uthorized, and it shall be his duty, in carrying out his responsibilities under this act, to represent the interest of consumers as a party, or otherwise participate for the purpose of representing an interest of consumers, before the commission in any matter properly before the commission.” 71 Pa. C.S. § 309-4. By denying the OCA access, it is prevented from determining whether CLPWC is acting in accordance with the Public Utility Code. CLPWC’s resistance to transparency is an undesirable quality for a Company charged with carrying out service in accordance with Section 1501 of the Public Utility Code, and as such, the Commission should find that the Company falls beneath acceptable standard set by law to carry out its obligations as a regulated water utility and should not continue to be operated under its current ownership. *See* 66 Pa. C.S. § 1501.

CLPWC defended its use of a Facebook page by claiming that a private Facebook group only accessible to current customers meets the Settlement provision. CLPWC also noted that the Public Utility Code does not require CLPWC to have a publicly accessible website, which the

OCA does not dispute. CLPWC St. 3 at 5. The Company's statement about the Public Utility Code is irrelevant as the Company is still required to abide by the Commission's order approving CLPWC's rate case settlement, which required the Company to have a website or web presence that is publicly accessible for customers. *BRC Settlement R.D.* at 20. The Company is not meeting that obligation according to the public input testimony of its customers. OCA St. 1 at 16.

Furthermore, the Public Utility Code requires a utility to post information online, which generally requires a publicly accessible website. OCA St. 1 at 17-18. OCA witness Wise discussed in testimony how it is actually impractical for CLPWC to *not* have a website considering how many items the Public Utility Code required to be posted online. *Id.* Ms. Wise testified as follows:

However, there are several utility regulations which necessitate the use of a publicly accessible website. Section 1330(c)(2) of the Public Utility Code, relating to alternative rate mechanisms requires that utilities provide notice through "customer bill inserts and posted on the utility's publicly accessible website.

Further, the regulations require that bills rendered by a public utility for metered residential public utility service must include a statement that "a rate schedule, an explanation of how to verify the accuracy of a bill and an explanation, in plain language of the various charges, if applicable, is available for inspection in the local business office of the public utility and on the public utility's web site."

Public utilities must establish written procedures for determining credit status of an applicant and for determining responsibility for unpaid balances, a copy of which shall be included on the public utility's website. Any changes made by the Commission as well as the rights and responsibilities of the public utility and its customers "shall be in writing, reproduced by the public utility, displayed prominently, available on the public utility's web site if the public utility has one." In addition, 52 Pa. Code § 67.1 (e) states that all water utilities holding certificates of public convenience, "shall list in the local telephone directories of their service areas, and on their web sites, a telephone number to be used during normal operating hours and an emergency telephone number to be used 24 hours in emergency service situations."

*Id.* (internal citations omitted).

OCA witness Wise noted that none of the regulations she referenced say that information shall be posted on their social media pages, they specifically state “website.” OCA St. 1 at 18. Ms. Wise testified that CLPWC is putting customers who choose not to have a social media presence at a disadvantage because they are not able to access the same information as their neighbors and must rely on other people to notify them of such basic things as boil water notices. *Id.* Ms. Wise testified:

Ms. Anderson testified that she happened to be checking Facebook and found a boil water notice. The lack of a publicly accessible website which does not require customers to have a social media account, gain access, and then scroll endlessly to find the information they need, is not providing adequate, efficient, safe and reasonable service to customers.

OCA St. 1 at 19.

The settlement required CLPWC to “place the latest [Consumer Confidence Report (CCR)] on its Company website or Facebook Page.” *BRC Settlement R.D.* at 20. CLPWC witness McCoy testified that she posts all reports and other matters to the Facebook page, but the OCA has not been able to confirm due to its lack of access. CLPWC St. 3 at 5. A witness at the January 21, 2026, public input hearing testified that some CCRs had been posted relatively recently:

There are CCRs posted, but they were posted recently. And actually, one of them had that there was a violation of high levels of arsenic which we were never made privy to until recently.

Also, those CCRs, we didn’t get the updated one. We had some residents that have medical problems that actually went and asked for the I think it was the second and third testing on the arsenic levels because they’re concerned. They have - some people have diabetes and other things. And they still have yet to get that information, so that is definitely a problem.

Tr. at 158.

This testimony suggests that CLPWC’s management may be withholding information vital to the health and safety of its customers. One of the factors the ALJ is directed to consider is: “The

financial, managerial and technical ability of all proximate public utilities providing the same type of service.” Pa. C.S. § 529(c)(2). Part of providing utility service is being able to effectively communicate with its consumers, whether they be communications on routine matters or matters of emergency.

CLPWC cannot provide comparable communication service with “all proximate public utilities” because CLPWC does not have a website and similar situated Commission regulated water utilities do. This means customers from similar water utilities can receive communications from their water company in a standardized and accessible manner whereas CLPWC customers cannot. Not only does CLPWC’s lack of publicly accessible website violate the Commission approved Settlement agreement, it demonstrates the Company’s inability to adhere to Section 1501, meeting Section 529(a)(1). Pa. C.S. § 529(a)(1).

**d. CLPWC’s Failure to Establish Dedicated Phone Number for Water Customers**

Settlement Paragraph 30 states that CLPWC must establish a phone number to be specifically dedicated to the Company:

30. Within 5 days of signing a Settlement Agreement, CLPWC shall create a phone number, for the water company only, that customers can call. CLPWC shall provide confirmation of the phone number to the parties within two (2) business days after creation of the number.

*BRC Settlement R.D.* at 19.

OCA witness Wise testified that even though CLPWC claimed to have established a dedicated phone line, her research confirmed the contrary as follows:

[A] Google search of the phone number listed in paragraph 5 of the compliance report, 814-225-7985<sup>1</sup>, associates it with The Tiki Bar and Conneaut Hotel, as well as other facilities owned by Mr. Joseph. Furthermore, the number is connected to a

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<sup>1</sup> Exhibit 1-Compliance Report of CLPWC with Exhibits.

Facebook account that primarily advertises events at the campground, rather than serving as a reliable channel for utility-related communications.

OCA St. 1 at 14.

During a Public Input Hearing, a customer stated that the phone number provided for the water company is a cellphone for the manager and not dedicated to the water company. Tr. 157. Ms. Wise testified that the “use of a shared phone line that also services both the Hotel and Tiki Bar does not reflect sound utility practice and undermines the Company’s ability to respond promptly and effectively to emergencies.” OCA St. 1 at 15. CLPWC’s lack of dedicated phone line for its customers to contact their water company is another example of CLPWC’s non-compliance with the Commission’s settlement Order. *See BRC Settlement R.D.* at 19.

**e. CLPWC’s Failure to Document and Maintain Customer Complaints Properly**

Settlement Paragraphs 46 and 47 state that CLPWC must create and maintain customer complaint logs:

46. No later than three (3) months after the entry of the Commission’s Order, CLPWC shall create and maintain a customer complaint log in accordance with 52 Pa. Code § 65.3 and will provide the log to the parties each quarter through 2025.

47. No later than three (3) months after the Commission’s Order, to comply with 52 Pa. Code § 65.3 for customer complaints, CLPWC shall provide a report to the Commission and statutory advocates outlining the customer complaint process in detail. *BRC Settlement R.D.* at 23.

Additionally, CLPWC by law “shall preserve for a period of at least 5 years, written service complaints showing the name and address of the complainant, the date and character of the complaint and the final disposition of the complaint.” 52 Pa. Code § 65.3(b). OCA witness Wise reviewed CLPWC’s complaint log practices and found them to be insufficient, and therefore, non-

compliant with the Settlement agreement. OCA St. 1 12-13. The Company maintained a practice of handwriting complaints on a log to document that the complaints occurred, but Ms. Wise found:

[T]he documentation of complaint resolution lacks sufficient detail to demonstrate how issues are investigated or resolved. For instance, on July 25, 2024, a customer identified as O’Neil reported a leak on Henry Street. The log entry indicates that the issue was addressed by a return phone call from an individual identified as Todd, with the resolution recorded as ‘fixed.’ The log does not include any description of the repair performed or corrective action taken.

Similarly, on August 22, 2025, a customer identified as Koch reported an issue involving low water pressure. The log shows that the complaint was communicated to an individual named Matt but does not indicate what corrective action if any was taken, nor does it include a resolution date.

*Id.* (internal citations omitted).

OCA witness Wise testified that CLWC’s “complaint log lacks compliance with the Commission’s regulations due to not including final resolution on all complaints received.” OCA St. 1 SR at 14. Ms. Wise also stated the logs lack the date tracking completion of a customer complaint. *Id.*

CLPWC is out of compliance with the Commission Order approving the Settlement in the rate proceeding and 52 Pa. Code Section 65.3(b) for insufficient detail regarding customer complaints. 52 Pa. Code § 65.3(b); *BRC Settlement R.D.* at 45-46; *BRC Settlement Order*. As such the Commission should reach the same finding of fact and include this example of non-compliance among the total evidence demonstrating that CLPWC meets the requirement set forth Section 529(a)(1) toward supporting I&E’s Section 529 petition.

## **2. 66 Pa. C.S. Section 529(a)(2)**

Section 529(a)(2) requires that the small water or sewer utility has demonstrated its 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. 66 Pa. C.S. § 529(a)(2).

Here, CLPWC is in violation of a Commission Order issued from April 20, 2023, regarding the Company's failure to submit a Metering Plan to the Commission by April 20, 2026. I&E Hearing Exhibit 2. CLPWC is also not compliant with a State Statute that amended the Public Utility Code requiring it to submit a Lead Service Line Replacement Program (LSLRP) to the Commission by July 22, 2024. I&E Hearing Exhibit 3. The OCA will discuss each in turn below.

**a. CLPWC Failed to Submit a Lead Service Line Repair Plan**

As mandated by Act 120 of 2018, the Commission promulgated Lead Service Line Replacement (LSLR) regulations that require certain water utilities to remove and replace all lead service lines, regardless of whether those lines are customer-owned or utility-owned, within 30 years and to file a plan for lead service line removal no later than July 22, 2024. 52 Pa. Code §§ 65.53(a), 65.55(a); I&E Hearing Exh. 2. The Commission's regulations define a LSLR plan as: "A plan and supporting documents submitted to and approved by the Commission that specify how an entity intends to implement its lead service line replacement program." 52 Pa. Code § 65.52.

