Louise A. Knight 3610 Logan Court Unit 3B Camp Hill, PA 17011 **Telephone: 717-919-4087**

June 13, 2021

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

> Re: Pennsylvania Public Utility Commission and Thomas V. Tinsley, Jr. v. Indian Springs Water Company; Docket Nos. M-2019-3011972 and C-2019-3012933

Replies of the Indian Springs Water Company and the Glen Summit Company to the Exceptions of Thomas V. Tinsley

Dear Secretary Chiavetta:

Attached to this letter are the Replies to Exceptions filed by the Indian Springs Water Company and the Glen Summit Company filed on June 4, 2021 and served on all parties of record on that same day. Unfortunately, the e-filing system rejected the filings because mechanically they were filed in several parts.

This problem did not come to counsel's attention immediately. I am therefore, making the filing today and ask that it be considered *nunc pro tunc*. The reasons why this acceptance will cause no injury to any party is (1) that all parties were duly served on June 4, 2021 and (2) that the Replies to Exceptions are the final documents permitted procedurally in these matters. Thus, this filing is merely the correction of filing error and prejudices no one.

Thank you for you attention to this matter.

Sincerely,

Louise A. Knight

Counsel for Indian Springs Water Company and

Glen Summit Company

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June 4, 2021

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

Re: Pennsylvania Public Utility Commission and Thomas V. Tinsley, Jr.

v. Indian Springs Water Company; Docket Nos. M-2019-3011972

and C-2019-3012933

Dear Secretary Chiavetta;

Enclosed for filing with the Pennsylvania Public Utility Commission are the Replies of Indian Springs Water Company and Glen Summit Company to the Exceptions to the Recommended Decision of the Honorable Steven K. Haas filed by Thomas V. Tinsley, Jr. in the above-captioned proceeding.

A copy of this document has been served in accordance with the attached Certificate of Service. *Due to the closure of the Public Utility Commission's offices, service is by e-mail only, except for Mr. Tinsley.* Should you have any questions or comments, please feel free to contact me. Thank you for your attention to this matter.

Yours truly,

Louise A. Knight

Counsel for Indian Springs Water Company and

Glen Summit Company

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,

Docket No. M-2019-3011972

v. :

C-2019-3012933

Indian Springs Water Company

REPLIES OF THE INDIAN SPRINGS WATER COMPANY AND THE GLEN SUMMIT COMPANY TO THE EXCEPTIONS FILED BY THOMAS V. TINSLEY TO THE RECOMMENDED DECISION OF ADMINISTRATIVE LAW JUDGE STEVEN K. HAAS DATED MAY 3, 2021

The Indian Springs Water Company and the Glen Summit Company (collectively, "ISWC and GS") hereby reply to the Exceptions filed by Thomas V. Tinsley to the Recommended Decision of Administrative Law Judge Steven K. Haas dated May 3, 2021.

1. Tinsley Exception No. 1. Wells cost more than \$5000. The contribution to customers is not enough.

<u>ISWC</u> and <u>GS</u> Reply: The essence of settlement is the parties (or a subset of the parties in this case) have decided that a reasonable, rational settlement is necessary to end the dispute or case. Settlements have the benefits of eliminating risk for the participants by presumably controlling the outcome. Furthermore, the PUC encourages settlements for multiple reasons, as noted by ALJ Haas.

In this case, the facts relevant to the issues in the Section 529 proceeding initiated by the Pennsylvania Public Utility Commission ("PUC") have been enumerated in the Settlement Petition filed on December 15, 2020 and were deemed as evidence of record by ALJ Haas in his Recommended Decision (p. 5). In summary, ISWC is a public utility that has been providing water service to the area of Glen Summit since the late 1800's, but both time and the increased cost of providing safe, adequate and reasonable public water service, especially in comparison to the small customer base, have rendered the enterprise incapable of being sustained. Section 529 of the Public Utility Code, 66 Pa.C.S. §529, provides an avenue for these situations to be resolved by the takeover by another public water supplier or other reasonable option. In this case, the record shows

that there are no nearby public water suppliers that have the means and motivation to take over ISWC. Customers had been leaving the system by way of drilling wells for some time since it was apparent that the continued provision of service simply was not economically feasible.

