**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission : R-2018-3003141

Office of Consumer Advocate : C-2018-3003732

:

v. :

:

Borough of Indiana :

**INTERIM ORDER SUSPENDING THE LITIGATION SCHEDULE**

**AND ESTABLISHING INSTRUCTIONS FOR THE FILING OF A**

**JOINT PETITION FOR SETTLEMENT**

On June 28, 2018, the Borough of Indiana (Borough) filed Supplement No. 11 to Sewer - Pa. P.U.C. No. 1, to become effective September 1, 2018. The Borough, by filing this tariff supplement, seeks Commission approval to implement rate changes that would increase the level of rates that it charges for providing service to its customers.

If the proposed tariff supplement becomes effective, the Borough will benefit from an opportunity to recover an estimated annual increase in base rate revenues of $880,920 from its customers. This represents an approximate 33% increase in the Borough’s annual revenues at present rates. The Borough states that $390,062 of this increase is attributable to customers outside the Borough. This represents an approximate 31.76% increase for customers outside the Borough.

Under the Borough’s filing, the proposed flat monthly rate would increase from $12.57 to $16.72, or by 33%, for service to a single-family resident. Metered service is provided to customers whose water is served by Pennsylvania-American Water Company and appears to apply only to Commercial and Public customers. The proposed rates for customers receiving metered service is a flat monthly rate of $16.72 and a volumetric charge of $4.18 per 1,000 gallons used over 4,000 gallons. Usage over 20,000 gallons is proposed to be $3.46 per 1,000 gallons per month.

The Borough serves approximately 3,216 customers inside the Borough and 3,973 outside the Borough. Of the 3,973 PUC jurisdictional customers, 3,524 are residential. Jurisdictional customers are located in White Township, Indiana County.

On July 31, 2018, the OCA filed a formal complaint (C-2018-3003732) against the proposed increase in rates and a Notice of Appearance. The Bureau of Investigation and Enforcement (BIE) filed a Notice of Appearance on August 16, 2018. On August 23, 2018, the Commission issued an Order initiating an investigation into the lawfulness, justness and reasonableness of the proposed rates, and suspended the effective date until April 1, 2019, by operation of law.

By notice dated August 28, 2018, a prehearing conference was scheduled for September 5, 2018, and this matter was assigned to me for disposition. A prehearing conference order was issued which, among other things, directed the parties to file prehearing memoranda. By email dated August 29, 2018, the Borough notified the Commission that it would participate in the Commission’s mediation process.

Prehearing memoranda were filed by the parties as directed. The first prehearing conference convened as scheduled. Counsel for the Borough, BIE, and OCA appeared. The parties agreed to convene a further prehearing conference on October 31, 2018, to report on the status of the negotiations and to agree on a litigation schedule if one was necessary.

A further prehearing conference was convened on October 31, 2018. All of the parties appeared. A litigation schedule was established, which included dates for the filing of testimony and scheduled evidentiary hearings in Harrisburg in January 2019.

By email dated November 21, 2018, the parties reported that they have reached a settlement in principle and requested a suspension of the litigation schedule.

THEREFORE,

IT IS ORDERED:

1. That the litigation schedule for the filing of testimony established by the Interim Order dated November 1, 2018, is suspended.

2. That the evidentiary hearings currently scheduled for January 23-24, 2019, in Harrisburg shall be cancelled.

3. That the parties shall file a joint petition for settlement along with statements in support on or before **December 7, 2018.** This date may be modified upon an appropriate request of the parties.

4. The joint petition must include a stipulation of facts which support the substantive provisions of the settlement.

5. The joint petition shall also include a rate impact analysis for applicable residential, commercial and industrial rate class:

a. Proposed monthly customer charge from initial filing and percentage of increase;

b. Proposed impact on average customer bill and percentage of increase;

c. Settlement monthly customer charge and percentage of increase;

d. Settlement impact on average customer bill and percentage of increase.

The rate impact analysis should be stated in both dollars/cent amounts and percentages. This analysis may be presented as an appendix to the joint petition for settlement.

6. That the parties must comply with 52 Pa.Code §§ 5.501, et seq., regarding the preparation and filing of briefs. The parties shall submit to the Presiding ALJ one hard copy of their joint petition and statements in support and one copy by email. The electronic version of a brief must be prepared on an IBM compatible system in Microsoft Office Word 2016 format or in an earlier version of this software application.

7. That the parties shall agree on a common outline including headings and subheadings. While every party need not address every issue, the same headings shall be presented in the same order.

8. That the Company’s statement in support shall include a procedural history. Other parties may present their own statement of the history of the case or adopt by reference the Company’s statement.

9. That statements in support should be specific about how the settlement benefits a party. Avoid lengthy boilerplate discussion regarding the general benefits of settlement.

Date: November 26, 2018 /s/

Mary D. Long

Administrative Law Judge

**R-2018-3003141 - PENNSYLVANIA PUBLIC UTILITY COMMISSION v. BOROUGH OF INDIANA**

**C-2018-3003732 – OFFICE OF CONSUMER ADVOCATE v. BOROUGH OF INDIANA**

*Revised 10/29/18*

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