The Commission has recognized the health dangers of lead in drinking water:

Exposure to lead in drinking water can cause serious health effects in all age groups. Infants and children can have decreases in IQ and attention span. Lead exposure can lead to new learning and behavior problems or exacerbate existing learning and behavior problems. The children of women who are exposed to lead before or during pregnancy can have increased risk of these adverse health effects. Adults can have increased risks of heart disease, high blood pressure, kidney or nervous system problems.

*Petition of Aqua Pennsylvania, Inc. For Approval of its Lead Service Line Replacement Program*, Docket No. P-2023-3044459, Recommended Decision at 10 (March 13, 2025) (internal citation omitted).

On April 29, 2026, the I&E's Deputy Prosecutor Stephanie M. Wimer issued a letter to CLPWC with the subject line "Failure to File a Petition for Approval of a Lead Service Line Replacement (LSLR) Program." In her letter, Deputy Prosecutor Wimer stated:

As a public utility, your organization must comply with Commission regulations. Since October of 2022, your organization has received three Secretarial Letters on the topic of LSLRPs 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. As a result of your organization's failure to file a LSLRP petition, this matter was referred to the Commission's Bureau of Investigation and Enforcement ("I&E").

I&E Hearing Exh. 2.

Despite the Commission making multiple attempts to reach CLPWC by phone, in addition to written communications, CLPWC witness Joseph testified in rejoinder testimony, that his lack of compliance with the Commission's LSLR Program requirements was a "surprise" and that he had not received any of the Commission's notifications regarding a LSLR Plan, only later to discover that he had, as follows:

With respect to the notifications, I realized that the Commission was sending emails to my personal email account and it had been captured by spam. For some reason, this last letter slipped through and I was able to see it when I checked my personal email.

CLPWC St. 8RJ at 2.

Continuing in rejoinder testimony, Mr. Joseph testified that he does not think he has any lead service lines, but also shared that he does not have historical records to make the claim definitively as follows: "Apparently, because we do not have historical records, under the rules we have to assume that these galvanized pipes are contaminated with lead and need to be replaced under this Program." CLPWC St. 8 at 3. Deputy Prosecutor Wimer's letter served as final notice

and that CLPWC has 30 days to file a petition with the Commission seeking approval of an LSLRP. I&E Hearing Exh. 2.

As of the filing of this Main Brief, CLPWC has not filed an LSLRP Petition, and therefore CLPWC is in violation of Section 529(a)(2) of the Public Utility Code. 66 Pa. C.S. § 529(a)(2).

**b. CLPWC Failed to comply with the Commission's Metering Program Requirements**

On May 5, 2026, the Commission's Secretary's Bureau issued a letter to CLPWC stating that the Company was obligated to create a Metering Program and file it with the Commission. I&E Hearing Exh. 3. The Commission conferred this obligation on CLPWC by Order when it approved a Settlement agreement that allowed the Company to receive a Certificate of Public Convenience. *Id.* The Commission's Ordering Paragraph 7 stated:

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.

*Id.*

CLPWC's Metering Program and Supporting Data was to be filed with the Commission by April 20, 2026. I&E Hearing Exh. 3. According to the May 5, 2026, Secretarial Letter, CLPWC had not filed a Metering Program and Supporting Data with the Commission putting it in violation of the Commission's Order approving the settlement that granted the Company its CPC. I&E Hearing Ex. 3. The letter stated:

Conneaut is advised that failure to file with the Commission a complete, substantive Metering Program and Supporting Data within ten (10) business days of the date of this Secretarial Letter may result in the referral of this matter to the Commission's Bureau of Investigation and Enforcement (BIE) for such further action as BIE may deem warranted.

*Id.*

CLPWC filed what it described as a Metering Program and Supporting Data along with its rejoinder testimony on May 12, 2026. This Metering Program and Supporting Data plan was filed in accordance with the 10 days provided by the Commission's Secretary's Bureau's final notice letter. CLPWC Exhibit J. Mr. Joseph did not deny that CLPWC was out of compliance with the LSLR Program or Metering Program requirements. *See* CLPWC St. 8RJ.

Before this issue arose, OCA witness Wise testified that a lack of metering means the Company continues to have no knowledge of customer usage rates. OCA St. 1 at 27. Ms. Wise testified that an alarming detail stemming from unmetered residential customer use is there is no knowledge regarding unaccounted for water (UFW). *Id.* Ms. Wise testified “[i]t is essential for a water utility to accurately quantify its unaccounted for water as it affects system operations, fiscal soundness, regulatory adherence, and the protection of public health and safety.” The Commission's regulations include a policy statement setting forth a reasonable level of UFW as follows: “Levels of unaccounted-for water should be kept within reasonable amounts. Levels above 20% have been considered by the Commission to be excessive.” 52 Pa. Code § 65.20(4). ALJ John Coogan also emphasized the importance of managing UFW in the Recommended Decision issued on behalf of the Rock Spring 529 proceeding on February 18, 2026. *Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement Petition to Request the Commission Open a Section 529 Investigation into the Acquisition of Rock Spring Water*

*Company*, Docket No. P-2024-3051313, R. D. at 25 (Feb. 18, 2026) (*Rock Spring 529 R.D.*). The *Rock Spring 529 R.D.* stated in its Finding of Fact:

104. UFW can have a major impact on public health because leaking water lines can be a direct pathway for bacteria, viruses and other potentially harmful pathogens to enter the water system. Some of these bacteria and viruses can cause health problems. Bacteria and viruses entering water lines through breaks and cracks are being introduced after the water has been treated and the remaining chlorine may not be enough to kill those newly introduced contaminants, meaning that they are more likely to actually reach customers and cause illness if consumed.

105. UFW can also harm the environment because chlorinated water leaking out of water lines can harm the environment, such as by leading to fish kills.

106. UFW also wastes material and financial resources for the water system and its customers. Proper water treatment by a water supplier involves numerous costs, including the cost of treatment chemicals, electricity to power pumps and other mechanical equipment, and materials needed for general maintenance. When most of the water being treated ends up being lost through leaking water lines as UFW, this is a significant waste of money for the water system and its customers.

*Id.* (internal citations omitted).

OCA witness Wise testified that the CLPWC's system mapping, "appears to be incomplete and does not contain documentation identifying the location and condition of valves." OCA St. 3 at 27-28. CLPWC did not deny this in the rebuttal testimony. Ms. Wise also testified that knowing where the system's valves are located is important for making system improvements, such as individual metering. *Id.* She further testified that not knowing where the shut-off valves are located creates delays in response times during water line breaks and that such delays can prolong service disruptions, increase water loss, and extend the time customers are without water. *Id.* Again, CLPWC provided no response in rebuttal.

The Company attempted to excuse itself from its obligation to install meters no later than August 1, 2029. *BRC Settlement R.D.* at 24. In its response to the Notice from the Commission's Secretary's Bureau, the Company stated that it is currently litigating the instant Section 529

proceeding and stated that the Commission could order a transfer of ownership between CLPWC and Aqua. CLPWC St. 8 Exhibit J. This seems suggest that CLPWC is claiming to be making progress despite the nature of the Section 529 proceeding. However, this ignores the fact that CLPWC has been under order by the Commission to create a Metering Plan and Supporting Data for three years and is under obligation to install meters five years from the August 1, 2024, approved settlement. *BRC Settlement R.D.* at 24.

A Commission-regulated public utility subjected to a Section 529 proceeding is not relieved from its statutory obligations and Commission orders merely because it may not be the future owner. If anything, a Company presuming it can pause its obligations due to the outcome of a pending Section 529 proceeding, or otherwise, is unfit to be the continued owner.

The Company has not made any progress toward metering its customers and appears to continue resisting metering. In the aforementioned response to the May 5, 2026, letter from the Secretary's Bureau, the Company stated that its engineer does not recommend installing meters and stated that "[t]he challenge in metering the water system is how it was created and evolved over time. In addition, many of the customer lines are old and need to be replaced regardless of the metering effort. The Company is also concerned that the cost of installing meters as estimated above will far exceed any benefit of having meters." CLPWC St.8 RJ, Exh. J. There is little evidence to demonstrate that the Company will follow through with its metering obligation if it remains under current ownership, despite statements stating otherwise and multiple opportunities to demonstrate it is moving forward with a plan. *Id.*

The Company claimed that it complied with its Metering Plan and Supporting Data requirement only after receiving a final notice letter from the Commission's Secretary's Bureau. I&E Hearing Exh. 3. However, when CLPWC submitted what it designated as its Metering Plan

and Supporting Data on May 12, 2026, it did so with caveats, such as approval from PENNVEST for a loan and uncontested rate increases. CLPWC’s Exhibit J. Ms. Wise testified that “[b]ased on information available the Company’s system mapping appears to be incomplete and does not contain documentation identifying the location and condition of valves. The valves are important to isolate sections of the system and assist improvements such as individual metering.” OCA St. 1 at 27.

The Commission faced a similar situation during a Section 529 investigation into the W.P. Water Co. Inc. and W.P Sanitary Co. Inc<sup>2</sup> systems. Like CLPWC, W.P Water was directed to meter its customers and it did not as of the Commission’s 2009 Order:

To this day, WP Water has failed to comply with a metering order issued by the Commission in 1991. In the Commission’s Order entered April 26, 1991, at Docket No. M-820308, the Commission directed WP Water to provide metered service to its existing customers no later than March 1995, and to meter all its new residential, commercial and industrial customers as their respective services were connected. WP Water ignored the Commission’s Order regarding the metering of its existing customers and failed to meter the connections of a hundred or more new customers. Eighteen years later, WP Water’s customers’ usage is still not metered, and its customers are charged flat rates for water service.

Based on the above, we have no difficulty concluding that WP Water is in violation of statutory or regulatory standards and has failed to comply, within a reasonable period of time, with any order of the Commission or DEP concerning the safety, adequacy, efficiency or reasonableness of service.

*Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code; W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.;*

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<sup>2</sup> Like CLPWC, the W.P. systems had fewer than 200 customers: “WP Water operates two water systems: (1) the Sleepy Hollow system, which provides water service to twenty-seven customers in the Sleepy Hollow Development in Kingston Township, Luzerne County; and (2) the Washington Park system, which provides water service to 157 customers in the Washington Park Development in Washington Township, Wyoming County.” *Investigation of W.P. Water Co., Inc. and W.P. Sanitary Co., Inc. Pursuant to Section 529 of the Pennsylvania Public Utility Code; W.P. Water Co., Inc. and W.P. Sanitary Co., Inc.; Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service*, P-00072313 et. al, Order at 15 (March 26, 2009).

