

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: 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, 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, 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, Bullsken, 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”)  
Docket No. A-2025- 3055741

Dear Secretary Homsher:

Attached for electronic filing, please find the Office of Consumer Advocate’s Prehearing Memorandum in this proceeding.

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

Respectfully submitted,

/s/ Christy M. Appleby  
Christy M. Appleby, Esq.  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 81617  
CApplby@paoca.org

Enclosures

cc: The Honorable Administrative Law Judge Katrina L. Dunderdale. (kdunderdal@pa.gov)  
The Honorable Administrative Law Judge Ann Quimby (aquimby@pa.gov)  
Legal Assistant Branwen Shoop (brshoop@pa.gov)  
Certificate of Service

CERTIFICATE OF SERVICE

Application of Pennsylvania-American :  
 Water Company under Sections 1102(a) and : Docket No. A-2025- 3055741  
 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 and :  
 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 (“Application”) :

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 Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 27th day of May 2026.

SERVICE BY E-MAIL ONLY

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Dated: May 27, 2026

/s/ Christy M. Appleby  
Christy M. Appleby, Esq.  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 81617  
Email: CAppleby@paoca.org

Janna E. Williams, Esq.  
Johnathan M. Longhurst, Esq.  
Email: OCAPAWCINCREEK26@paoca.org

Counsel for:  
Darryl A. Lawrence  
Consumer Advocate

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Pennsylvania-American :  
Water Company under Sections 1102(a) and : Docket No: A-2025-3055741  
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 and :  
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 (“Application”) :

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PREHEARING MEMORANDUM OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

**I. INTRODUCTION AND PROCEDURAL HISTORY**

On November 3, 2025, Pennsylvania-American Water Company (PAWC or Company) filed an Application requesting that the Commission: (1) the transfer, by sale, to Pennsylvania-American Water Company, 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 (Indian Creek or the Authority); (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; (3) include, in its Order approving the acquisition, the pro forma tariff supplement including all rates, rules, and regulations regarding conditions of PAWC's water service as revised to become effective immediately upon closing; (4) authorize PAWC to use for ratemaking purposes the lesser of the fair market value or negotiated purchase price of the assets to be purchased; (5) permit PAWC to record acquisition at net value of the assets; and (6) permit PAWC to recover a distribution system improvement charge, accrue Allowance for Funds Used During Construction and defer depreciation related to/for post-acquisition improvements not recovered through the distribution system improvement charge, and include, in its next base rate case, a claim for transaction and closing costs. Application at 18-20. PAWC also requests approval of the Asset Purchase Agreement (APA) dated May 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. *Id.* at 19-20.

On November 20, 2025, the Office of Small Business Advocate (OSBA) filed its Notice of Appearance, and on November 21, 2025, the OSBA filed its Protest and Notice of Intervention and Public Statement.

On February 3, 2026, the Office of Consumer Advocate filed its Protest and Public Statement to protect the interests of PAWC and Indian Creek's water customers. Additional

information is required to determine if approval of the Application is necessary for the accommodation or convenience of the public.

The matter was assigned to the Office of Administrative Law Judge and subsequently assigned to Administrative Law Judges (ALJs) Katrina L. Dunderdale and Ann Quimby. A Telephonic Hearing Notice was issued on April 28, 2026, which scheduled a Prehearing Conference for Thursday, May 28, 2026. A Prehearing Order was issued on May 14, 2026, which provided that Prehearing Memorandums were to be filed by noon on Wednesday, May 27, 2026.

## **II. ISSUES**

The OCA is participating in this proceeding to ensure the interests of PAWC's existing customers are protected. Based upon a preliminary analysis of the Application, the OCA has compiled a list of issues which it anticipates will be included in its investigation. It is anticipated that other issues may arise and may be pursued once all of the answers to the OCA's interrogatories have been received and analyzed.

The issues set forth below will be analyzed and presented as appropriate by the OCA with the assistance of its expert witnesses:

(1) Section 1103 requires that the proponents of a merger demonstrate that the merger will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way. The OCA submits that additional information is required to determine if approval of the Application is in fact necessary for the accommodation or convenience of the public. The proposed benefits of the acquisition and efficiencies alleged should be fully examined. The law is clear that, for an acquisition to be approved, there must be a showing of substantial affirmative public benefits.

(2) The OCA will review the reasonableness and validity of PAWC's and Indian Creek's commissioned appraisals.

(3) Although no immediate rate impact is proposed for PAWC or Indian Creek's existing customers, PAWC has failed to provide sufficient information in the Application to fully address the rate impact associated with this case. The OCA submits that while rates will not be determined in this case, the rate impact of the proposed acquisition price of \$32.8 million must be considered in this case when weighing the merits of whether this application should be approved.

