

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
ADMINISTRATIVE LAW JUDGE DAVID J. SALAPA PRESIDING

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PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Pennsylvania Public Utility Commission
et al.

v.

Pennsylvania Utility Company - Water
Division

Docket Nos. R-2009-2103937
C-2009-2145052
C-2010-2156840
C-2010-2156874

Pennsylvania Public Utility Commission
et al.

v.

Pennsylvania Utility Company -
Wastewater Division

Docket Nos. R-2009-2103980
C-2009-2145166
C-2010-2156875
C-2010-2156847

STIPULATION FOR ADMISSION OF EVIDENCE

Pennsylvania Utility Company ("PA Utility" or "Company"), the Office of Trial Staff ("OTS"), the Office of Consumer Advocate ("OCA"), the Eagle Village Property Owners Association ("Eagle Village"), and The Glen at Tamiment Property Owners Association ("the Glen") (collectively, the "Parties") file this Stipulation for Admission of Evidence ("Stipulation") in the above-captioned proceeding. In support of this Stipulation, the parties respectfully represent the following:

1. On October 30, 2009, the Company filed Supplement No. 1 to Tariff Water-Pa. P.U.C. No. 1 and Supplement No. 1 to Tariff Wastewater-Pa. P.U.C. No. 1 to become effective December 29, 2009.¹ The water tariff supplement docketed at R-

¹ The tariff supplements were corrected to Supplement No. 2 to Tariff Water-Pa. P.U.C. and Supplement No. 2 to Tariff Wastewater-Pa. P.U.C. No. 2.

2009-2103937 contained proposed changes in rates, rules, and regulations calculated to produce \$112,309 (69.4% increase) in additional annual revenues based on a future test year ended December 31, 2009. The wastewater tariff supplement docketed at R-2009-2103980 contained proposed changes in rates, rules, and regulations calculated to produce \$369,827 (232.8% increase) in additional annual revenues based on a future test year ended December 31, 2009.

2. On December 3, 2009, the Office of Consumer Advocate ("OCA") filed a complaint in both rate cases docketed at C-2009-2145052 (Water) and C-2009-2145166 (Wastewater). On January 13, 2010, the Office of Trial Staff ("OTS") formally entered an appearance in both cases. Various water and wastewater customers and two home owners associations filed formal complaints in both rate cases as well.

3. By Commission orders entered December 17, 2009, the Company's water and wastewater filings were suspended by operation of law pursuant to 66 Pa. C.S. §1308(d) until July 29, 2010, unless permitted by Commission Order to become effective at an earlier date. By letter dated January 4, 2010, the Company agreed to mediate the water and sewer rate cases currently before the Public Utility Commission at dockets R-2009-2103937 and R-2009-2103980, respectively. The Company voluntarily agreed to extend the suspension periods in both cases for an additional 60 days, until September 28, 2010. The case was assigned to ALJ Salapa for purposes of conducting hearings and issuing a recommended decision.

4. ALJ Salapa held a prehearing conference on January 25, 2010 where a schedule was established for the submission of testimony and evidentiary hearings. The ALJ consolidated the two cases and the associated complaints. The Glen and

Eagle Village were deemed active parties to the case. The other customer complainants were deemed inactive parties to the case. Evidentiary hearings were scheduled for May 18-20, 2010. Also on January 25, 2010, the Parties participated in the first of two mediation sessions with Mediator Cynthia Lehman at which the parties discussed issues in the case and possible settlement.

5. As required by the adopted procedural schedule, the Company filed the prepared direct testimony of two witnesses and related exhibits on March 17, 2010. The testimony consisted of Pennsylvania Utility Company Statement Number 1 (direct testimony of Jan Springman, Company manager, regarding both water and sewer divisions), Statement Number 2 (direct testimony of Scott D. Fogelsanger regarding the water division), and Statement Number 3 (direct testimony of Scott D. Fogelsanger regarding the sewer division).

6. Extensive settlement negotiations were conducted by the Parties on numerous occasions and during two mediation sessions in an effort to settle some or all of the issues in the case. These negotiations resulted in the Joint Petition for Settlement which has been filed with this Stipulation. In conjunction with the Joint Petition for Settlement of Rate Investigation, the parties have entered into this evidence stipulation with regard to admission by stipulation of the following testimony and exhibits into the record.

a. Pennsylvania Utility Company Supplement No. 2 to Tariff Water - PA P.U.C. No. 2 and Supplement No. 2 to Tariff Wastewater - PA P.U.C. No. 2, filed with the Commission Secretary on October 30, 2009.

b. Pennsylvania Utility Company Statement No. 1 (direct testimony of Jan Springman, Company Manager, regarding both water and wastewater divisions) with exhibit JS-1, filed March 17, 2010.

c. Pennsylvania Utility Company Statement No. 2 (direct testimony of Scott D. Fogelsanger regarding the water division) with SDF Exhibit No. 1, filed March 17, 2010.

d. Pennsylvania Utility Company Statement No. 3 (direct testimony of Scott D. Fogelsanger regarding the sewer division) with SDF Exhibit No. 1, filed March 17, 2010.

7. The admission by stipulation of the foregoing documents, testimony and exhibits is subject to the approval of the Joint Petition for Settlement of Rate Investigation by the Commission. As set forth in the Joint Petition for Settlement, all parties reserve their right to submit further testimony and to cross-examine witnesses in the event the Joint Petition for Settlement is not approved by the Commission.

8. Counsel for OTS, OCA and the Associations have reviewed this Stipulation and have authorized counsel for the Company to state that they do not object to this Stipulation and join in it.

9. Copies of the documents, testimony and exhibits identified in paragraph 6 of this Stipulation have been provided to ALJ Salapa with this Stipulation. Copies of these documents will be filed with the Commission Secretary upon issuance of a Recommended Decision approving the Joint Petition for Settlement of Rate Investigation.

WHEREFORE, the parties respectfully request the Presiding Officer to admit the foregoing documents, testimony and exhibits into the record of this proceeding.

Respectfully submitted,



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