*Application of W.P. Sanitary Co., Inc. For Approval of Abandonment of Service*, Docket No. P-00072313 et. al, Order at 15 (March 26, 2009).

CLPWC being non-compliant with the Commission’s Order approving the Settlement provision requiring it to create and submit a metering plan to the Commission and the environmental and safety consequences described above means CLPWC is in violation of Section 529(a)(2) of the Public Utility Code. 66 Pa. C.S. § 529(a)(2). Simply put, CLPWC failed to comply with a Commission order concerning the safety, adequacy, efficiency or reasonableness of service. *Id.* As such, CLPWC is in violation of Section 529(a)(2). *Id.* Moreover, the record evidence demonstrates that CLPWC struggles under its current ownership to comply with Commission orders and should be acquired by a capable water utility who can properly respond to Commission or regulatory orders. *See Twin Lakes Utils. v. Pa. PUC*, 281 A.3d 384, 393 (Pa. Cmwlth. 2022) (*Twin Lakes*).

### **3. 66 Pa. C.S. Section 529(a)(3)**

Section 529(a)(3) is met if it is found 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. 66 Pa. C.S. § 529(a)(3). In the Rock Spring 529 proceeding, the Recommended Decision stated: “When evaluating whether a utility can reasonably be expected to furnish and maintain service and facilities, ‘the Commission determines more than the utility’s future ability to perform its statutory duty[;] the Commission determines whether there is a reasonable future expectation that the utility will perform its statutory duty.’” *Rock Spring 529 R.D.* at 72 citing *Twin Lakes*. The OCA found several examples demonstrating CLPWC cannot reasonably be expected to maintain water service in accord with the standards required by the Public Utility Code.

#### **a. DEP Violations**

CLPWC has received numerous DEP violations in recent years. OCA witness Wise testified:

On January 4, 2024, CLPWC received a Notice of Violation (NOV) from DEP. This NOV noted failure to obtain a public water supply permit for a treatment process, failure to obtain a permit prior to adding modifying, and/or removing sources and/or facilities since the last sanitary survey, and violations DEP deemed as significant deficiencies relating to the treatment plant or treatment process.

OCA St. 1 at 43.

Ms. Wise testified that DEP noted 13 other violations in addition to those described above. *Id.* On September 3, 2025, CLPWC took analytical samples and notified DEP by phone on September 29, 2025, of an increase in arsenic found in the system. *Id.* DEP suggested a checkback. *Id.* Based on the results of the checkback suggested by DEP, CLPWC issued a Tier 2 Notice for Maximum Contaminate Level Exceedance of arsenic on October 14, 2025. *Id.* Ms. Wise stated that the increase in arsenic is the result of aging filtration media, which required more frequent backwashing. OCA St. 1 at 44. After ongoing monitoring and backwashing, a follow-up sample was collected on October 27, 2025, and arsenic levels were found to be within DEP standards. *Id.* However, as confirmed by CLPWC witness Joseph, CLPWC plans to pursue its first phase of capital improvements this summer, therefore the vulnerabilities of the aging system remain in place. CLPWC St. 6SR at 2-3.

OCA witness Wise testified that customers finding out their drinking water contains a dangerous contaminant can create fear and distrust towards the system operator. OCA St. 1 at 44. This was born out at the Public Input Hearing that took place on January 21, 2026. CLPWC customer Tolbert testified that “it is surprising that we did not pass the arsenic level when it was specifically being treated for it.” Tr. 196. CLPWC customer Arrigo also spoke at the Public Input Hearing and said it was unclear whether his water was safe to consume, “we had a letter, I think it

was on the 13th of October, and they were supposed to retest and do more back flushing to – but in the letter that they were doing more back flushing to help with the arsenic issue. I have not gotten any information through any test, email of what the results were at that point or what they are now.” Tr. 218. At the Public Input Hearings, Mr. Baldwin testified that he lacks confidence that CLPWC understands the regulations that it is required to follow as he had to inform CLPWC’s representative that Pennsylvania requires a boil water notice anytime there is a broken pipe. Tr. 210. CLPWC did not respond to this claim in testimony.

According to safe drinking water regulations, a water utility must: “Provide the public notice as soon as possible, but no later than 30 days after the system learns of the violation.” 25 Pa. Code § 109.409(b)(2). The fact that customers feel the need to inform CLPWC of its legal obligations shows that the utility cannot reasonably be expected to furnish and maintain adequate, efficient, safe and reasonable service and facilities in the future. 66 Pa. C.S. § 529(a)(3). It also demonstrates that CLPWC takes reactive measures only when CLPWC is informed that it is out of compliance with either statutes or regulations.

On October 27, 2025, arsenic levels were found to be at acceptable levels per DEP Standards, however, OCA witness Wise testified “the lack of timely communication left many customers unaware of the situation and unable to make fully informed decisions about their water quality and safety.” OCA St. 1 at 44. During the public input hearing, CLPWC customer Tolbert testified that in his experience, there have been “[n]umerous leaks leaking for weeks at a time before the repair.” Mr. Tolbert further testified that “[t]he whole water system being shut down without notice.” Tr. 191. This is another illustration of CLPWC’s inability to meet the safety standards required by Section 1501 of the Public Utility Code.



improvement plan. CLPWC first rolled out what it considered a plan in an October 2025

Prehearing Memorandum as follows:

Primary Option Action Plan (estimated dates)

1. 10/1/25 - Hire engineer to conduct engineering study to determine work that needs to be done
2. 10/8/25 - Planning meeting with Penn Vest for Advanced Financing
3. 10/29/25 - Submit PennVest Advance Funding Application (due either 10/29/25 or 2/4/26)
4. 3/31/26 - Internally Review and Finalize Engineer Report
5. 4/30/26 - Submit Report and proposed improvements PAPUC parties
6. 6/30/26 - Obtain agreement with PAPUC parties on plan
7. 7/30/26 - Hold PennVest Construction Funding meeting
8. 8/31/26 - Submit Permits to DEP
9. 3/31/27 - Upon receipt of DEP permits, Submit PennVest funding Application on next application date
10. 30 days after PennVest Approval, Submit Rate increase to PUC for Penn Vest Loan
11. 60 days after PUC approval, close on PennVest loan
12. 30 days after PennVest loan closing bid out projects

CLPWC Prehearing Memorandum at 3 (Oct. 15, 2025).

However, OCA witness Wise pointed out that the Company's plan from its prehearing memorandum included two PENNVEST application deadlines, and that the Company missed both. OCA St. 1 SR at 6. The Company claimed it decided to change which type of PENNVEST programming it opted to apply for, which Ms. Wise testified that the inability to apply for any funding whatsoever is, "a reflection of the Company's failure to follow through." *Id.*

Although transitioning to PENNVEST Small Business Project funding may, in principle, present fewer obstacles, the history of repeated missed deadlines calls into question the Company's overall preparedness. Switching to a new funding path after failing to meet earlier commitments creates the impression that expectations are being adjusted, rather than underlying issues being addressed. The key question is not which program is easier, but whether the Company can meet the commitments it makes. So far, the record suggests it does not.

OCA St. 1 SR at 7.

As a condition of the *BRC Settlement Order*, CLPWC is required to apply for PENNVEST funding to help finance system improvements. *BRC Settlement Order* at 23. Additionally, Mr. Joseph testified that since describing this plan in an interrogatory response, no party has provided feedback to his plan. CLPWC Revised St. 7SR at 2. Mr. Joseph testified that he intends to initiate phase 1 and phase 2 of the project. *Id.* He stated that the projects will be funded through PENNVEST small project program funding and will require approval from the Commission for multiple rate increases to cover the cost of the two projects. CLPWC Revised St. 7SR at 2-3.

A month after the first plan outlined in the Company's Prehearing Memorandum, it laid out a different plan in a discovery response that relied heavily on assumptions such as back-to-back-to-back rate increases during the next four years that will be "not opposed" by parties to this current proceeding:

CLPWC anticipates the total cost of these improvements to be approximately \$2,000,000, possibly less, and intends to fund this through PENNVEST loans of \$500,000 each in each succeeding year over a 4 year period. CLPWC will approach PENNVEST to fund the improvement relying on the Small Project Program. CLPWC will divide the projects to stay within the funding limits of the Program.

Summer 2026 - CLPWC will begin construction of the first project, provided it receives the PENNVEST funding and the applicable permits for construction, including any permit required by PADEP. Fall 2026, CLPWC will seek rate increase to cover the cost of the PENNVEST funding. The parties will not oppose and will support the rate increase.

Summer 2027, CLPWC will begin construction of the second project, provided it receives the PENNVEST funding and the applicable permits for construction, including any permit required by PADEP. Fall 2027, CLPWC will seek rate increase to cover the cost of the PENNVEST funding. The parties will not oppose and will support the rate increase.

Summer 2028, CLPWC will begin construction of the third project, provided it receives the PENNVEST funding and the applicable permits for construction, including any permit required by PADEP. Fall 2028, CLPWC will seek rate increase to cover the cost of the PENNVEST funding. The parties will not oppose and will support the rate increase.

Summer 2029, CLPWC will begin construction of the final project, provided it receives the PENNVEST funding and the applicable permits for construction, including any permit required by PADEP. Fall 2029, CLPWC will seek rate increase to cover the cost of the PENNVEST funding. The parties will not oppose and will support the rate increase.

CLPWC Revised St. 7SR, Exh. I.

Again, according to Mr. Joseph, CLPWC's plan is predicated on all parties supporting, and the Commission granting, CLPWC's successive rate increase requests with no challenge at all from the Commission, customers, or statutory advocates. CLPWC Revised St. 7SR, Exh. I. Mr. Joseph is also assuming that CLPWC will receive PENNVEST funding to finance the repairs needed, a factor outside his control. *Id.* OCA witness Wise testified that applying for PENNVEST funding is a condition of the rate case settlement. OCA St. 1 SR at 9. To date, nearly two years following the base rate case settlement, CLPWC has not applied for PENNVEST funding. *Id.*

Mr. Joseph claims that the other parties and the Commission are at fault for the Company's inability to obtain financing for the improvement projects, despite CLPWC not applying for PENNVEST funding. Mr. Joseph stated that "[t]he Company is unable to get any financing for the projects this system needs with this cloud hanging over the Company that threatens to take the water system away from the Company, and without obtaining a rate increase that would cover the water system's basic operating costs as well and the costs of financing the needed improvements." CLPWC St. 2 at 5. There is no evidence beyond Mr. Joseph's testimony that this is accurate as no PENNVEST financing was attempted to be obtained by CLPWC. OCA St. 1 SR at 9.