The issue was, and the Joint Petitioners focused on, how to allow ISWC to abandon service while at the same time providing some substantial measure of compensation to the former customers.

Briefly, the Joint Petitioners did find such an accommodation. ISWC is being permitted to abandon service and its former customers are receiving a substantial, but not total, contribution to the cost of their wells. The customers, through Glen Summit, are also obtaining title and continued access to a body or water and surrounding property ("Fountain Lake") that has been a longtime resource of the Glen Summit community which will be paid for via Glen Summit Company.

Given the totality of the circumstances, ISWC and GS submit that the interests of all parties were considered both by the Joint Petitioners and ALJ Haas in his well-considered Recommended Decision and a rational, reasonable and fair settlement was reached. The point was not to pay for every dollar of every well. The point was to find an ample and adequate quid pro quo.

2. Tinsley Exception No. 2. Customers will owe taxes.

<u>ISWC</u> and <u>GS</u> Reply: It is not within the purview of the Parties or the PUC to analyze or allocate tax liability, if any. Therefore, no expert opinions in the proceeding support any finding of tax liability.

3. Tinsley Exception No. 3. Indian Springs will owe taxes.

ISWC and GS Reply: See Reply #2, above.

4. Tinsley Exception No. 4. The compensation for the land assets is not fair.

ISWC and GS Reply: The public advocates, ISWC and GS have bargained in good faith to arrive at a settlement that takes into account the interests of all parties in a complex situation. Fountain Lake and surrounding property have been a community asset for over 100 years. The transaction has been signed off by ISWC taking into account its public and private obligations. The Settlement Agreement has the overwhelming support of the community.

5. Tinsley Exception No. 5. The GSC [sic].

<u>ISWC</u> and <u>GS</u> Reply: GS has entered into the Settlement Agreement in good faith and has the financial capacity to comply with the terms of the agreement. Beyond the

irrelevance of the sewer situation, GS has no financial responsibility for any upgrades to the sewer system or payments to the Mountaintop Joint Sewer Authority.

As stated by ALJ Haas, "[W]ith respect to Mr. Tinsley's concerns about the managerial ability of the entity that will take title to the lake and woodlands to manage and maintain the property into the future, I again find that the overall benefits of the Settlement outweigh such {Mr. Tinsley's} concerns. Again, his concerns are purely speculative and offer no valid reason to reject the Settlement that has been crafted after extensive negotiations by the Joint Petitioners, including ISWC and Glen Summit Company." Recommended Decision, p.31.

6. Tinsley Exception No. 6. No Fire Hydrants.

ISWC and GS Reply: As Mr. Tinsley likely knows given his involvement in ISWC over the years, while ISWC hydrant service existed in Glen Summit at one time, its hydrants were disconnected around 1980 due to lack of pressure and volume. The fire hydrants haven't been operational for the last forty years. The conversion to wells in Glen Summit did not change availability of fire protection in Glen Summit.

7. Tinsley Exception No. 7. Status Reports did not have enough information.

<u>ISWC</u> and <u>GS</u> Reply: The parties followed the procedure established by Administrative Law Judge Haas.

WHEREFORE, the Indian Springs Water Company and the Glen Summit Company submit that the Exceptions filed by Thomas V. Tinsley, Jr. should be denied in their entirety and the Recommended Decision of Administrative Law Judge Steven K. Haas should be approved without qualification.

Respectfully submitted,

Louise A. Knight

Attorney Number 26167

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,

Docket Nos. M-2019-3011972_

C-2019-3012933

v.

Indian Springs Water Company

CERTIFICATE OF SERVICE

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

VIA E-MAIL OR FIRST CLASS MAIL

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Thomas V. Tinsley, Jr. 286 Birch Lane Mountain Top, PA 18707

The Honorable Steven K. Haas Pennsylvania Public Utility Commission Keystone Building 400 North Street Harrisburg, PA 17120 Email: sthaas@pa.gov Louise A. Knight, Esquire

Counsel for The Indian Springs Water Company and

Glen Summit Company

Date: June 4, 2021