(4) The OCA will review whether any other conditions should be imposed upon the proposed transfer to ensure that both PAWC's and Indian Creek's customers are treated in a fair and just manner in accordance with Pennsylvania law and Commission rules and regulations.

The OCA submits that the proposed tariffs and rates will need to be thoroughly reviewed to ensure that they are in compliance with all applicable Commission regulations and the laws of Pennsylvania. The OCA reserves the right to raise additional issues as the case proceeds and further information is obtained from the Applicant.

### **III. WITNESSES**

The OCA intends to present the direct, rebuttal, and surrebuttal testimonies, as may be necessary, of the below witnesses. The witnesses will present testimony in written form and will attach various exhibits, documents, and explanatory information, as may be necessary. In order to expedite the resolution of the proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed and/or emailed directly the OCA's group email formed particularly for this proceeding:

Accounting/ Regulator Policy:

David J. Garrett  
Resolve Utility Consulting  
5000 Carrington Pl.  
Oklahoma City, OK 73131  
OCAPAWCINCREEK26@paoca.org

Substantial Affirmative  
Public Benefit:

LeeAnn Wise  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
OCAPAWCINCREEK26@paoca.org

**IV. PROPOSED SCHEDULE**

The OCA proposes the following schedule:

Other Parties' Direct	Monday, June 1, 2026
Public Input Hearings	Thursday, June 4, 2026
Rebuttal	Wednesday, June 10, 2026 <sup>1</sup>
Surrebuttal	Monday, June 15 (by noon)
Outline of Oral Rejoinder	Day before first hearing
Evidentiary Hearings	Wednesday – Thursday, June 17 - 18 2026
Main Briefs	Tuesday, June 30, 2026
Reply Briefs	Wednesday, July 8, 2026

The OCA requests that the dates included in any litigation schedule in this matter be considered “in-hand” dates and that electronic service on the due date will satisfy the “in-hand” requirement.

**V. SERVICE ON THE OCA**

The OCA respectfully requests that the Presiding Officer permit electronic service without the requirement of a follow-up hard copy. The OCA will be represented in this case by the attorneys listed below:

Christy M. Appleby, Senior Assistant Consumer Advocate  
Janna Williams, Assistant Consumer Advocate  
John Longhurst, Assistant Consumer Advocate  
555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
E-mail: OCAPAWCINCREEK26@paoca.org

The OCA has created a group e-mail provided above. This is the only email address that is required for service on the OCA. The OCA's group email address will provide the emailed materials to all members of the OCA team including the consultants listed above.

For the purposes of the Prehearing Conference, Christy Appleby will be the primary attorney speaking on behalf of the OCA.

## **VI. SETTLEMENT**

The OCA will participate in settlement discussions in this matter.

## **VII. DISCOVERY**

The OCA accepts the proposed discovery modifications identified in the ALJ's Prehearing Order.

## **VIII. PUBLIC INPUT HEARINGS**

The OCA will be prepared to discuss public input hearings at the prehearing conference. The OCA has received a consumer request for a public input hearing in this matter. The OCA respectfully requests that telephonic public input hearings be held for Indian Creek's customer base impacted by this filing. Based on the OCA's long experience with public input hearings, history has shown that Mondays and Fridays are generally the worst days to schedule public input hearings as attendance is usually poor. Accordingly, the OCA respectfully requests that the Commission schedule these public input hearings on either a Tuesday, Wednesday or Thursday. The OCA requests the following:

- A. Given the size of the customer base and service territory, a total of two (2) Telephonic Public Input Hearings be held.

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<sup>1</sup> OCA will submit either Supplemental Direct Testimony or Rebuttal Testimony addressing comments made at the Public Input Hearing, depending on when the Transcript of the Public Input Hearing is available. Similarly, the OCA proposes that the Company will submit either Rebuttal Testimony or Surrebuttal Testimony addressing comments made at the Public Input Hearing, depending on when the Transcript of the Public Input Hearing is available.