### **c. Financial Inadequacy**

OCA witness Wise reviewed the Company's financials and concluded that it lacks financial fitness to continue operating under its current ownership:

The Company has no cash reserves, instead, it relies on customer revenues that do not cover operational expenses and its sole owner's personal funds. This forces

CLPWC to depend on cash infusions from Mr. Joseph to continue system operations. The Company's reliance on support from Mr. Joseph, rather than internally generated revenue, indicates that it is not financially sustaining.

OCA St. 1 at 6.

Ms. Wise testified that CLPWC will need to pursue rate increases. *Id.* However, as stated above, CLPWC is already assuming annual rate increases to finance capital improvements, while CLPWC does not have a capital improvement plan. To analyze the financial health of the system under its current ownership, Ms. Wise asked the Company to “[i]dentify all known risks, including litigation or regulatory obligations that could damage the Company’s ability to fund the needed[sic] water system upgrades.” OCA St. 1, Fn. 11. In response, CLPWC stated as follows:

The ongoing litigation with the PUC in the 529 action placed a significant litigation cost burden on the Company that impacts its ability to fund water projects. In addition, continued complaints from disgruntled customers places a financial burden as the Company has to defend against frivolous complaints. Lastly, a failure of the PUC to grant the level of rate increases necessary to fund the upgrades needed for the system and to cover the systems operation and maintenance costs.

*Id.*

As shown above, CLPWC claims that the substandard operation of CLPWC is due to the Commission and the Company’s own customers. Additionally, CLPWC witness Jospheh stated: “Had the OCA not so strenuously opposed the Company's effort to increase rates, I would not be in the position to have to subsidize the water system.” CLPWC St. 4 at 3. OCA witness Wise testified that it is concerning for a regulated utility to shift responsibility for its finances onto the Commission and its own customers. OCA St. 1 at 9.

However, CLPWC’s previous base rate case resulted in a unanimous settlement. This settlement was the product of approximately eight mediation sessions to reach settlement. *BRC Settlement R.D.* at 5-6. Moreover, the OCA and all other parties did not submit any testimony in CLPWC’s previous base rate case. Ms. Wise further testified that Mr. Joseph’s testimonies “are

used as explanations for failing to meet financial obligations, it indicates shortcomings in financial planning, management, or long-term strategy.” *Id.*

According to CLPWC’s engineering report, it would cost nearly [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END CONFIDENTIAL]. Ms. Wise testified that the Company’s estimate does not include costs to install individual customer meters, a requirement of the base rate case settlement. *Id.* According to the Company’s Exhibit J, meters could cost close to another \$1 million. CLPWC St. 8, Exh. J. As noted above, lead line replacement may be another unexpected expense. ALJ Coogan conducted an analysis in the Rock Spring 529 Recommended Decision and found that small customer base similar to CLPWC cannot support extensive and necessary repairs:

116. PAWC and SCBWA have estimated that it would take between \$16,000,000.00 and \$20,000,000.00 for an average of \$18,000,000.00 to repair the RSWC water system. OCA Statement No. 1 at 22.

117. If these costs were split between RSWC’s customers, it would cost on average \$38,793.00 per customer, which only includes the capital cost calculation. OCA Statement No. 1 at 22. The costs would be higher once the revenue requirement is added, and RSWC’s customers would not be financially or economically able to support the system. OCA Statement No. 1 at 22.

*Rock Spring 529 R.D.* at 28.

Applying the same analysis to this proceeding, it is fair to estimate that repairs could be above \$4 million, which divided by a customer base of 165, equals nearly \$25,000 per customer. Without its ability to establish financial stability, it is unlikely that CLPWC will be unable to carry out its duties and obligations under the Pennsylvania Public Utility Code. The CLPWC system faces chronic service problems, requires major capital improvement needs, and has no viable plan to stabilize the system under its current ownership, therefore it is unrealistic that the Company can achieve proper service under Section 1501 and stands in violation of Section 529(a)(3).

**d. Fencing**

During her review of the rate case Settlement compliance, OCA witness Wise found that while CLPWC complied with certain portions, she still observed concerns about the Company’s ability to carry forth necessary repairs and upgrades, such as perimeter fencing. OCA St. 1 at 20. OCA witness Wise testified:

Although CLPWC was not required to install fencing around the water tower as part of the settlement agreement, they were required to obtain an estimate to replace the fencing around the water tower. CLPWC obtained an estimate from G&J Fencing to install a six-foot-high fence around the water tower at a cost of \$1,100; however, the fencing has not been replaced and remains in poor condition as of the date of this testimony. While the settlement from the 2023 rate case only required a quote for fencing to obtain a rate increase, the continued lack of any fencing installation or follow-up years later is concerning.

*Id.*

OCA witness Wise testified that CLPWC paid for brush clearing and stump removal and erected temporary “construction fence,” but added that failure to install adequate fencing around CLPWC’s water tower reflects deficiencies in CLPWC’s management of system facilities and raises concerns regarding the ability to provide safe and adequate services for customers. OCA St. 1 at 20-21. This is particularly concerning the dangerous condonation of the water tower as described by OCA witness Wise:

**[BEGIN CONFIDENTIAL]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

[REDACTED]

█ [REDACTED]

---

<sup>3</sup> Design Engineer's Report Exhibit 3 pg. 3.

| [REDACTED]

| [REDACTED]

| [REDACTED]

[REDACTED]

| [REDACTED]

| [REDACTED]

| [REDACTED]

| [REDACTED]

[END CONFIDENTIAL]

OCA St. 1 at 34-38.

The fact that CLPWC only obtained a quote under the BRC Settlement does not excuse CLPWC from securing its water system in order to ensure safe and reliable service. CLPWC's actions in regard to fencing further illustrates how CLPWC operates when it is not strictly bound by a settlement provision regarding important security matters.

**e. Customer base does not believe CLPWC's current ownership can fulfill its obligations**

As the OCA has outlined above, it cannot be reasonably expected that CLPWC can furnish and maintain adequate, efficient, safe and reasonable service and facilities in the future and therefore meets the Section 529(a)(3) criteria. Moreover, public input hearing testimony and other communication suggests CLPWC's customers do not expect the Company to be able to meet its statutory obligations under the Public Utility Code. OCA St. 1 at 21. For example, Ms. Wise testified that CLPWC customers Jaquay and Grieser submitted written correspondence to Administrative Law Judge Vero:

In their letters, both customers expressed ongoing frustration with the continued poor operation and administration of CLPWC. Their concerns focus particularly on the Company's lack of progress and insufficient communication regarding the timeline of system improvements outlined in the 2023 rate case. In Mr. Grieser's letter to Administrative Law Judge Vero, he wrote, the 'reality is this: very little has changed since the rate agreement was put in place.'

*Id.*

OCA witness Wise testified that members of the public do not have faith in CLPWC's current ownership's ability to run the water system properly. *Id.* Ms. Wise testified that during the public input hearings, customers also expressed their concerns and frustration regarding the progress of the rate case settlement terms. *Id.*

#### 4. 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. 66 Pa. C.S. § 529(a)(4). Section 529(b) lists five alternatives to acquisition to be considered by the Commission including: (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 reasonable service and facilities are provided to the public; (4) the merger of CLPWC with one or more other public utilities, and; (5) the acquisition of CLPWC by a municipality, municipal authority, or cooperative. 66 Pa. C.S. § 529(b)(1)-(5).

The elements of Section 529(a)(4) and (b) have been met. I&E St. No. 1 at 5-6; I&E Exh. No. 1 at 2-6; OCA St. 1 at 46-50. In discovery, the Company was asked to address whether or not the reorganization of CLPWC would be impractical or economically feasible. I&E St. No 1 at 5; I&E Exh. 1 at 2. CLPWC witness Joseph stated “CLPWC shares are held solely by CLP Water, LLC, whose only member is Todd Joseph. Given that the sole shareholder is ultimately a single member LLC, a reorganization without some sort of sale is not possible and would be impractical and not economically feasible.” I&E Exh. 1 at 2. CLPWC does not refute these responses to discovery in direct, rebuttal or surrebuttal testimony. *See generally*, CLPWC Sts. 1-6. By the Company’s own admission, the first alternative under Section 529(b) is impractical and not economically feasible.

CLPWC is currently under contract with a certified operator. I&E St. No. 1 at 5; I&E Exh. 1 at 3; OCA St. 1 at 48. Despite contracting for operation services maintaining adequate, efficient, safe and reasonable service and facilities as seen through the complaints received just between May 2024 and August 2025. OCA St. 1 at 22. OCA witness Wise testified “[g]iven the ongoing

issues with the system, including both customer service and service quality complaints, merely requiring a new operator is insufficient to address the issues with the CLPWC system.” *Id.* at 49.

[BEGIN CONFIDENTIAL]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

Appointment of a receiver has also been discussed with CLPWC and determined by the Commission to be impractical and not economically feasible. I&E St. No. 1 at 5. In response to discovery from I&E, CLPWC witness Joseph stated the problems with the system require long term infrastructure investments to the water distribution lines and tank, further “appointment of a receiver would not solve these issues.” I&E Exh. 1 at 4. OCA witness Wise testified “[t]his further illustrates CLPWC’s lack of financial and managerial fitness as no notable repairs and maintenance to the water mains and water tank have been made for years...” OCA St. 1 at 49.

The fourth alternative to acquisition, merger with one or more certificated public utilities, has also been found to be impractical and not economically feasible. I&E St. No. 1 at 5-6. Again, in response to discovery, CLPWC witness Joseph stated that as “the single member of the LLC

who is the sole shareholder of CLPWC” it is impractical and not economically feasible to merge. I&E Exh. 1 at 5. Similar to the first alternative to acquisition, CLPWC does not refute these responses to discovery in direct, rebuttal or surrebuttal testimony. *See generally*, CLPWC Sts. 1-6.

