



November 19, 2018

VIA ELECTRONIC FILING

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

**Re: *Pennsylvania Public Utility Commission v. Hidden Valley Utility Services, L.P.*,
Docket Nos. R-2018-3001306 and R-2018-3001307**

Joint Petition for Approval of Non-Unanimous Settlement

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Joint Petition for Approval of Non-Unanimous Settlement in the above-referenced proceeding. Copies are being served as indicated on the Certificate of Service.

Please contact me if you have any questions regarding this filing.

Sincerely,

COZEN O'CONNOR

By: Jonathan P. Nase

JPN
Enclosure

cc: Honorable Mark A. Hoyer
Honorable Katrina L. Dunderdale
Per Certificate of Service
James M. Kettler

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2018-3001306
v.	:	R-2018-3001307, <i>et al.</i>
	:	
Hidden Valley Utility Services, L.P.	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **Joint Petition for Approval of Non-Unanimous Settlement**, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL:

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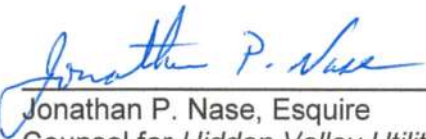
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Hidden Valley, PA 15502

DATED: November 19, 2018



Jonathan P. Nase, Esquire
Counsel for *Hidden Valley Utility Services, L.P.*

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**DEPUTY CHIEF ADMINISTRATIVE LAW
JUDGE MARK A. HOYER
AND
ADMINISTRATIVE LAW JUDGE
KATRINA L. DUNDERDALE**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-3001307
	:	
Hidden Valley Utility Services, L.P. –	:	
Wastewater	:	
	:	
and	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-3001306
	:	
Hidden Valley Utility Services, L.P. -- Water	:	

**JOINT PETITION FOR APPROVAL OF
NON-UNANIMOUS SETTLEMENT**

Hidden Valley Utility Services, L.P. (“Hidden Valley”) and the Pennsylvania Public Utility Commission’s Bureau of Investigation and Enforcement (“I&E”), parties to the above-captioned proceeding (hereinafter collectively referred to as the “Joint Petitioners”), hereby join in this “Joint Petition for Approval of Non-Unanimous Settlement” (“Settlement”) and respectfully request that the Honorable Deputy Chief Administrative Law Judge Mark A. Hoyer and Administrative Law

Judge Katrina L. Dunderdale (the “ALJs”) and the Pennsylvania Public Utility Commission (“Commission”) approve this Settlement without modification.

In Support of this Settlement, the Joint Petitioners state the following:

SETTLEMENT TERMS

A. Revenue Requirement

(1) Following entry of a Commission final order approving this Settlement, Hidden Valley will file compliance tariffs as follows:

(a) A water tariff with new rates designed to produce \$65,557 in additional annual operating revenue over present rates;¹ and

(b) A wastewater tariff with new rates designed to produce \$82,227 in additional annual operating revenue over present rates.

(2) In addition, upon submission of Hidden Valley’s report and verification from its engineer stating that all repairs, modifications and improvements to Hidden Valley’s wastewater system have been completed, as required by Ordering Paragraphs 11 and 19 of the Commission’s May 3, 2018 Order on Reconsideration in *McCloskey v. Hidden Valley Utility Services, L.P.*, Docket Nos. C-2014-2447138 and C-2014-2447169, Hidden Valley will file a compliance tariff designed to produce a total of \$145,824 in additional annual operating revenue over present rates.

B. Rate Design

To implement the revenue requirements stated above, the rates proposed by Hidden Valley Utility Services, L.P. shall be scaled back proportionally, as shown on Appendix A.

¹ Although this is a “black box” settlement, I&E’s primary and secondary litigation positions, in addition to the evidence introduced by Hidden Valley, support the agreed-to revenue requirement figures.

C. Annual reports

(1) Hidden Valley will correct its annual reports for the years 2015-2018. Specifically, Hidden Valley will have these annual reports prepared or reviewed by a rate consultant prior to submission to the Commission. These corrected annual reports will be filed within six months after the entry of a final Commission Order in this proceeding.

(2) For annual reports submitted to the Commission during the period 2019-2023, or until its next rate case, whichever is earlier, Hidden Valley shall have its annual reports prepared or reviewed by a rate consultant.

CONDITIONS OF SETTLEMENT


Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any party's position with respect to any issues raised in this proceeding. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

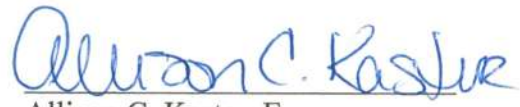
REQUEST FOR RELIEF

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request that the Honorable Deputy Chief Administrative Law Judge Mark A. Hoyer and Administrative Law Judge Katrina L. Dunderdale and the Commission approve this Settlement as submitted including all terms and conditions thereof without modification.