- C. The telephonic public input hearings include a combination of daytime and evening hearings.
- D. Pre-registration be either encouraged or required for telephonic hearings, and if required, pre-registration be required by 10:00 a.m. on the day of the telephonic Public Input Hearing at which the witness seeks to testify.
- E. Hearing exhibits be required to be submitted to the ALJs by 10:00 a.m. the day before the Public Input Hearing at which the witness seeks to testify.
- F. The Commission's notice of the Public Input Hearings will include the phone numbers and access codes necessary for participants to use to fully access all telephonic Public Input Hearings.
- G. The Joint Applicants will be required to, at a minimum, generate a notice of the Public Input Hearings that contains relevant information as to date, time, location, and phone numbers and access codes and further be required to advertise the notice: (1) in the general readership section (not legal section) of local newspapers within the service territory; (2) on its website; and (3) in social media posts which the Authority utilizes to advertise generally.
- H. That the other parties involved in the proceeding, including the OCA, be permitted to review these public input announcements prior to their publication and distribution and have input into which publications the ads are placed.

## IX. CONCLUSION

The OCA respectfully requests that ALJ Katrina L. Dunderdale and ALJ Ann Quimby grant the OCA's requests stated herein regarding the procedural schedule, discovery modifications, prehearing procedures, and public input hearings.

Respectfully Submitted,

/s/

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DATE: May 27, 2026

Counsel for:  
Darryl A. Lawrence  
Consumer Advocate

OCA APPENDIX A

NOTICE OF IN-PERSON AND TELEPHONIC PUBLIC INPUT HEARINGS

For Pennsylvania American Water Company Acquisition of  
Indian Creek Valley Water Authority

Docket No.  
A-2025-3055741

The Pennsylvania Public Utility Commission (PUC) will conduct [#] Public Input Hearings concerning the acquisition request filed by Pennsylvania American Water Company on [date]. The in-person and telephonic hearings will be held at the following times and places:

**Presiding Officer: Administrative Law Judge [Name of Judge]**

**IN-PERSON PUBLIC INPUT HEARINGS**

**Pre-registration is not required.**

Date: [Here]

Time: [Here]

Location: [Here]

Date: [Here]

Time: [Here]

Location: [Here]

Date: [Here]

Time: [Here]

Location: [Here]

Date: [Here]

Time: [Here]

Location: [Here]

**TELEPHONIC PUBLIC INPUT HEARINGS**

**Pre-registration is [encouraged/required]. Read below.**

Date: [Here]

Time: [Here]

Pre-registration is [encouraged/required] by [same day] at 10AM.

Date: [Here]

Time: [Here]

Pre-registration is [encouraged/required] by [same day] at 10AM.

Toll-free Conference Number: xxx.xxx.xxxx

PIN Number: xxxxxxxx

- You must dial the toll-free Conference number above
- You must enter the PIN number above when instructed
- You must speak your name when prompted, and press #
  - Then, the telephone system will connect you to the hearing

**PRE-REGISTRATION FOR TELEPHONIC PUBLIC INPUT HEARINGS:** To testify at the telephonic Public Input Hearings, pre-registration is [encouraged/required] by [day of the hearing] at 10AM. Failure to pre-register could result in you not being called to testify by the PUC judge. To pre-register to testify by telephone, please contact the PUC Judge's Legal Assistant, [name], by email at [email address] or by phone at [xxx.xxx.xxxx] and provide the requested information.

**NEED ASSISTANCE WITH PRE-REGISTRATION?** If you need assistance pre-registering to testify, you may have someone register for you, but they will need to provide the PUC Judge all the information listed above. Additionally, if more than one person in your household would like to testify, one person may pre-register for other individuals in the same household by providing the PUC Judge's Legal Assistant with the above-listed information for each individual.

**REQUESTS FOR INTERPRETERS:** If you require an interpreter, please pre-register as soon as possible. If you register too close to the hearing date, we may not have enough time to arrange for an interpreter. If you request an interpreter, the PUC will make reasonable efforts to have one present. AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988.

**HEARING EXHIBITS:** If you have any hearing exhibits to which you will refer during the hearing, please email them to the PUC Judge's Legal Assistant, [name], at [email address]. The PUC Judge will forward your exhibits to all the parties. Exhibits for the public input hearing must be received by the PUC Judge by [the day before the hearing] at 10AM.

**QUESTIONS?** The Pennsylvania Office of Consumer Advocate (OCA) represents the interests of utility customers before the PUC. If you have questions about the public input hearings or the Company's requested rate increase, please contact the OCA toll free at 1-800-684-6560 or by email at [consumer@paoca.org](mailto:consumer@paoca.org). Additionally, the OCA can help customers pre-register for the Public Input Hearings.

**OTHER WAYS TO BE HEARD:** If you want to be heard about the proposed rate increase but do not want or cannot testify at the Public Input Hearings, you may file a formal complaint or comment to the proposed rate increase. Please visit the PUC's website to use the applicable form available at <https://www.puc.pa.gov/complaints/formal-complaints/>