The final alternative to acquisition of the system by a capable public utility is for a municipality, municipal authority, or a cooperative. CLPWC actively explored this alternative. CLPWC St. 2 at 7. Specifically, CLPWC entered into discussions with the Conneaut Lake Joint Municipal Authority (CLJMA), including advising about the system history and condition. *Id.* CLJMA declined to acquire the system. *Id.* Further, neither of the two local municipalities where the CLPWC system is located expressed interest in acquiring the system. I&E Exh. 1 at 6. Finally, both I&E and OCA reached out to ten water providers who were within proximity to CLPWC and none of those systems expressed interest in acquiring CLPWC. OCA St. 1 at 50; CLPWC St. 2 at 8; I&E St. No. 1 at 3.

CLPWC has considered alternatives to acquisition and has determined that those are impractical and not economically feasible. I&E Exh. 1 at 2-6; I&E St. No. 1 at 5-6; OCA St. 1 at 46-50. Both the OCA and I&E have considered CLPWC’s discovery responses and came to the same conclusion that there is no alternative to acquisition available for the Company. *Id.* The elements of Section 529(a)(4) and (b) have been met.

#### **5. 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. 66 Pa. C.S. § 529(a)(5). It is

undisputed that Aqua is financially, managerially and technically capable of acquiring and operating CLPWC.

Section 529(m) defines a capable public utility as “[a] public utility which regularly provides the same type of service as the small water utility...to 4,000 or more customer connections, which is not an affiliated interest of the small water utility...and which provides adequate, efficient, safe, and reasonable service.” 66 Pa. C.S. § 529(m). Here, Aqua has approximately 456,018 water customers in thirty-two counties throughout Pennsylvania. I&E Exh. 1 at 7; OCA St. 1 at 45. Additionally, Aqua operates approximately 113 public water systems, including the Crawford System which is less than one mile from CLPWC’s system. I&E St. No. 1 at 8; OCA St. 1 at 45.

CLPWC would not be the first water system that Aqua has acquired. Aqua purchased the Municipal Authority of the Borough of Shenandoah. OCA St. 1 at 46. All of these systems came with capital expenses. *Id.* As OCA witness Wise testified, Aqua would likely incorporate CLWPC into its existing rate zones, would manage operational costs through utilizing their own staff and leverage corporate purchasing for expenses. OCA St. 1 at 45.

Aqua witness Packer testified “AP is not contesting in this proceeding that it is a ‘capable public utility’...” Aqua St. 1 at 7. Aqua currently manages over 100 public water systems and has the financial capability to acquire more through both purchases and Commission Orders. It is clear from Aqua’s responses to OCA discovery, OCA testimony, and I&E testimony that Aqua is financially, managerially, and technically capable of acquiring and operating CLWPC. OCA St. 1 at 45; Aqua St. 1 at 7; I&E Exh. 1 at 7-8. Additionally, Aqua witness Clark testified in the affirmative when asked if Aqua was able to expand its franchise area to incorporate CLPWC if required by the Commission. Aqua St. 2 at 6.

The Commission should order Aqua to acquire and operate CLPWC. Aqua, however, argues that CLWPC is capable of maintaining its system. Aqua bases this capability on testimony from its witnesses Mr. Packer and Mr. Clark as well as CLPWC's own responses to Aqua's Requests for Admissions. Aqua St. 1 at 8-10. Aqua witness Packer downplays the severity of the issues faced by CLPWC and its consumers as "manageable and not so extreme as to warrant AP being directed to take over that utility." *Id.* at 8. Further, Mr. Clark testified "[b]ased on Aqua's on-site inspection, although there is an identified long-term need for capital investment to address certain repairs and equipment replacements over an approximate ten-year period, we observed no evidence indicating that Conneaut Lake will be unable to furnish and maintain adequate, efficient, safe, and reasonable service in the future." Aqua St. 2 at 6.

As OCA witness Wise stated in her testimony, CLPWC's system requires projects with an "estimated cost of...\$2 million dollars." OCA St. 1 at 39. CLPWC estimates that it will take four years before the improvements to the system are completed. OCA St. 1 at 39. Aqua even testifies that the only way to improve the CLPWC system is "with continued rate relief and prudent, selective borrowing." Aqua St. 2 at 6. However, the total cost of repair varies depending on the party evaluating the system and the time of evaluation. Interestingly, Aqua provided a \$4 million, ten-year capital improvement plan to upgrade the CLPWC system. OCA St. 1 at 42.

According to Ms. Wise, "[i]f CLPWC secures a total of \$2M in PENNVEST funding spread over a four-year period, the customer base of approximately 162 customers would see a yearly total increase of \$17.03 per year for the first five years, increasing to \$17.99 in years six through twenty." *Id.* at 41; OCA St. 1R, Exh. 1.

Aqua's assertion that CLPWC is capable of maintaining its own system and that Aqua should not be directed to acquire the system is not supported by the evidentiary record. For these reasons, the OCA submits that Aqua is capable of acquiring and operating CLPWC.

#### **6. 66 Pa. C.S. Section 529(a)(6)**

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." 66 Pa. C.S. § 529(a)(6).

Here, Ms. Wise provided testimony that "[t]here would be no immediate effect on the rates of current Aqua customers if the existing rates of CLPWC were implemented and brought into the Company's tariff under a sperate rate zone." OCA St. 1 at 50. Ms. Wise based this statement on responses to interrogatories sent to Aqua by OCA. *Id.* OCA witness Wise testified that "[a]ccording to Aqua, if Aqua acquired CLPWC, that system would be incorporated into Aqua's existing tariff as a separate division and would be consolidated with other existing rate zones over one or more base rate cases." *Id.* at 51. Any effect that the acquisition of the CLPWC system has on current Aqua customers would be spread out not only over at least one, potentially, more base rate cases, but also over the entirety of the approximately 455,000 members of the Aqua customer base. Aqua Response to I&E-1-2. As Ms. Wise testified that "[g]iven the relative sizes of CLPWC and Aqua, it is unlikely that additional costs Aqua would incur because of acquiring CLPWC would cause the rates to Aqua Water's existing customers to increase unreasonably." *Id.*

I&E came to the same conclusion. I&E witness Cline testified: "First, CLPWC's 165 water customers would represent less that 0.1%... of the approximately 456,000 water customers currently served by Aqua." I&E St. 1 at 10. Mr. Cline further testifies that "[w]hat is 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.” *Id.* at 11. Mr. Cline ultimately concluded that “the difference in scale of both customer base and rate base makes it unlikely for CLPWC customers to unreasonably increase rates for current Aqua customers. *Id.*

The criteria of Section 529(a)(6) have been met in this matter. There is not likely to be an unreasonable increase to rates seen by current Aqua customers if Aqua is ordered to acquire CLPWC.

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

The six requirements of Section 529(a)(1)-(6) have been substantiated through the discovery and testimony from I&E, the OCA, Aqua, and CLPWC in this case, and the Commission should direct a capable utility to acquire CLPWC. Section 529(a) grants the Commission the authority to order a capable public utility to acquire a smaller water or sewer utility if six factors are met. 66 Pa. C.S. § 529(a).

CLPWC’s system meets the criteria of Section 529(a)(1) as it is in violation of Section 1501 of the Public Utility Code as well as the Commission approved settlement of its previous base rate case. 66 Pa. C.S. § 529(a)(1). Section 1501 requires all public utilities to furnish and maintain safe, adequate, and reasonable service. 66 Pa. C.S. § 1501. CLPWC has not been furnishing and maintaining safe, adequate and reasonable service as evidenced by the twenty-seven formal and informal complaints from customers, or 16% of the customer base, specific to quality of service. OCA St. 1 at 23. These complaints range from intense chlorine smells to yellow water, to low water pressure and long periods of time when the system must be shut down. *Id.* at 23-24. Further, CLPWC’s system requires millions of dollars in system upgrades to solve many of these issues. OCA St. 1 at 39, 41; Aqua St. 2 at 6, 42.

CLPWC witness Joesph stated that the Commission allowed the degradation of the system and now the parties are attempting to lay the blame on CLPWC. CLPWC St. 4 at 3. However, furnishing and maintaining safe, adequate, and reasonable service is a requirement of a water system owner, failure to do so is a violation of Section 1501 of the Public Utility Code. 66 Pa. C.S. § 1501. In addition to violating Section 1501, on multiple occasions CLPWC was unable to follow through with the terms of the settlement of its base rate case, contrary to Section 529(a)(1) regarding violations of Commission statutory and regulatory standards. *See* OCA St. 1 at 12. CLPWC’s inability to uphold the terms of a settlement that it negotiated and agreed to is further proof that CLWPC is unable to furnish and maintain safe, adequate, and reasonable service as required by Section 1501.

CLPWC has failed to comply with Commission Orders meeting the requirement for acquisition found in Section 529(a)(2). 66 Pa. C.S. § 529(a)(2). Specifically, on April 20, 2023, the Commission ordered CLPWC to submit a metering plan by April 20, 2026. This is demonstrated in I&E Hearing Exh. 2. OCA witness Wise testified that a lack of metering means the Company continues to have no knowledge of customer usage rates. OCA St. 1 at 27.

Further, CLPWC has not submitted a Lead Service Line Replacement Program to the Commission by July 22, 2024, as required by the Public Utility Code. *See* I&E Hearing Exh. 3. CLPWC witness Joseph testified that his lack of compliance with the Commission’s LSLR Program requirements was a “surprise” because emails were being sent to a personal account and filtered to spam. CLPWC St. 8RJ at 2. CLPWC has violated two orders by the Commission in only three years. This compounds the issue of CLPWC’s violation of Section 1501 and the failure to follow through on negotiated settlement terms. CLPWC’s failure to comply with direct orders from the Commission and further to place blame on the Commission, I&E, OCA and OSBA for its

violations demonstrates that it is not capable of owning and operating the CLPWC system as a regulated public utility, but rather that a capable public utility should be ordered to acquire the system.

