**BEFORE THE**

 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission : R-2018-3003104

Ray and Donna McCarthy : C-2018-3003507

 :

 v. :

 :

Timberlee Valley Sanitation Company, Inc. :

**PREHEARING ORDER**

On June 29, 2018, Timberlee Valley Sanitation Company, Inc. (Timberlee or Company) filed Supplement No. 6 to Tariff – Water Pa. P.U.C. No. 1 to become effective September 1, 2018. It proposed to increase Timberlee Valley Sanitation Company’s total annual operating revenues by approximately $22,560, or 36.36%, based on a future test year ending December 31, 2018.

Timberlee engages in the business of furnishing wastewater services to approximately 89 residential usage customers in portions of Connoquenessing and Lancaster Townships, Butler County, Pennsylvania. For typical residential customers, the cost of providing wastewater services would increase from $660 per year to $900 per year, as proposed.

 On July 18, 2018, a formal complaint was filed by ratepayers, Ray and Donna McCarthy (Mr. and Mrs. McCarthy or formal complainants), at Docket No. C-2018-3003507. As of the date of the prehearing conference, no other entity or person had filed a formal complaint in this proceeding.

On August 23, 2018, the Pennsylvania Public Utility Commission (Commission) entered an order suspending the implementation of Supplement No. 6 by operation of law until April 1, 2019, pursuant to Title 66 of the Pennsylvania Statutes, at Section 1308(d), and opened an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Supplement No. 6. Further, the matter was assigned to the Office of Administrative Law Judge (OALJ) to schedule such hearings as necessary to develop a record in this proceeding.

On August 29, 2018, the OALJ scheduled a call-in telephonic prehearing conference for September 7, 2018 at 1:30 p.m., to be conducted telephonically on the Commission’s bridge conference number. Prehearing Memoranda were submitted by Timberlee and the Bureau of Investigation and Enforcement (BIE) prior to the start of the prehearing conference. The presiding officer conducted a telephonic prehearing conference on Friday, September 7, 2018, at which Timberlee, BIE and Mr. and Mrs. McCarthy were represented or participated.

This Order memorializes the matters decided and agreed upon by the parties attending the conference.

Settlement in Principle

Timberlee and BIE advised the presiding officer at the start of the prehearing conference that a settlement in principle had been reached between those two parties. Neither Timberlee nor BIE had an opportunity to inform the formal complainants about the details of the settlement prior to the start of the prehearing conference. Counsel for Timberlee advised that the settlement provisions included an agreement that the proposed rates filed by Timberlee were appropriate and in the public interest. Timberlee and BIE agreed to ask the Commission to approve the rate increase as proposed in the initial filing.

After discussion, the parties present at the prehearing conference agreed Timberlee and BIE will file a joint petition to settle on or before Friday, October 5, 2018. Timberlee and BIE will make an effort to communicate the specifics of the settlement with the formal complainants. Mr. and Mrs. McCarthy will be given the opportunity to join in the settlement, if they should wish to do so. In the event the formal complainants do not join in the settlement, Timberlee will serve the formal complainants with a copy of the settlement petition at the same time the settlement is served upon the presiding officer and is filed with the Secretary’s Bureau. Once the settlement petition is received, the presiding officer will notify the formal complainants in writing about how they can comment, join or object to the settlement.

The parties are reminded it is the Commission’s policy to encourage settlements. 52 Pa.Code § 5.231(a). The parties are strongly urged to seriously explore this possibility. Submission of a settlement petition executed by representatives of the parties, together with Statements In Support of Settlement from each signatory, must be filed with the Secretary’s Bureau for the Commission and received in-hand by the presiding officer no later than the close of business on Friday, October 5, 2018.

 Pursuant to 52 Pa.Code § 5.232 to § 5.234, the settlement petition should contain stipulations of fact, including stipulating to the genuineness of documents or the truth of matters of fact. All stipulations entered into by the parties must be reduced to writing, signed by the parties to be bound thereby, and moved or stipulated into the record.

 THEREFORE,

 IT IS ORDERED:

1. That on or before Friday, October 5, 2018, Timberlee Valley Sanitation Company, Inc. and the Bureau of Investigation and Enforcement will file a joint petition to settle.
2. That prior to filing a joint petition to settle, Timberlee Valley Sanitation Company, Inc. and the Bureau of Investigation and Enforcement will communicate the specifics of the settlement with Ray and Donna McCarthy, who will be given an opportunity to join in the settlement, if they should wish to do so.
3. That Timberlee Valley Sanitation Company, Inc. will serve a copy of the joint petition to settle upon the presiding officer and Ray and Donna McCarthy at the same time the joint petition to settle is filed with the Secretary’s Bureau.
4. That the formal complaint filed by Ray and Donna McCarthy at Docket No. C-2018-3003507 is consolidated with the rate increase proceeding at Docket No. R-2018-3003104.

Dated: September 10, 2018

 Katrina L. Dunderdale

 Administrative Law Judge

**R-2018-3003104 - PA PUBLIC UTILITY COMMISSION v. TIMBERLEE VALLEY SANITATION COMPANY INC**

**C-2018-3003507- RAY & DONNA MCCARTHY v. TIMBERLEE VALLEY SANITATION COMPANY INC**

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***Accepts E-Service***

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