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September 27, 2018

**C.J. ZWICK, ESQ.**  
**E-mail: [cjz@zwick-law.com](mailto:cjz@zwick-law.com)**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**Re: Pa. Public Utility Commission v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc.; Docket Nos. R-2018-3003558 and R-2018-3003561**

Dear Secretary Chiavetta:

Enclosed for filing in the above-referenced proceedings, is the **Prehearing Memorandum** of the Treasure Lake Property Owners Association, Inc.

Copies have been served in accordance with the Certificate of Service.

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

With regards, I am

Very truly yours,

C.J. Zwick

CJZ/amm

Enclosure

cc: Office of Administrative Law Judge  
Per the Certificate of Service  
File

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	)	
	)	
<b>V.</b>	)	<b>DOCKET NOS. R-2018-3003558 R-2018-3003561</b>
	)	
<b>AQUA PENNSYLVANIA, INC. AND AQUA PENNSYLVANIA WASTEWATER, INC.</b>	)	

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**PREHEARING MEMORANDUM OF  
TREASURE LAKE PROPERTY OWNERS ASSOCIATION, INC.**

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Pursuant to the Prehearing Conference Order of Administrative Law Judges (“ALJs”) Angela T. Jones and F. Joseph Brady, issued on September 21, 2018, the Treasure Lake Property Owners Association, Inc. (“TLPOA” or “Association”) hereby submits this Prehearing Memorandum in the above-captioned proceeding.

**I. HISTORY OF THE PROCEEDING**

On August 17, 2018, Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (collectively referred to as “Aqua” or “Company”) filed with the Pennsylvania Public Utility Commission (“PUC” or “Commission”), both Tariff Water-Pa. P.U.C. No. 2 (“Tariff Water No. 2”) and Tariff Sewer-Pa. P.U.C. No. 2 (“Tariff Sewer No. 2”), Aqua’s filings seek approval, *inter alia*, of “an overall rate increase of \$71.8 million per year in total for all of its water and wastewater operations.”

By Orders entered on September 20, 2018, the Commission instituted a formal investigation to determine the lawfulness, justness and reasonableness of the Company’s existing and proposed rates, rules and regulations. Pursuant to Section 1308(d) of the Public Utility

Code, 66 Pa. C.S. § 1308(d), both of Aqua's tariff filings – Tariff Water No. 2 and Tariff Sewer No. 2 (collectively referred to as the "Tariff Filings") – were suspended by operation of law on September 20, 2018 until May 16, 2019, unless otherwise directed by Commission Order.

On or about September 24, 2018, TLPOA filed a Petition to Intervene in this matter. TLPOA is a non-profit, non-stock Pennsylvania corporation, which was incorporated on May 20, 1968, as the homeowners association for the Treasure Lake Subdivision. The Treasure Lake Subdivision is an eight-thousand-acre subdivision located in Sandy Township, Clearfield County, Pennsylvania. The Treasure Lake Subdivision is comprised of both residential lots and recreational vehicle lots. The members of TLPOA, and the Association itself, are customers of the Company; TLPOA, therefore, has a direct interest in the Commission's disposition of the Tariff Filings that cannot be adequately represented by any other party to this proceeding.

## **II. ANTICIPATED ISSUES AND SUB-ISSUES**

Aqua has requested an average, overall rate increase for residential water customers of 15.4%; however, the proposed increase for residential customers in the Treasure Lake Subdivision is 59.22%. According to the Company's Tariff Water No. 2, "the typical water bill for residential customers with a 5/8-inch meter using 4,080 gallons a month would increase from \$27.20 to \$43.31 per month[,]" which results in an average increase of \$16.11 per month. Pursuant to Aqua's request, the customer charge – which is a fixed charge – for residential customers with a 5/8-inch meter would increase from \$12.84 per month to \$18.50. The consumption charge for residential customers in the Treasure Lake Subdivision would increase from \$3.52 per 1,000 gallons to \$ 6.08 per 1,000 gallons. In addition, Aqua is seeking an increase in rate for water service provided to the Association's recreational facilities.

For wastewater service in the Treasure Lake Subdivision, the Company's request, if approved, would result in "the typical wastewater bill for residential customers with a 5/8" meter using 3,000 gallons a month would increase from \$40.52 to \$53.80 per month[,]" which results in an average increase of \$13.28 per month (*i.e.*, an increase of 32.77% per month). The fixed, customer charge would increase from \$20.61 per month to \$36.00 per month, and the consumption charge would increase from \$3.75 per 1,000 gallons to \$8.10 per 1,000 gallons.

TLPOA intends to investigate the lawfulness, justness, and reasonableness of the following items pertaining to residential water and wastewater service in the Treasure Lake Subdivision: the proposed customer charge for water and wastewater services, and the proposed consumption charge for water and wastewater services. The Association also intends to investigate any proposed rate increases affecting service to its recreational facilities. TLPOA reserves the right to raise additional issues as warranted and in response to the issues raised by other parties.

### **III. PROPOSED WITNESSES**

TLPOA is still evaluating whether it will call any witnesses in this proceeding. To the extent TLPOA determines to call one or more witnesses and submit testimony in this proceeding, TLPOA will promptly inform the ALJs and other parties of the details of any such witness(es) and testimony. Notwithstanding whether the Association calls any witnesses, however, TLPOA reserves the right to participate in this proceeding and serve discovery on the Company and other parties; cross-examine witnesses of the Company and other parties; submit briefs to the Commission on issues of concern; and submit exceptions and reply exceptions, as necessary, to the Commission.

**IV. PROPOSED SCHEDULE AND DISCOVERY RULES**

TLPOA will cooperate with the ALJs and parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives given by the ALJs.

**V. POSSIBILITY OF SETTLEMENT**

TLPOA is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

ZWICK & ZWICK LLP

Dated: September 27, 2018

By 

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*Counsel for Treasure Lake Property Owners  
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## CERTIFICATE OF SERVICE

I hereby certify that, this 27<sup>th</sup> day of September, 2018, I have served copies of the **PREHEARING MEMORANDUM**, of Treasure Lake Property Owners Association, Inc., on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

### VIA ELECTRONIC AND FIRST-CLASS MAIL

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The Honorable F. Joseph Brady  
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