[Signatures appear on next page.]

Respectfully submitted,


Jonathan P. Nase, Esq.
Counsel for *Hidden Valley Utility Services, L.P.*


Allison C. Kaster, Esq.
Counsel for the *Bureau of Investigation and Enforcement*

APPENDIX A

Hidden Valley Utility Services, L.P.

R-2018-3001306

Water Bill Comparison

Company 5/8" Monthly Bill Comparison

	<u>Usage Gallons</u>	<u>Current Bill DSIC</u>	<u>Increase</u>	<u>Company Proposed Bill</u>	<u>Percent Increase</u>
	(A)	(B)	(C)	(D)	(E)
1	0	\$12.00	\$7.00	\$19.00	58.3%
2	1,000	\$18.97	\$9.41	\$28.38	49.6%
3	2,000	\$25.94	\$11.82	\$37.76	45.6%
4	2,100	\$26.64	\$12.06	\$38.70	45.3%
5	3,000	\$32.91	\$14.23	\$47.14	43.2%
6	4,000	\$39.88	\$16.64	\$56.52	41.7%
7	5,000	\$46.85	\$19.05	\$65.90	40.7%
8	6,000	\$53.82	\$21.46	\$75.28	39.9%
9	7,000	\$60.79	\$23.87	\$84.66	39.3%
10	8,000	\$67.76	\$26.28	\$94.04	38.8%
11	9,000	\$74.73	\$28.69	\$103.42	38.4%
12	10,000	\$81.70	\$31.10	\$112.80	38.1%
13	11,000	\$88.67	\$33.51	\$122.18	37.8%
14	12,000	\$95.64	\$35.92	\$131.56	37.6%
15	13,000	\$102.61	\$38.33	\$140.94	37.4%
16	14,000	\$109.58	\$40.74	\$150.32	37.2%
17	15,000	\$116.55	\$43.15	\$159.70	37.0%
18	16,000	\$123.52	\$45.56	\$169.08	36.9%
19	17,000	\$130.49	\$47.97	\$178.46	36.8%
20	18,000	\$137.46	\$50.38	\$187.84	36.7%
21	19,000	\$144.43	\$52.79	\$197.22	36.6%
22	20,000	\$151.40	\$55.20	\$206.60	36.5%

Hidden Valley Utility Services, L.P.
R-2018-3001307
Sewer Bill Comparison - Phase I

Usage	Quarterly Present	Increase	Quarterly Settlement	Percent Increase
0	\$27.00	\$7.00	\$34.00	25.9%
1,000	\$42.60	\$11.20	\$53.80	26.3%
2,000	\$58.20	\$15.40	\$73.60	26.5%
2,100	\$59.76	\$15.82	\$75.58	26.5%
3,000	\$73.80	\$19.60	\$93.40	26.6%
4,000	\$89.40	\$23.80	\$113.20	26.6%
5,000	\$105.00	\$28.00	\$133.00	26.7%
6,000	\$120.60	\$32.20	\$152.80	26.7%
7,000	\$136.20	\$36.40	\$172.60	26.7%
8,000	\$151.80	\$40.60	\$192.40	26.7%
9,000	\$167.40	\$44.80	\$212.20	26.8%
10,000	\$183.00	\$49.00	\$232.00	26.8%
11,000	\$198.60	\$53.20	\$251.80	26.8%
12,000	\$214.20	\$57.40	\$271.60	26.8%
13,000	\$229.80	\$61.60	\$291.40	26.8%
14,000	\$245.40	\$65.80	\$311.20	26.8%
15,000	\$261.00	\$70.00	\$331.00	26.8%
16,000	\$276.60	\$74.20	\$350.80	26.8%
17,000	\$292.20	\$78.40	\$370.60	26.8%
18,000	\$307.80	\$82.60	\$390.40	26.8%
19,000	\$323.40	\$86.80	\$410.20	26.8%
20,000	\$339.00	\$91.00	\$430.00	26.8%

Hidden Valley Utility Services, L.P.
R-2018-3001307
Wastewater Phase II

Application of Present Rates to Consumption Analysis
For The Twelve Months ending December 31, 2017

Application of Proposed Rates to Consumption Analysis
For The Twelve Months ending December 31, 2017

