



COMMONWEALTH OF PENNSYLVANIA

May 27, 2026

**E-FILED**

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, Pa C.S. §§1102(a) and 1329, for approval of: (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties rights related to the water treatment and distribution system owned and operated by the Indian Creek Valley Water Authority and; (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in all of the Borough of Ohiopyle and portions of the Townships of, Saltlick, Springfield, Bullskin, Connellsville, and Stewart, Fayette County and all of the Borough of Donegal and portions of the Townships of Donegal and Mount Pleasant, Westmoreland County, Pennsylvania / Docket No. A-2025-3055741**

Dear Secretary Homsher:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Celia Hashlamoun  
Kevin Higgins  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§1102(a) and 1329, for approval of:** : **Docket No. A-2025-3055741**  
**(1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties rights related to the water treatment and distribution system owned and operated by the Indian Creek Valley Water Authority and;** :  
**(2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in all of the Borough of Ohiopyle and portions of the Townships of, Saltlick, Springfield, Bullskin, Connellsville, and Stewart, Fayette County and all of the Borough of Donegal and portions of the Townships of Donegal and Mount Pleasant, Westmoreland County, Pennsylvania** :

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**PREHEARING MEMORANDUM  
OF THE  
OFFICE OF SMALL BUSINESS ADVOCATE**

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**I. INTRODUCTION**

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). To discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to these proceedings. Representing the OSBA in the above-captioned matter is Assistant Small Business Advocate

Steven C. Gray.

Please address all correspondence in this matter as follows:

Steven C. Gray, Esq.  
Senior Attorney  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[sgray@pa.gov](mailto:sgray@pa.gov)

## **II. FILING BACKGROUND**

On November 3, 2025, the Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company (“PAWC”), of substantially all of the assets, properties and rights related to the water treatment and distribution system owned and operated by the Indian Creek Valley Water Authority (“ICVWA”), and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in all of the Borough of Ohiopyle and portions of the Townships of Saltlick, Springfield, Bullskin, Connellsville and Stewart, Fayette County and all of the Borough of Donegal and portions of the Townships of Donegal and Mount Pleasant, Westmoreland County, Pennsylvania (“Application”) was filed with the Commission.

PAWC also requests approval of the Asset Purchase Agreement (“APA”) dated January 30, 2025, as well as other municipal agreements pursuant to Section 507 of the Public Utility Code, and requests that the Commission issue an Order and Certificate of Public Convenience approving and addressing the items requested in this Application.

The OSBA filed a Notice of Intervention on November 21, 2025.

### **III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA's case in this proceeding is:

Celia Hashlamoun  
Consultant, Energy Strategies  
111 East Broadway, Suite 1200  
Salt Lake City, UT 84111  
[chashlamoun@energystrat.com](mailto:chashlamoun@energystrat.com)

Kevin C. Higgins  
Principal, Energy Strategies  
111 East Broadway, Suite 1200  
Salt Lake City, UT 84111  
[KHiggins@energystrat.com](mailto:KHiggins@energystrat.com)

The OSBA will participate in this proceeding to assure that the interests of PAWC's and ICVWA's small business customers are adequately represented and protected.

After an initial review of the materials submitted, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether ICVWA's system is a troubled system in need of acquisition by PAWC.
2. Whether any acquisition premium associated with the transaction will be included in rate base or otherwise recovered from ratepayers in a future proceeding.
3. Whether the proposed transaction is consistent with the provision of safe, adequate, and reasonable service at just and reasonable rates for small business customers.
4. Whether the proposed acquisition satisfies the requirements of *City of York* for affirmative public benefits.
5. Whether the proposed timing of the Distribution System Improvement Charge ("DSIC") being charged to ICVWA customers is just and reasonable.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

**IV. SERVICE OF DOCUMENTS**

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date<sup>1</sup> as satisfying the in-hand requirement. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

**V. SETTLEMENT**

The OSBA notes its willingness to enter settlement discussions at the appropriate phase of this proceeding.

**VI. HEARING AND BRIEFING SCHEDULE**

At the time of this writing, the OSBA is working with the parties to develop a procedural schedule.

Respectfully submitted,

*/s/ Steven C. Gray*

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Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

Commonwealth of Pennsylvania  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101

Dated: May 27, 2026

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<sup>1</sup> In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Application of Pennsylvania-American Water : Docket No. A-2025-3055741**  
**Company under Sections 1102(a) and 1329 :**  
**of the Pennsylvania Public Utility Code, :**  
**66 Pa C.S. §§1102(a) and 1329, for approval of: :**  
**(1) the transfer, by sale, to :**  
**Pennsylvania-American Water Company, :**  
**of substantially all of the assets, properties :**  
**rights related to the water treatment and :**  
**distribution system owned and operated by the :**  
**Indian Creek Valley Water Authority and; :**  
**(2) the rights of Pennsylvania-American :**  
**Water Company to begin to offer or furnish :**  
**water service to the public in all of the Borough :**  
**of Ohiopyle and portions of the Townships of, :**  
**Saltlick, Springfield, Bullskin, Connellsville, :**  
**and Stewart, Fayette County and all of the :**  
**Borough of Donegal and portions of the :**  
**Townships of Donegal and Mount Pleasant, :**  
**Westmoreland County, Pennsylvania :**

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Katrina L. Dunderdale  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222  
[kdunderdal@pa.gov](mailto:kdunderdal@pa.gov)

Legal Assistant Branwen Shoop  
[brshoop@pa.gov](mailto:brshoop@pa.gov)

The Honorable Ann Quimby  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222  
[aquimby@pa.gov](mailto:aquimby@pa.gov)

Allison Kaster, Esquire  
Director  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA, 17120  
[akaster@pa.gov](mailto:akaster@pa.gov)

Christy M. Appleby, Esquire  
Janna E. Williams, Esquire  
Johnathan M. Longhurst, Esquire  
Office of Consumer Advocate  
Forum Place  
555 Walnut Street, 5th Floor  
Harrisburg, PA, 17101  
[OCAPAWCINCREEK26@paoca.org](mailto:OCAPAWCINCREEK26@paoca.org)

Elizabeth Rose Triscari, Esquire  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA, 17055  
[elizabeth.triscari@amwater.com](mailto:elizabeth.triscari@amwater.com)

Adeolu A. Bakare, Esquire  
Charis Mincavage, Esquire  
Victoria A. Geddis, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street  
Harrisburg, PA, 17101  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)

Date: May 27, 2026

[vgeddis@mcneeslaw.com](mailto:vgeddis@mcneeslaw.com)  
Lane M. Turturice, Esquire  
Turturice & Associates, LLC  
70 East Wheeling Street  
Washington, PA, 15301  
[lane@lmtlawyer.com](mailto:lane@lmtlawyer.com)

Timothy J. Witt, Esquire  
Watson Mundorff, LLP  
720 Vanderbilt Road  
Connellsville, PA 15425  
[tim@watsonmundorff.com](mailto:tim@watsonmundorff.com)

John Logue  
109 Ludwig Road  
Neshannock PA, 16105  
[jjjair@aol.com](mailto:jjjair@aol.com)

Irene Mistick  
133 North Wren Drive  
Pittsburgh PA, 15243  
[renie519@yahoo.com](mailto:renie519@yahoo.com)

*/s/ Steven C. Gray*  
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Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538