CLPWC has not been furnishing and maintaining adequate service and facilities and cannot be expected to do so in future meeting the requirement of Section 529(a)(3). 66 Pa. C.S. § 529(a)(3). OCA witness Wise testified that CLPWC received a notice of violation from DEP noting numerous violations in recent years. OCA St. 1 at 43. Despite requiring millions of dollars of repairs, CLPWC did not share a plan for improvement until April 27, 2026. CLPWC Revised St. 7SR at 2. OCA witness Wise observed that the Company lacks the financial fitness to operate because it has no cash reserves relying on customer revenues and the owner's personal funds to cover operating expenses. OCA St. 1 at 6. These large issues are compounded by the smaller issues noted by OCA witness Wise, including ability to carry forth necessary repairs and upgrades, such as perimeter fencing. OCA St. 1 at 20. Finally, CLPWC's customers do not have faith in CLPWC's current ownership's ability to run the water system properly. OCA St. 1 at 21. Given the foregoing facts, CLPWC should be acquired by a capable public utility able to furnish and maintain adequate service and facilities now and in the future.

Testimony has been provided by the OCA and I&E that alternatives to the acquisition of CLPWC by a capable public utility have been considered and are not a viable option in this matter meeting the criteria of Section 529(a)(4) and (b). 66 Pa. C.S. § 529(a)(4) and (b). The Company was asked to address whether or not reorganization would be impractical or economically feasible and CLPWC witness Joseph testified that he was the only shareholder, therefore reorganization was not possible. I&E St. No 1 at 5; I&E Exh. 1 at 2.

Despite contracting for operator services, CLPWC is unable to maintain adequate, efficient, safe and reasonable service and facilities as seen through the complaints received just between May 2024 and August 2025. OCA St. 1 at 22. I&E witness Walker testified that the second alternative under Section 529(b) “cannot be a sufficient remedy for CLPWC’s operating condition.” I&E St. No. 1 at 5. Further, in response to discovery from I&E, CLPWC witness Joseph stated the problems with the system require long term infrastructure investments to the water distribution lines and tank, further “appointment of a receiver would not solve these issues.” I&E Exh. 1 at 4.

CLPWC stated that as CLPWC witness Joseph is “the single member of the LLC who is the sole shareholder of CLPWC” it is impractical and not economically feasible to merge. I&E Exh. 1 at 5. CLPWC actively explored the alternative of acquisition by a municipality, municipal authority or cooperative, however CLPWC was not able to negotiate for this type of acquisition. CLPWC St. 2 at 7. Every alternative to acquisition of the CLPWC system has been explored.

Aqua has been evaluated as a potential capable public utility to acquire CLPWC and meets the definition pursuant to Section 529(m), thus meeting the criteria in Section 529(a)(5). 66 Pa. C.S. § 529(a)(5) and (m). Aqua witness Packer testified “AP is not contesting in this proceeding that it is a ‘capable public utility.’” Aqua St. 1 at 7. It is clear from Aqua’s responses to OCA discovery, OCA testimony, and I&E testimony that Aqua is financially, managerially, and technically capable of acquiring and operating CLWPC. OCA St. 1 at 45; Aqua St. 1 at 7; I&E Exh. 1 at 7-8.

Finally, CLPWC’s system meets the criteria in Section 529(a)(6). 66 Pa. C.S. § 529(a)(6). OCA witness Wise provided testimony that “[t]here would be no immediate effect on the rates of current Aqua customers if the existing rates of CLPWC were implemented and brought into the

Company's tariff under a separate rate zone." OCA St. 1 at 50. Ms. Wise bases this statement on responses to interrogatories sent to Aqua by OCA. *Id.* I&E witness Cline testified "CLPWC's 165 water customers would represent less than 0.1%... of the approximately 456,000 water customers currently served by Aqua." I&E St. 1 at 10.

All factors in Section 529 are met in this matter, CLPWC is a troubled system. The practical solution to ensure that CLPWC customers receive service from a capable provider that can provide water service that complies with the character of service and facilities standards prescribed in Section 1501 of the Public Utility Code, is to order that a capable utility acquire the CLPWC system.

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

The Commission has exclusive jurisdiction to order the acquisition of Conneaut Lake Park Water Corporation, LLC, by a capable public utility. 66 Pa. C.S. § 529(a). By definition, a capable public utility is:

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. A public utility which would otherwise be a capable public utility except for the fact that it has fewer than 4,000 customer connections may elect to be a capable public utility for the purposes of this section regardless of the number of its customer connections and regardless of whether or not it is proximate to the small sewer utility or small water utility to be acquired.

66 Pa. C.S. § 529(m).

In the instant case, Aqua is presumed to be a capable public utility. I&E St. 1 at 10. I&E witness Walker testified that Aqua has the financial and managerial ability needed to provide safe and reliable service to CLPWC's water customers. I&E St. 2 at 8. Mr. Walker stated: "It is

reasonable to conclude that the directors and senior management team of Aqua, a company that provides water services as its core business to 456,018 customers as of December 31, 2023, and operating 113 public water systems, is managerially capable of managing and operating CLPWC's water system." *Id.* Mr. Walker observed that CLPWC's water system is located less than a mile from Aqua's Crawford water system. *Id.*

Furthermore, Aqua witness Packer testified that Aqua: "is not contesting in this proceeding that it is a 'capable public utility' as defined in Section 529(m) or that under Section 529(a)(5) it is not financially, managerially and technically capable of acquiring and operating Conneaut Lake in compliance with applicable statutory and regulatory standards." Aqua St. 1 at 7. Aqua witness Clark affirmed Mr. Packer's testimony, stating that Aqua "would be able to expand its territory to incorporate the Conneaut Lake system." Aqua St. 2 at 6. OCA witness Wise recommended that the Commission order Aqua to acquire CLPWC due to the poor condition of the system and because Aqua has the knowledge and experience to operate a water system that is up to standard. OCA St. 1 at 4.

Ordering the acquisition of CLPWC by Aqua is both a legally practicable and practical result in this Section 529 proceeding. The OCA submits that the most pressing matter in this case is that the customers of the CLPWC water system receive water service that complies with the Public Utility Code.

#### **D. OTHER FACTORS FOR CONSIDERATION**

##### **i. Section 529(e) – Acquisition Price**

The OCA did not take a position on this section in testimony. However, the OCA submits that the acquisition price should be just, reasonable, and in the interests of CLPWC's and Aqua's ratepayers. *See* 66 Pa. C.S. Section 1301.

**V. CONCLUSION**

WHEREFORE, the Office of Consumer Advocate respectfully submits, for the reasons set forth above, that the criteria in Section 529(a) have been met and the Commission should order the acquisition of Conneaut Lake Park Water Corporation, LLC, by Aqua Pennsylvania.

Respectfully submitted,

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Dated: May 27, 2026

## **PROPOSED FINDINGS OF FACT**

1. Conneaut Lake Park Water Company currently serves 162 residential customers, of which 68 are seasonal and 84 are year-round, along with 3 commercial customers. OCA St. 1 at 5.
2. The current matter is a result of issues uncovered during the 2023 rate case docketed at Docket No. R-2023-3041575. OCA St. 1 at 2.
3. In accordance with a mediated settlement agreed to by all parties, the Commission's Bureau of Investigation and Enforcement (I&E) filed a petition requesting that the Commission open a Section 529 Investigation into whether a capable public utility should be ordered to acquire the Conneaut Lake Park Water Corporation, Inc. (CLPWC or Company) system. OCA St. 1 at 2.
4. Todd Josph purchased the CLPWC when he purchased the Conneaut Lake Park amusement park property in bankruptcy proceedings in 2021. OCA St. 1 at 4.
5. He is the sole owner of the CLPWC system. OCA St. 1 at 4.
6. The Company came under Commission jurisdiction in 2002 when it received a Certificate of Public Convenience to provide water service in portions of Summit and Sadsbury Township, Crawford County, Pennsylvania. OCA St. 1 at 4-5.
7. CLPWC's owner states that the blame for CLWPC's failure to provide adequate service rests with the Commission, I&E, and the OCA. CLPWC St. 4 at 3.
8. The Company is presently suffering financial hardship, evidenced by their inability to make much-needed infrastructure repairs. OCA St. 1 at 6.
9. In total, Mr. Joseph's company has owned CLPWC for five years, but has yet to make any major improvements to the system. OCA St. 1 at 6-10.
10. CLPWC's system mapping appears to be incomplete and does not contain documentation identifying the location and condition of valves. OCA St. 3 at 27-28.
11. CLPWC has not complied with several aspects of the Commission-approved Settlement from its previous base rate case as follows:
  - a. Failure to create a customer complaint log in accordance with 52 Pa. Code Section 65.3.
  - b. Failure to create a phone number for water company business only.
  - c. Failure to create a website or accessible virtual locations for customers to view water company documents, and;
  - d. Failure to commit to holding one meeting with customers each year during the summer season, starting in 2024 with the CLPWC certified operator present at the meeting. OCA St. 1 at 12-22.
12. The Company maintained a practice of handwriting complaints on a log to document that the complaints occurred. OCA St. 1 12-13.

13. The documentation of complaint resolution lacks sufficient detail to demonstrate how issues are investigated or resolved. OCA St. 1 12-13.
14. On July 25, 2024, a customer identified as O'Neil reported a leak on Henry Street. OCA St. 1 12-13.
15. The log entry indicates that the issue was addressed by a return phone call from an individual identified as Todd, with the resolution recorded as 'fixed.' OCA St. 1 12-13.
16. The log does not include any description of the repair performed or corrective action taken. OCA St. 1 12-13.
17. On August 22, 2025, a customer identified as Koch reported an issue involving low water pressure. OCA St. 1 12-13.
18. The log shows that the complaint was communicated to an individual named Matt but does not indicate what corrective action if any was taken, nor does it include a resolution date. OCA St. 1 12-13.
19. [A] Google search of the phone number listed in paragraph 5 of the compliance report, 814-225-7985, associates it with The Tiki Bar and Conneaut Hotel, as well as other facilities owned by Mr. Joseph. OCA St. 1 at 14.
20. The number is connected to a Facebook account that primarily advertises events at the campground, rather than serving as a reliable channel for utility-related communications. OCA St. 1 at 14.
21. CLPWC utilizes a Facebook page. OCA St. 1 at 15-16.
22. The OCA was not given access to view the Facebook page as it is not a customer of the CLPWC system. OCA St. 1 at 15-16; CLPWC St. 3 at 5.
23. Facebook does not always provide the most recent information first, nor does it provide a standardized page with menus, links, and easily accessible information. OCA St. 1 at 16.
24. There are currently 80 members of the Company's Facebook page. CLPWC St. 3 at 5.
25. CLPWC witness McCoy testified that she posts all reports and other matters to the Facebook page, but the OCA has not been able to confirm due to its lack of access. CLPWC St. 3 at 5.
26. CLPWC witness Jaclyn McCoy testified that the Company's lack of including a certified operator at its annual summer meeting with customers was "simply an oversight on my part." CLPWC St. 3 at 5.
27. The presence of a water operator at the annual customer meetings was an important obligation intended to provide customers with direct access to technical expertise and essential information about water operations. OCA St. 1 at 20.
28. CLPWC witness McCoy's testimony confirmed that there was no certified operator at the August 2024 and August 2025 meetings. CLPWC St. 3 at 5.
29. CLPWC scheduled one follow-up meeting in September 2025 with the Company's certified operator in an apparent attempt to make up for this back-to-back violation of the Settlement provision. CLPWC St. 3 at 5.