Meter Size	Rate Block	Number Of Bills	Total Consumption	Rates	Billing Revenue	Meter Size	Rate Block	Number Of Bills	Total Consumption	Rates	Billing Revenue	Percent Increase	Original Percent Increase	Percent Of Original	
Residential Quarterly						Residential Quarterly									
5/8		4,409	0	\$27.00	\$119,043	5/8	0	4,409	0	\$40.00	\$176,360	48.1%	61.1%	78.8%	
3/4		24	0	\$27.00	\$648	3/4	0	24	0	\$40.00	\$960	48.1%	61.1%	78.8%	
1		4	0	\$27.00	\$108	1	0	4	0	\$40.00	\$160	48.1%	61.1%	78.8%	
Bills and Customer Charges		4,437	0		\$119,799	Bills and Customer Charges		4,437	0		\$177,480	48.1%	61.1%	78.8%	
First	4,000		89,788	\$1,5600	\$140,069	First	4,000		89,788	\$2,3050	\$206,961	47.8%	61.5%	77.7%	
Over	4,000		3,225	\$1,2520	\$1,038	Over	4,000		3,225	\$2,3050	\$7,434	84.1%	101.3%	83.0%	
Residential Usage			93,013		\$141,107	Residential Usage			93,013		\$214,395	48.8%	62.7%	77.8%	
TOTAL RESIDENTIAL		4,437	93,013		\$263,906	TOTAL RESIDENTIAL		4,437	93,013		\$391,875	48.5%	62.0%	78.2%	
Commercial Monthly						Commercial Quarterly									
5/8		64	0	\$27.00	\$1,728	5/8		72	0	\$40.00	\$2,880	66.7%	81.3%	82.0%	
3/4		4	0	\$27.00	\$108	3/4		4	0	\$40.00	\$160	48.1%	61.1%	78.8%	
1		0	0	\$27.00	\$0	1		0	0	\$40.00	\$0				
1 1/2		20	0	\$27.00	\$540	1 1/2		20	0	\$40.00	\$800	48.1%	61.1%	78.8%	
2		23	0	\$27.00	\$621	1 1/2		23	0	\$40.00	\$920	48.1%	61.1%	78.8%	
3		0	0	\$27.00	\$0	1 1/2		0	0	\$40.00	\$0				
Bills and Customer Charges		111	0		\$2,997	Bills and Customer Charges		119	0		\$4,760	58.8%	72.7%	80.9%	
First	10,000		10,561	\$1,5600	\$16,480	First	10,000		10,561	\$2,3050	\$24,350	47.8%	61.5%	77.7%	
Next	23,300		7,329	\$1,2520	\$9,176	Next	23,300		7,329	\$2,3050	\$16,893	84.1%	101.3%	83.0%	
Commercial Usage			17,893		\$25,656	Commercial Usage			17,893		\$41,243	60.8%	75.8%	80.2%	
TOTAL COMMERCIAL		111	17,893		\$28,653	TOTAL COMMERCIAL		119	17,893		\$46,003	60.6%	75.4%	80.3%	
Availability						Availability									
		72	0	\$15.00	\$1,080			72	0	\$22.00	\$1,584	46.7%	62.0%	75.3%	
Total Availability		72	0		\$1,080	Total Availability		72	0		\$1,584	46.7%	62.0%	75.3%	
TOTAL REVENUE		4,620	110,906		\$293,639	TOTAL REVENUE		4,628	110,906		\$439,162	49.7%	63.1%	78.6%	
											Increase				
												\$145,824			

Hidden Valley Utility Services, L.P.
R-2018-3001307
Sewer Bill Comparison Phase II

Usage	Quarterly Present	Increase	Quarterly Settlement	Percent Increase
0	\$34.00	\$6.00	\$40.00	17.6%
1,000	\$53.80	\$9.25	\$63.05	17.2%
2,000	\$73.60	\$12.50	\$86.10	17.0%
2,100	\$75.58	\$12.83	\$88.41	17.0%
3,000	\$93.40	\$15.75	\$109.15	16.9%
4,000	\$113.20	\$19.00	\$132.20	16.8%
5,000	\$133.00	\$22.25	\$155.25	16.7%
6,000	\$152.80	\$25.50	\$178.30	16.7%
7,000	\$172.60	\$28.75	\$201.35	16.7%
8,000	\$192.40	\$32.00	\$224.40	16.6%
9,000	\$212.20	\$35.25	\$247.45	16.6%
10,000	\$232.00	\$38.50	\$270.50	16.6%
11,000	\$251.80	\$41.75	\$293.55	16.6%
12,000	\$271.60	\$45.00	\$316.60	16.6%
13,000	\$291.40	\$48.25	\$339.65	16.6%
14,000	\$311.20	\$51.50	\$362.70	16.5%
15,000	\$331.00	\$54.75	\$385.75	16.5%
16,000	\$350.80	\$58.00	\$408.80	16.5%
17,000	\$370.60	\$61.25	\$431.85	16.5%
18,000	\$390.40	\$64.50	\$454.90	16.5%
19,000	\$410.20	\$67.75	\$477.95	16.5%
20,000	\$430.00	\$71.00	\$501.00	16.5%