30. On April 29, 2026, the I&E's Deputy Prosecutor Stephanie M. Wimer issued a letter to CLPWC with the subject line "Failure to File a Petition for Approval of a Lead Service Line Replacement (LSLR) Program." I&E Hearing Exh. 2.
31. CLPWC witness Todd Joseph testified in rejoinder testimony, that his lack of compliance with the Commission's LSLR Program requirements was a "surprise" and that he had not received any of the Commission's notifications regarding a LSLR Plan. CLPWC St. 8RJ at 2.
32. Deputy Prosecutor Wimer's letter served as final notice and that CLPWC has 30 days to file a petition with the Commission seeking approval of an LSLRP. I&E Hearing Exh. 2.
33. On May 5, 2026, the Commission's Secretary's Bureau issued a letter to CLPWC stating that the Company was obligated to create a Metering Program and file it with the Commission. I&E Hearing Exh. 3.
34. CLPWC's Metering Program and Supporting Data was to be filed with the Commission by April 20, 2026. I&E Hearing Exh. 3.
35. According to the May 5, 2026, Secretarial Letter, CLPWC had not filed a Metering Program and Supporting Data with the Commission putting it in violation of the Commission's Order approving the settlement that granted the Company its CPC. I&E Hearing Exh. 3.
36. CLPWC filed what it described as a Metering Program and Supporting Data along with its rejoinder testimony on May 12, 2026, in accordance with the 10 days provided by the Commission's Secretary's Bureau's final notice letter, however, CLPWC's submission was with caveats, such as approval from PENNVEST for a loan and uncontested rate increases. CLPWC Exhibit J.
37. In its response to the Notice from the Commission's Secretary's Bureau, the Company stated that it is currently litigating the instant Section 529 proceeding and stated that the Commission could order a transfer of ownership between CLPWC and Aqua. CLPWC St. 8 Exhibit J.
38. A lack of metering means the Company continues to have no knowledge of customer usage rates. OCA St. 1 at 27.
39. Most if not all the Company's historic records were destroyed in a fire in 2013, including historical operational and maintenance records. OCA St. 1 at 5.
40. Not knowing where the shut-off valves are located creates delays in response times during water line breaks and such delays can prolong service disruptions, increase water loss, and extend the time customers are without water. OCA St. 3 at 27-28.
41. On January 4, 2024, CLPWC received a Notice of Violation (NOV) from the Department of Environmental Protection. OCA St. 1 at 43.
42. This NOV noted failure to obtain a public water supply permit for a treatment process, failure to obtain a permit prior to adding modifying, and/or removing sources and/or facilities since the last sanitary survey, and 13 additional violations

- DEP deemed as significant deficiencies relating to the treatment plant or treatment process. DEP suggested a checkback. OCA St. 1 at 43.
43. Based on the results of the checkback, CLPWC issued a Tier 2 Notice for Maximum Contaminate Level Exceedance of arsenic on October 14, 2025. OCA St. 1 at 43.
  44. The increase in arsenic is the result of aging filtration media, which required more frequent backwashing. OCA St. 1 at 44.
  45. After ongoing monitoring and backwashing, a follow-up sample was collected on October 27, 2025, and arsenic levels were found to be within DEP standards. OCA St. 1 at 44.
  46. The Company's plan from its prehearing memorandum included two PENNVEST application deadlines, and the Company missed both. OCA St. 1 SR at 6.
  47. CLPWC's plan is predicated on all parties supporting, and the Commission granting, CLPWC's successive rate increase requests with no challenge at all from the Commission, customers, or statutory advocates. CLPWC Revised St. 7SR, Exh. I.
  48. Applying for PENNVEST funding is a condition of the rate case settlement. OCA St. 1 SR at 9.
  49. Nearly two years following the base rate case settlement, CLPWC has not applied for PENNVEST funding. OCA St. 1 SR at 9.
  50. The Company has no cash reserves, instead, it relies on customer revenues that do not cover operational expenses and its sole owner's personal funds. OCA St. 1 at 6.
  51. CLPWC's system requires projects with an "estimated cost of...\$2 million dollars." OCA St. 1 at 39.
  52. CLPWC was required by the base rate case settlement to obtain an estimate for fencing surrounding the water tower. OCA St. 1 at 20.
  53. The Company received an estimate from G&J Fencing to install a six-foot-high fence around the water tower at a cost of \$1,100; however, the fencing has not been replaced. OCA St. 1 at 20.
  54. CLPWC witness Joseph stated "CLPWC shares are held solely by CLP Water, LLC, whose only member is Todd Joseph. Given that the sole shareholder is ultimately a single member LLC, a reorganization without some sort of sale is not possible and would be impractical and not economically feasible." I&E Exh. 1 at 2.
  55. CLPWC is currently under contract with a certified operator. I&E St. No. 1 at 5; I&E Exh. 1 at 3; OCA St. 1 at 48.
  56. CLPWC is unable to maintain adequate, efficient, safe and reasonable service and facilities as seen through the complaints received just between May 2024 and August 2025, despite contracting for operational services. OCA St. 1 at 22.

57. Appointment of a receiver has also been discussed with CLPWC and determined by the Commission to be impractical and not economically feasible. I&E St. No. 1 at 5.
58. In response to discovery from I&E, CLPWC witness Joseph stated the problems with the system require long term infrastructure investments to the water distribution lines and tank, further “appointment of a receiver would not solve these issues.” I&E Exh. 1 at 4.
59. The fourth alternative to acquisition, merger with one or more certificated public utilities, has also been found to be impractical and not economically feasible. I&E St. No. 1 at 5-6.
60. In response to discovery, CLPWC witness Joseph stated that as “the single member of the LLC who is the sole shareholder of CLPWC” it is impractical and not economically feasible to merge. I&E Exh. 1 at 5.
61. CLPWC has considered alternatives to acquisition and has determined that those are impractical and not economically feasible. I&E Exh. 1 at 2-6; I&E St. No. 1 at 5-6; OCA St. 1 at 46-50.
62. Aqua has approximately 456,018 water customers in thirty-two counties throughout Pennsylvania. I&E Exh. 1 at 7; OCA St. 1 at 45.
63. Aqua operates approximately 113 public water systems, including the Crawford System which is less than one mile from CLPWC’s system. I&E St. No. 1 at 8; OCA St. 1 at 45.
64. Aqua has purchased municipal water systems in the past including the Municipal Authority of the Borough of Shenandoah. OCA St. 1 at 46.
65. Aqua witness Packer testified “AP is not contesting in this proceeding that it is a ‘capable public utility’ ...” Aqua St. 1 at 7.
66. Aqua witness Clark testified in the affirmative when asked if Aqua was able to expand its franchise area to incorporate CLPWC if required by the Commission. Aqua St. 2 at 6.
67. Aqua provided a \$4 million, ten-year capital improvement plan to upgrade the CLPWC system. OCA St. 1 at 42.
68. If CLPWC secures a total of \$2M in PENNVEST funding spread over a four-year period, the customer base of approximately 162 customers would see a yearly total increase of \$17.03 per year for the first five years, increasing to \$17.99 in years six through twenty. OCA St. 1R at Exh. 1.
69. There would be no immediate effect on the rates of current Aqua customers if the existing rates of CLPWC were implemented and brought into the Company’s tariff under a separate rate zone. OCA St. 1 at 50.

## PROPOSED CONCLUSIONS OF LAW

1. The Consumer Advocate is “[A]uthorized, and it shall be his duty, in carrying out his responsibilities under this act, to represent the interest of consumers as a party, or otherwise participate for the purpose of representing an interest of consumers, before the commission in any matter properly before the commission.” 71 Pa. C.S. § 309-4.
2. Conneaut Lake Park Water Company is a public utility as defined in Section 102 of the Public Utility Code. 66 Pa. C.S. § 102.
3. The Commission has the power to order a capable public utility to acquire the Conneaut Lake Park Water Company. 66 Pa. C.S. § 529(a).
4. In Section 529 proceedings, I&E bears the burden of proof to establish a *prima facie* case that acquisition of the small water utility would be in the public interest and in compliance with the provisions of Section 529. 66 Pa. C.S. § 529(i). *Pa. PUC v. Delaware Sewer Company*, Docket No. P-2014-2404341, Order at 27 (Jan. 28, 2016).
5. The Commission previously stated that the burden is not exclusive to I&E. *Pa. PUC v. Twin Lakes*, Docket No. P-2020-3020914, Order at 21 (Sept. 17, 2020).
6. “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.” *Petition of Delaware Sewer Company for the Opening of an Investigation into Whether the Public Utility Commission Should Order a Capable Public Utility to Acquire the Company Pursuant to 66 Pa. C.S. § 529*, Docket No. P-2014-2404341, Order at 28 (Jan. 28, 2016).
7. The OCA supports acquisition and is not precluded by statute or otherwise from producing its own evidence to address the requirements of Section 529. *Pa. P.U.C. v. Delaware Sewer Company*, Docket No. P-2014-2404341 Opinion and Order at 27 (Jan. 28, 2016).
8. The standard of proof is such that “[a] litigant’s burden of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of evidence which is substantial and legally credible.” *Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm’n*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990).
9. The preponderance of the evidence standard requires proof by a greater weight of the evidence. *Commonwealth v. Williams*, 732 A.2d 1167 (Pa. 1999).

10. Additionally, any finding of fact necessary to support an adjudication of the Commission must be based on substantial evidence. *Met-Ed Indus. Users Group v. Pa. Pub. Util. Comm'n*, 960 A.2d 189 (Pa. Cmwlth. 2008) citing 2 Pa.C.S. § 704.
11. Substantial evidence is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. *Borough of E. McKeesport v. Special/Temporary Civil Serv. Comm'n*, 942 A.2d 274 (Pa. Cmwlth. 2008).
12. Substantial evidence must be “more than a scintilla and must do more than create a suspicion of the existence of the fact to be established.” *Kyu Son Yi v. State Bd. of Vet. Med.*, 960 A.2d 864, 874 (Pa. Cmwlth. 2008) (internal citation omitted).
13. Once the Commission determines that I&E has established a prima facie case, CLPWC has the burden of proving its ability to render adequate, efficient, safe, and reasonable service at just and reasonable rates. 66 Pa.C.S. § 529(i)(1).
14. Aqua has the burden of proving their financial, managerial, or technical *inability* to acquire and operate the small water or sewer utility. 66 Pa.C.S. § 529(i)(2). (emphasis added).
15. In the base rate case proceeding, the ALJ found that “[t]he system is in need of significant repairs and upgrades.” *Pa. PUC v. Conneaut Lake Park Water Corp.*, Docket No. R-2023-3041575 et al., R.D. at 12 (July 1, 2024).
16. The Commission may order a capable public utility to acquire a small water or sewer utility if the Commission determines that the six elements of Section 529 are satisfied. 66 Pa. C.S. § 529(a).
17. Section 529(a)(1) requires that the small water or sewer utility at issue 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. 66 Pa. C.S. § 529(a)(1).
18. “Section 1501 makes a public utility responsible for complying with Section 1501. Its failure to do so is not excused by the actions or inactions of others.” *Stephen Sutter, et al. v. Clean Treatment Sewage Company*, 2009 Pa. PUC LEXIS 7, \*27 (Order May 15, 2009).
19. It is the Commission’s duty to uphold the standard of Section 1501. *Popowsky v. Pa. PUC*, 594 Pa. 583, 614 (Pa. 2007).
20. On August 1, 2024, the Commission approved a binding and enforceable settlement that was reached by the parties in CLPWC’s most recent rate increase. *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Order (August 1, 2024).
21. In CLPWC’s most recent rate case, it requested a 970% rate increase. *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575 R.D. at 1 (July 1, 2024)

22. Broken down, CLPWC requested a 750% rate increase for seasonal customer bills and a 1,600% rate increase request for non-seasonal customer bills. *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575 R.D. at 1 (July 1, 2024).
23. The Commission subsequently approved the settlement in the rate case, on August 1, 2024, including a much less dramatic rate increase. *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Order (August 1, 2024).
24. CLPWC's 970% increase request was proposed before an engineering report was completed and accurate cost estimates were established. *Pa. PUC v. Conneaut Lake Park Water Corporation, Inc.*, Docket No. R-2023-3041575, Order (August 1, 2024).
25. CLPWC is in violation of statutory and regulatory standards of the Public Utilities Code, and the Commission approved settlement of its base rate case. 66 Pa. C.S. § 529(a)(1).
26. Section 529(a)(2) requires that the small water or sewer utility has demonstrated its 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. 66 Pa. C.S. § 529(a)(2).
27. CLPWC has failed to comply within a reasonable period of time, with an order from the Department of Environmental Resources, or the Commission concerning safety, adequacy, efficiency, or reasonableness of service. 66 Pa. C.S. § 529(a)(2).
28. Every public utility, its officers, agents, and employees, and every other person or corporation subject to the provisions of this part, affected by or subject to any regulations or orders of the commission or of any court, made, issued, or entered under the provisions of this part, shall observe, obey, and comply with such regulations or orders, and the terms and conditions thereof. 66 Pa. C.S. § 501(c).
29. CLPWC by law "shall preserve for a period of at least 5 years, written service complaints showing the name and address of the complainant, the date and character of the complaint and the final disposition of the complaint." 52 Pa. Code § 65.3(b).
30. CLPWC is in violation of a Commission Order issued from April 20, 2023, regarding the Company's failure to submit a Metering Plan to the Commission by April 20, 2026. I&E Hearing Exhibit 2.
31. CLPWC is also not compliant with a State Statute that amended the Public Utility Code requiring it to submit a Lead Service Line Replacement Program (LSLRP) to the Commission by July 22, 2024. I&E Hearing Exhibit 3.
32. As mandated by Act 120 of 2018, the Commission promulgated Lead Service Line Replacement (LSLR) regulations that require certain water utilities to remove and replace all lead service lines, regardless of whether those lines are customer-owned or utility-owned, within 30 years and to file a plan for lead service line removal no later than July 22, 2024. 52 Pa. Code §§ 65.53(a), 65.55(a); I&E Hearing Exh. 2.

33. The Commission’s regulations define a LSLR plan as: “A plan and supporting documents submitted to and approved by the Commission that specify how an entity intends to implement its lead service line replacement program.” 52 Pa. Code § 65.52.
34. CLPWC has not filed a LSLRP Petition, and therefore CLPWC is in violation of Section 529(a)(2) of the Public Utility Code. 66 Pa. C.S. § 529(a)(2).
35. Levels of unaccounted-for water should be kept within reasonable amounts. Levels above 20% have been considered by the Commission to be excessive. 52 Pa. Code § 65.20(4).
36. Section 529(a)(3) is met if it is found 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. 66 Pa. C.S. § 529(a)(3).
37. When evaluating whether a utility can reasonably be expected to furnish and maintain service and facilities, ‘the Commission determines more than the utility’s future ability to perform its statutory duty[;] the Commission determines whether there is a reasonable future expectation that the utility will perform its statutory duty.’” *Rock Spring 529 R.D. at 72 citing Twin Lakes*, Docket No. P-2020-3020914, Order (Sept. 17, 2020).
38. According to safe drinking water regulations, a water utility must: “Provide the public notice as soon as possible, but no later than 30 days after the system learns of the violation.” 25 Pa. Code § 109.409(b)(2).
39. CLPWC cannot reasonably be expected to furnish and maintain adequate, efficient, safe, and reasonable service and facilities in the future. 66 Pa. C.S. § 529(a)(3).
40. Section 529(a)(4) requires that alternatives to acquisition be considered and be determined by the Commission to be impractical or not economically feasible. 66 Pa. C.S. § 529(a)(4).
41. Section 529(b) lists five alternatives to acquisition to be considered by the Commission including: (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 reasonable service and facilities are provided to the public; (4) the merger of CLPWC with one or more other public utilities, and; (5) the acquisition of CLPWC by a municipality, municipal authority, or cooperative. 66 Pa. C.S. § 529(b)(1)-(5).
42. 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. 66 Pa. C.S. § 529(a)(5).
43. Section 529(m) defines a capable public utility as “[a] public utility which regularly provides the same type of service as the small water utility...to 4,000 or more customer connections, which is not an affiliated interest of the small water utility...and which provides adequate, efficient, safe, and reasonable service.” 66 Pa. C.S. § 529(m).
44. Aqua is financially, managerially, and technically capable of acquiring and operating CLPWC. 66 Pa. C.S. § 529(a)(5).

45. 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.” 66 Pa. C.S. § 529(a)(6).
46. The rates charged to Aqua’s pre-existing customers will not increase unreasonably based on the acquisition of Rock Spring Water Company. 66 Pa. C.S. § 529(a)(6).

## PROPOSED ORDERING PARAGRAPHS

### **It is Ordered:**

1. Pursuant to 66 Pa. C.S. § 529(a), the Commission directs Aqua Pennsylvania, Inc. (Acquirer) to acquire the Conneaut Lake Water Park Corporation, Inc.
2. The Acquirer's service area shall be extended to include the entire service area of the Conneaut Lake Water Park Corporation, Inc.
3. The price for the acquisition of the Conneaut Lake Park Water Corporation system shall be determined by agreement between Conneaut Lake Water Park Corporation, Inc. and the Acquirer.
4. If Conneaut Lake Water Park Corporation, Inc. and the Acquirer cannot come to an agreement on the acquisition price, the Acquirer shall proceed with exercising the power of eminent domain.
5. That Conneaut Lake Water Park Corporation, Inc. shall preserve all hard copy or electronic records, files, bank statements, documents, papers, or any other materials related to their offering of utility service, including records of all contracts, agreements, loans, payments, and other arrangements with affiliated companies or be subject to criminal and/or civil prosecutions under Chapter 33 of the Public Utility Code and any other applicable state or federal law.
6. That Conneaut Lake Water Park Corporation, Inc. shall no later than August 1, 2026, turn over copies or originals of all books, records, accounts, and any other information used and useful in the provision of utility water service to customers served by Conneaut Lake Water Park Corporation, Inc. to the Acquirer or be subject to criminal and/or civil prosecution under Chapter 33 of the Public Utility Code and any other applicable state or federal law.

7. That Conneaut Lake Water Park Corporation, Inc., including its owners, officers, and employees, are directed to provide full and unconditional cooperation with the orderly transition of operations, management, and oversight to the Acquirer. Facilities include office buildings and buildings that include customer data and control center information. Data includes all financial and customer data. Failure to provide full and unconditional cooperation may be subject to criminal and/or civil prosecution under Chapter 33 of the Public Utility Code and any other applicable state or federal law.

8. Effective immediately, Conneaut Lake Water Park Corporation, Inc. shall not engage in any purchases, sale, payment, lease, loan, or exchange of any service, property, money, security, right or thing under contract, whether real or written or under any arrangement with an affiliated interest, the terms which have not been approved by the Commission, or be subject to criminal and/or civil prosecution under Chapter 33 of the Public Utility Code and any other applicable state or federal law.

9. Conneaut Lake Water Park Corporation, Inc. employees shall provide all documents evidencing ownership or right of access to property upon which Conneaut Lake Park Water Corporation system facilities are situate.

10. That a copy of this Order be served on Conneaut Lake Water Park Corporation, Inc., Aqua Pennsylvania, Inc., the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and the North West Regional Office of the DEP.

11. That a copy of this Order be posted on the Commission's website at [www.puc.pa.gov](http://www.puc.pa.gov).

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Administrative Law Judge Eranda Vero

ORDER ENTERED: