

May 18, 2010

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Via Hand Delivery

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

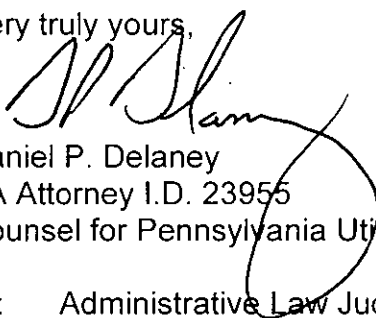
Re: Pennsylvania Public Utility Commission v. Pennsylvania Utility
Company, Inc. - Sewer Division, Docket No. R-2009-2103980
Pennsylvania Public Utility Commission v. Pennsylvania Utility
Company, Inc. - Water Division, Docket No. R-2009-2103937

Dear Secretary Chiavetta:

Enclosed please find an original and three copies of a Joint Petition for Settlement of Rate Investigation and a Stipulation for Admission of Evidence for filing in the above-referenced matter.

Copies of these documents have been served on the Presiding Officer and parties to this matter as indicated on the enclosed Certificate of Service.

Very truly yours,


Daniel P. Delaney
PA Attorney I.D. 23955
Counsel for Pennsylvania Utility Company

cc: Administrative Law Judge David A. Salapa (w/enclosure)
Certificate of Service (w/enclosure)

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

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PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE

Pennsylvania Public Utility Commission <i>et al.</i>	:	
	:	
	:	Docket Nos. R-2009-2103937
v.	:	C-2009-2145052
	:	C-2010-2156840
Pennsylvania Utility Company - Water Division	:	C-2010-2156874
	:	
Pennsylvania Public Utility Commission <i>et al.</i>	:	
	:	
	:	Docket Nos. R-2009-2103980
v.	:	C-2009-2145166
	:	C-2010-2156875
Pennsylvania Utility Company - Wastewater Division	:	C-2010-2156847
	:	

JOINT PETITION FOR SETTLEMENT OF RATE INVESTIGATION

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 "Joint Petitioners") submit this Joint Petition for Settlement of Rate Investigation ("Joint Petition"). Joint Petitioners request the presiding Administrative Law Judge ("ALJ") to issue a Recommended Decision which: (1) approves the settlement of these consolidated proceedings as requested in this Joint Petition ("Settlement"); and (2) recommends that the Public Utility Commission ("Commission") adopt this Settlement and permit the Company to file the Water and Sewer Tariff Supplements attached to this Joint Petition as Exhibit "A"; and (3) terminates the investigation at the above docket numbers and mark the consolidated

dockets closed. In support of their request, the Joint Petitioners respectfully represent the following:

BACKGROUND

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-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

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.

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, Joint Petitioners 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. Two Public Input Hearings were held on March 10, 2010 at 1:00 p.m. and 6:00 p.m. at The Glen Community Building during which 22 customer witnesses testified. 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 Joint Petitioners 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 this Joint Petition for Settlement. Except to the extent identified herein, the Joint Petitioners have not attempted to agree upon the specific rate-case adjustments which support their positions in the consolidated cases. The Joint Petitioners, however, are in agreement that this Settlement is in the best interest of the Company and its customers and therefore should be approved by the Presiding Officer as in the public interest.

SETTLEMENT TERMS AND CONDITIONS

7. The Settlement consists of the following terms and conditions:

a. Upon the Commission's approval of the Settlement, the Company will be permitted to charge on one day's notice the rates for water and sewer service set forth in the proposed Tariff Supplements attached to this Joint Petition as Exhibit "A." The settlement rates are designed to produce additional annual service revenues of \$70,000 for the Company's Water Division and \$275,000 for the Company's Sewer Division, as shown on the proof of revenues for each division attached to this Joint Petition as Exhibit "B," subject to a phase-in of rates for the Sewer Division described in Paragraph 7.c below. The Tariff Supplements contained in Exhibit "A" have been reviewed by the Joint Petitioners and comply with the terms of this Settlement.

b. The parties agree that in designing the settlement rates, the number of Company customers would be reduced by the 220 availability lots related to the developer who has abandoned his project in the Company's service territory. The Company agrees that the 220 lots would be removed for purposes of this case only and that the Company would charge an availability fee for any lots sold while the settlement rates are in effect.

c. Rates for the Water Division will become effective upon one day's notice after entry of a Commission order approving the Settlement. Rates for the Sewer Division will take effect in two phases. Sixty-five percent of the total revenue requirement increase for the Sewer Division (\$178,750) would take effect upon one day's notice after entry of a Commission order approving the Settlement ("Phase I"). Thirty-five percent of the total revenue requirement increase for the Sewer Division (\$96,250) will take effect on one day's notice 12 months from the effective date of the Phase I rates ("Phase II").

d. The Company agrees that Phase II rates will not take effect until terms and conditions described in Paragraph 7.g through 7.n of this Settlement Agreement are satisfied; provided, however, that in the event the Company uses reasonable efforts to satisfy each term and condition identified in Paragraph 7 during Phase I and is prevented from satisfying any term and condition in Paragraph 7.g through 7.n or from meeting any deadline described therein due to circumstances outside the Company's control, the Company shall be relieved from such compliance and Phase II sewer rates shall take effect on one day's notice 12 months from the effective date of the Phase I rates. Disputes regarding compliance with the terms and conditions of this Paragraph 7 shall be referred to the Commission for resolution. Whether the Company has engaged in reasonable efforts as above described, and has been prevented from meeting deadlines due to circumstances beyond the Company's control shall be determined by the Commission.

e. The Company will not file for another general water or sewer rate increase under Section 1308(d) of the Public Utility Code before the end of 12 months after the effective date of the Phase II increase described in Paragraph 7.c of this Settlement. However, if a legislative body or administrative agency, including the Commission, orders or enacts fundamental changes in policy or statutes which directly and substantially affect the Company's water and sewer rates, this Settlement shall not prevent the Company from filing tariff supplements to the extent required by such action.

f. The Settlement rates are designed to produce, as shown in Exhibit B, approximately \$231,820 in total annual water revenues for the Water Division; \$337,639 in total annual wastewater revenues for the Sewer Division during Phase I; and \$433,889 in total annual wastewater revenues during Phase II. The average bill for a typical water customer using 9,000 gallons per quarter will

increase from \$68.57 per quarter to \$100.72 per quarter (by \$32.15, or 46.9%) in lieu of the increase to \$120.36 per quarter (\$51.79, or 75.5%) originally proposed by the Company. As compared to the quarterly increase in wastewater revenues from \$68.57 to \$241.36 (by \$172.79, or 252%) originally proposed by the Company, the average bill for a typical wastewater customer using 9,000 gallons per quarter during Phase I will increase from \$68.57 per quarter to \$152.41 per quarter (by \$83.84, or 122.3%); and the average bill for a typical wastewater customer using 9,000 gallons per quarter during Phase II will increase from \$152.41 per quarter to \$197.01 per quarter (by an additional \$44.60, or 29.3%).

g. The Company commits to resolve odor issues at the lift station and nearby manhole covers. The Company agrees to consult with independent experts and undertake necessary steps to solve the odor issues. If initial steps are not successful in addressing the odor issues, then the Company agrees to undertake alternative remedies. The odor issues are to be addressed no later than six months after the effective date of the rate increases. The Company agrees to provide quarterly reports to the parties until corrective actions have been completed. The report will contain the actions taken by the Company during the quarter. Any complaints received by the Company regarding odors in the area of the lift station and the manhole covers will be reported in the complaint log kept by the Company and available for inspection upon request by the parties.

h. The Company agrees to paint the outside of the water storage tank for the estimated cost of \$23,500. The parties agree to a five-year amortization of the tank painting cost as reflected in the total rate increase identified in Paragraph 7.a above. Subject to contractor availability, the Company will employ reasonable efforts to have the work completed within three months following the final Commission order approving this Settlement. The Company will provide the

tank painting estimate to the parties and will notify the parties when the work is completed.

i. The Company agrees to have the inside of the water storage tank inspected by an independent contractor/consultant. The Company agrees to have the inspection completed within 90 days following entry of the Commission order approving the Settlement and to provide a copy of the report to the parties. If the inspection indicates that the inside of the tank should be painted, the Company agrees to do so in the context of its next rate case following the receipt of the inspection report. If the report indicates that the condition of the inside of the water storage tank presents an imminent health and safety threat, the Company agrees to have the inside of the water storage tank painted as quickly as possible following receipt of the inspection report.

j. The Company agrees to conduct pressure surveys as required by 52 Pa. Code § 65.6(d). In portions of the Company's service area which are at an elevation of 1,231 ft. msl or higher, the Company will make available a booster pump to customers when pressure at the main is below 30 psi. The provisions of this subparagraph do not relieve the Company from other regulations regarding pressure.

k. The Company agrees to conduct a leak detection survey of its system by the end of the first quarter following a Commission order approving the Settlement in this case. Within ten days following the receipt of the report, the Company will provide it to the parties. Within sixty days following the receipt of the report, the Company will arrange to have any discovered leaks repaired and will provide a report on the number of leaks repaired.

l. The Company will comply with Sections 56.15 and 56.21 of the Commission's regulations, 52 Pa. Code §§ 56.15 and 56.21, and will modify its current billing format to include revisions suggested by the parties.

m. The Company agrees to remove locks on fire hydrants in populated areas of the service territory and retain them in areas with sparse population. The Company agrees to obtain bids on telemetry to monitor its water tanks within 90 days following the Commission order approving this Settlement and provide copies of the bids to the parties. The Company will work with the Associations to insure agreement on which fire hydrants should be unlocked.

n. The Company agrees to comply with 52 Pa. Code § 65.3 concerning records of customer complaints.

8. The Company, the OCA, the OTS, and the Associations have prepared the attached statements in support of this Joint Petition which are identified as Exhibits C, D, E, and F respectively. These statements identify the reasons that the parties believe the Settlement is just and reasonable and in the public interest.

9. The parties submit that the Settlement is in the public interest for the following additional reasons

a. The Settlement rates are designed to produce, as shown in Exhibit B, approximately \$231,820 in total annual water revenues for the Water Division; \$337,639 in total annual wastewater revenues for the Sewer Division during Phase I; and \$433,889 in total annual wastewater revenues during Phase II. The average bill for a typical water customer using 9,000 gallons per quarter will increase from \$68.57 per quarter to \$100.72 per quarter (by \$32.15, or 46.9%) in lieu of the increase to \$120.36 per quarter (\$51.79, or per quarter (75.5%) originally proposed by the Company.

b. As compared to the quarterly increase in wastewater revenues from \$68.57 to \$241.36 (by \$172.79, or (252%) originally proposed by the Company, the average bill for a typical wastewater customer using 9,000 gallons per quarter during Phase I will increase from \$68.57 per quarter to \$152.41 per quarter (by \$83.84, or 122.3%); and the average bill for a typical wastewater customer using

9,000 gallons per quarter during Phase II will increase from \$152.41 per quarter to \$197.01 per quarter (by an additional \$44.60, or 29.3%).

c. As part of the settlement, the Company has agreed to address issues raised by customers during the public input hearings conducted in March 2010 including complaints of odors at the manhole and lift station, pressure issues, and the appearance of the storage tank.

d. Acceptance of the proposed Settlement will avoid further administrative and possible appellate proceedings at substantial cost to the Joint Petitioners, the Commission, other parties and the Company's customers.

10. This Settlement is proposed by the Joint Petitioners to resolve the instant case and is made *without admission* against, or prejudice to, any position which any Joint Petitioner may adopt during subsequent litigation, including further litigation of this case. The parties acknowledge that the non-signatory formal complainants to these consolidated cases will be provided an opportunity to review this Joint Petition and submit comments to the Presiding Officer and parties within a time period to be set by the Presiding Officer. This Settlement is conditioned upon the Commission's approval of the terms and conditions identified herein without modification. If the Commission should disapprove the Settlement or modify the terms and conditions herein, this Settlement may be withdrawn upon written notice to the Commission and all active parties *within three business days following entry of the Commission's order* by any of the Joint Petitioners and, in such event, shall be of no force and effect. In the event the Commission disapproves the Settlement or the Company or any other Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective rights to fully litigate this case, including but not limited to presentation of witnesses, cross examination and legal argument through the submission of briefs and exceptions.

11. If the ALJ recommends that the Commission adopt the Settlement as presented in this Joint Petition, the Joint Petitioners agree to waive the filing of

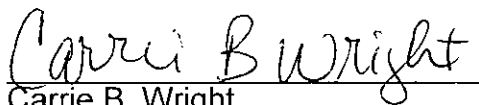
Exceptions. The Joint Petitioners however reserve the right to file Exceptions to any modifications to the terms and conditions of this Settlement or any additional matters proposed by the ALJ in his Recommended Decision. The Joint Petitioners may also file replies to any Exceptions that may be filed to the Recommended Decision.

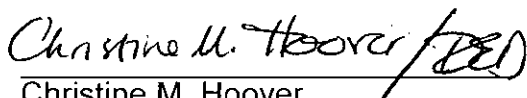
CONCLUSION

WHEREFORE, the Joint Petitioners respectfully request:

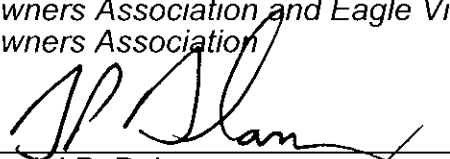
1. That Presiding Administrative Law Judge Salapa and the Commission approve the settlement identified in this Joint Petition, including all terms and conditions;
2. That the Commission find the settlement rates to be just and reasonable and grant the Company permission to file the Tariff Supplements attached hereto as Exhibit "A" with water rates and Phase I sewer rates to become effective on one day's notice after entry of a Commission order approving this Settlement;
3. That the Commission terminate its investigations at Docket Nos. R-2009-2103937 and R-2009-2103980 and close this docket and dismiss any complaints filed by the signatories to this Joint Petition against the Company's proposed rate increases; and
4. That the Commission grant any additional relief that is just and reasonable under the circumstances

Respectfully submitted,


Carrie B. Wright
Counsel for Office of Trial Staff


Christine M. Hoover
Counsel for Office of Consumer Advocate

James V. Fareri
Counsel for The Glen at Tamiment Property
Owners Association and Eagle Village Property
Owners Association


Daniel P. Delaney
George A. Bibikos
Counsel for Pennsylvania Utility Company, Inc.

CONCLUSION


WHEREFORE, the Joint Petitioners respectfully request:

1. That Presiding Administrative Law Judge Salapa and the Commission approve the settlement identified in this Joint Petition, including all terms and conditions;
2. That the Commission find the settlement rates to be just and reasonable and grant the Company permission to file the Tariff Supplements attached hereto as Exhibit "A" with water rates and Phase I sewer rates to become effective on one day's notice after entry of a Commission order approving this Settlement;
3. That the Commission terminate its investigations at Docket Nos. R-2009-2103937 and R-2009-2103980 and close this docket and dismiss any complaints filed by the signatories to this Joint Petition against the Company's proposed rate increases; and
4. That the Commission grant any additional relief that is just and reasonable under the circumstances

Respectfully submitted,

Carrie B. Wright
Counsel for Office of Trial Staff

Christine M. Hoover
Counsel for Office of Consumer Advocate



James V. Fareri
*Counsel for The Glen at Tamiment Property
Owners Association and Eagle Village Property
Owners Association*

Daniel P. Delaney
George A. Bibikos
Counsel for Pennsylvania Utility Company, Inc.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXHIBIT "A"
TARIFF SUPPLEMENTS

A-210098

Supplement No. 3 to
Tariff Water – Pa. P.U.C. No. 1

PENNSYLVANIA UTILITY COMPANY
RATES, RULES AND REGULATIONS GOVERNING
THE PROVISION OF WATER SERVICE
TO THE PUBLIC IN PORTIONS OF LEHMAN TOWNSHIP, PIKE COUNTY

ISSUED: _____

EFFECTIVE _____

BY: Ms. Jan Springman
Pennsylvania Utility Company
234 The Glen
Tamiment, PA 18371
(570) 588-3870

Issued:

Effective:

LIST OF CHANGES

This Tariff Supplement is being filed in accordance with the order adopted by the Pennsylvania Public Utility Commission on _____.

Issued:

Effective:

PART I: SCHEDULE OF RATES AND CHARGES

Section A - Rates for Service

(I)

Residential (Metered Rate):

<u>Customer Charge</u>	
Eagle Village (Quarterly)	\$54.55
Eagle Village – Office (Quarterly)	\$54.55
The Glen at Tamiment (Quarterly)	\$54.55
Eagle Point (Quarterly)	\$54.55

Consumption Charge

All Consumption	\$5.13 per thousand gallons
<u>Availability Charge for Unoccupied Lots</u>	\$19.14 per quarter

Commercial (Metered Rate):

Customer Charge (Monthly)	\$121.25
<u>Consumption Charge</u>	\$5.13 per thousand gallons

A-230091

Supplement No. 3 to
Tariff Wastewater – Pa. P.U.C. No. 1

PENNSYLVANIA UTILITY COMPANY
RATES, RULES AND REGULATIONS GOVERNING
THE PROVISION OF WASTEWATER COLLECTION, TREATMENT
AND/OR DISPOSAL SERVICE TO THE PUBLIC IN
PORTIONS OF LEHMAN TOWNSHIP, PIKE COUNTY

ISSUED: _____

EFFECTIVE: _____

BY: Ms. Jan Springman
Pennsylvania Utility Company
234 The Glen
Tamiment, PA 18371
(570) 588-3870

Issued: _____

Effective: _____

Pennsylvania Utility Company

Supplement No. 3 to
Tariff Wastewater - Pa. P.U.C. No. 1
Second Revised Page No. 2

LIST OF CHANGES

This Tariff Supplement is being filed in accordance with the order adopted by the Pennsylvania Public Utility Commission on _____.

Issued: _____

Effective: _____

PART I: SCHEDULE OF RATES AND CHARGES

Section A - Rates for Service: Phase I

(I)

Residential (Metered Rate):

Customer Charge

Eagle Village (Quarterly)	\$56.83
Eagle Village – Office (Quarterly)	\$56.83
The Glen at Tamiment (Quarterly)	\$56.83
Eagle Point (Quarterly)	\$56.83

Consumption Charge

All Consumption \$10.62 per thousand gallons

Availability Charge for Unoccupied Lots \$20.66 per quarter

Commercial (Metered Rate):

Customer Charge (Monthly) \$126.30

Consumption Charge \$10.62 per thousand gallons

Issued: _____

Effective: _____

A-230091

Supplement No. 3 to
Tariff Wastewater – Pa. P.U.C. No. 1

PENNSYLVANIA UTILITY COMPANY
RATES, RULES AND REGULATIONS GOVERNING
THE PROVISION OF WASTEWATER COLLECTION, TREATMENT
AND/OR DISPOSAL SERVICE TO THE PUBLIC IN
PORTIONS OF LEHMAN TOWNSHIP, PIKE COUNTY

ISSUED: _____

EFFECTIVE: _____

BY: Ms. Jan Springman
Pennsylvania Utility Company
234 The Glen
Tamiment, PA 18371
(570) 588-3870

Issued: _____

Effective: _____

LIST OF CHANGES

This Tariff Supplement is being filed in accordance with the order adopted by the Pennsylvania Public Utility Commission on _____.

Issued: _____

Effective: _____

PART I: SCHEDULE OF RATES AND CHARGES

Section A - Rates for Service: Phase II

(I)

Residential (Metered Rate):

Customer Charge

Eagle Village (Quarterly)	\$73.44
Eagle Village – Office (Quarterly)	\$73.44
The Glen at Tamiment (Quarterly)	\$73.44
Eagle Point (Quarterly)	\$73.44

Consumption Charge

All Consumption \$13.73 per thousand gallons

Availability Charge for Unoccupied Lots \$22.90 per quarter

Commercial (Metered Rate):

Customer Charge (Monthly) \$163.24

Consumption Charge \$13.73 per thousand gallons

Issued: _____

Effective: _____

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXHIBIT "B"
PROOF OF REVENUES

Pennsylvania Utility Company
Water Division

Water Revenues Under Settlement Rates
Settlement Revenue Increase of \$70,000

<u>Residential (Flat Rate):</u>		<u>Rate</u>	<u>Revenue</u>
Availability (Quarterly)	224 bills @	\$19.14	\$4,287.36
Total Residential (Flat Rate) Revenue			----- \$4,287.36
<u>Residential (Metered Rate):</u>			
Customer Charge (Quarterly)	2,024 bills @	\$54.55	\$110,409.20
Consumption Charge	18,454.0 t.g. @	\$5.13	\$94,669.02
Total Residential (Metered Rate) Revenue			----- \$205,078.22
<u>Commercial (Metered Rate):</u>			
Customer Charge (Monthly)	96 bills @	\$121.25	\$11,640.00
Consumption Charge	438.1 t.g. @	\$5.13	\$2,247.45
Total Commercial (Metered Rate) Revenue			----- \$13,887.45
Subtotal			----- \$223,253.03
Customers' Penalties			4,473.00
Miscellaneous Service Revenue			4,096.00
Total Operating Revenue at Settlement Rates			----- \$231,822.03
vs. Operating Revenue at Settlement Rates (\$161,820 + \$70,000)			----- 231,820.00
Difference			----- \$2.03 -----

Pennsylvania Utility Company
Sewer Division

Sewer Revenues Under Settlement Rates
Phase 1 - Settlement Revenue Increase of \$178,750 (\$275,000 x 65%)

<u>Residential (Flat Rate):</u>		<u>Rate</u>	<u>Revenue</u>
Availability (Quarterly)	224 bills @	\$20.66	\$4,627.84
Total Residential (Flat Rate) Revenue			\$4,627.84
<u>Residential (Metered Rate):</u>			
Customer Charge (Quarterly)	2,024 bills @	\$56.83	\$115,023.92
Consumption Charge	18,454.0 t.g. @	\$10.62	\$195,981.48
Total Residential (Metered Rate) Revenue			\$311,005.40
<u>Commercial (Metered Rate):</u>			
Customer Charge (Monthly)	84 bills @	\$126.30	\$10,609.20
Consumption Charge	531.2 t.g. @	\$10.62	\$5,641.34
Total Commercial (Metered Rate) Revenue			\$16,250.54
Subtotal			\$331,883.78
Customers' Penalties			4,472.00
Miscellaneous Service Revenue			1,274.00
Total Operating Revenue at Settlement Rates			\$337,629.78
vs. Operating Revenue at Settlement Rates (\$158,889 + \$178,750)			337,639.00
Difference			-\$9.22

Pennsylvania Utility Company
Sewer Division

Sewer Revenues Under Settlement Rates
Phase 2 - Settlement Revenue Increase of \$275,000

<u>Residential (Flat Rate):</u>		<u>Rate</u>	<u>Revenue</u>
Availability (Quarterly)	224 bills @	\$22.90	\$5,129.60
Total Residential (Flat Rate) Revenue			----- \$5,129.60
<u>Residential (Metered Rate):</u>			
Customer Charge (Quarterly)	2,024 bills @	\$73.44	\$148,642.56
Consumption Charge	18,454.0 t.g. @	\$13.73	\$253,373.42
Total Residential (Metered Rate) Revenue			----- \$402,015.98
<u>Commercial (Metered Rate):</u>			
Customer Charge (Monthly)	84 bills @	\$163.24	\$13,712.16
Consumption Charge	531.2 t.g. @	\$13.73	\$7,293.38
Total Commercial (Metered Rate) Revenue			----- \$21,005.54
Subtotal			----- \$428,151.12
Customers' Penalties			4,472.00
Miscellaneous Service Revenue			1,274.00
Total Operating Revenue at Settlement Rates			----- \$433,897.12
vs. Operating Revenue at Settlement Rates (\$158,889 + \$275,000)			433,889.00
Difference			----- \$8.12 =====

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXHIBIT "C"
PENNSYLVANIA UTILITY COMPANY,
INC. STATEMENT IN SUPPORT

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2009-2103937
	:	C-2009-2145052
Pennsylvania Utility Company - Water Division	:	
	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2009-2103980
	:	C-2009-2145166
Pennsylvania Utility Company - Wastewater Division	:	

**STATEMENT OF PENNSYLVANIA UTILITY COMPANY, INC. IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT OF RATE INVESTIGATIONS.**

1. Pennsylvania Utility Company, Inc. (the "Company"), submits that the proposed Settlement is in the best interest of the Company and its customers and is therefore in the public interest. The Settlement is the result of extensive discovery, the submission of testimony by the Company, and extensive negotiations among the Joint Petitioners as to the appropriate level of revenue increase and other terms and conditions of settlement. The Company supports the Presiding Officer's and Commission's approval of the proposed Settlement and offers the following reasons why the Settlement should be approved.

2. The Company is a regulated public utility engaged in the production, treatment and distribution of water and the collection and treatment of sewage.

3. The Company received a certificate of public convenience to provide water service to the public in Lehman Township, Pike County, in an Order entered March 29, 2002 at Commission Docket No. A-210098. The Company provides water service to three housing developments known as Eagle Point, Eagle Village and The

Glen at Tamiment. Eagle Point is a 36-unit condominium/timeshare development. Eagle Village is a 68-unit timeshare development. The Glen at Tamiment is a single-family housing development. The developments at Eagle Point and Eagle Village are fully built out. Portions of The Glen at Tamiment have not yet been developed. The Water Division currently has 566 customers, consisting of 56 unmetered availability customers and 510 metered customers.

4. The Company received a certificate of public convenience to provide wastewater service to the public in Lehman Township, Pike County, by Commission Order entered March 29, 2002 at Commission Docket No. A-230091. The Company provides wastewater service to the three housing developments previously described. The Company currently provides wastewater service to 560 customers consisting of 47 unmetered availability customers and 513 metered customers.

5. In the March 29, 2002 Order at Docket No. A-210098 issuing the water certificate of public convenience, the Commission directed the Company to file a rate case to establish metered water rates. The Company filed a revenue neutral metered rate case with the Commission in 2006 which was approved by the Commission in 2007 at Docket Nos. R-0061862 and R-00061863. The metered rates were revenue neutral and did not increase the customer service rates.

6. The present case is the Company's first request for a rate increase since originally certificated eight years ago. An increase in the Company's water and sewer rates is required to establish an income level which will permit the Company to finance essential and continuing plant investment so as to comply with ongoing environmental and health regulations, to permit the Company to earn a fair and accurate return on investment and to enable the Company to continue to provide safe, adequate and proper service to customers.

7. The Settlement rates are designed to produce, as shown in Exhibit B to the Joint Petition, approximately \$231,820 in total annual water revenues for the Water

Division; \$337,639 in total annual wastewater revenues for the Sewer Division during Phase I; and \$433,889 in total annual wastewater revenues during Phase II. The average bill for a typical water customer using 9,000 gallons per quarter will increase from \$68.57 per quarter to \$100.72 per quarter (by \$32.15, or 46.9%) in lieu of the increase to \$120.36 per quarter (\$51.79, or 75.5%) originally proposed by the Company. As compared to the quarterly increase in wastewater revenues from \$68.57 to \$241.36 (by \$172.79, or 252%) originally proposed by the Company, the average bill for a typical wastewater customer using 9,000 gallons per quarter during Phase I will increase from \$68.57 per quarter to \$152.41 per quarter (by \$83.84, or 122.3%); and the average bill for a typical wastewater customer using 9,000 gallons per quarter during Phase II will increase from \$152.41 per quarter to \$197.01 per quarter (by an additional \$44.60, or 29.3%).

8. While less than originally requested, these increases in annual water and sewer revenue will permit the Company to finance continuing plant investment so as to comply with environmental and health regulations, permit the Company to earn a fair and adequate rate of return on investment in property used and useful in public utility service, enable the Company to maintain financial integrity and raise such funds as are necessary for the proper discharge of its duties, and to continue to provide adequate and safe and proper service to its customers.

9. As part of the settlement, the Company has agreed to address issues raised by customers during the public input hearings conducted in March 2010 including complaints of odors at the manhole and lift station, pressure issues, and the appearance of the storage tank.

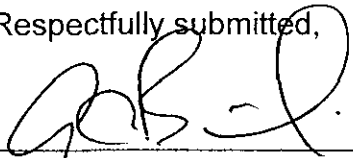
10. Acceptance of this Settlement by the Presiding Officer and Commission will allow the parties and Commission to avoid expending additional effort and resources that would be required to fully litigate this proceeding and also avoid the possibility of any appellate litigation following the entry of the Commission's final order.

This Settlement reflects a compromise by all parties to the case which has resulted in just and reasonable settlement rates.

WHEREFORE, for all the foregoing reasons, Pennsylvania Utility Company, Inc. submits that this Settlement is in the best interest of both the Company and its customers and is therefore in the public interest and should be approved by the Commission. The Company respectfully requests the Presiding Officer's and Commission's prompt review and approval of this Settlement and the issuance of a Commission order which permits the revised water and sewer rates to be implemented for service rendered on one day's notice after the Commission's approval of the Joint Petition for Settlement of Rate Investigations.

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Respectfully submitted,



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Counsel for Pennsylvania Utility
Company, Inc.

Dated: May 18, 2010

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MAY 18 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXHIBIT "D"
OFFICE OF CONSUMER ADVOCATE
STATEMENT IN SUPPORT

APPENDIX D

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION, et al.	:	
	:	
v.	:	Docket No. R-2009-2103937
	:	Docket No. C-2009-2145052
PENNSYLVANIA UTILITY COMPANY, INC. (WATER)	:	
	:	
	:	
PENNSYLVANIA PUBLIC UTILITY COMMISSION, et al.	:	
	:	
v.	:	Docket No. R-2009-2103980
	:	Docket No. C-2009-2145166
PENNSYLVANIA UTILITY COMPANY, INC. (WASTEWATER)	:	
	:	

STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF JOINT PETITION FOR SETTLEMENT

The Office of Consumer Advocate of the Commonwealth of Pennsylvania (OCA), one of the signatory Parties to the Joint Petition for Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the reasons discussed below. The OCA submits that the Settlement, taken as a whole, is in the public interest and satisfactorily addresses the issues raised in the OCA's complaint and analysis undertaken in this proceeding. While the Settlement does not reach all the recommendations the OCA may have proposed in its litigation position, the OCA recognizes that settlement is a product of compromise by all the Parties.

I. INTRODUCTION

On October 30, 2009, Pennsylvania Utility Company (Company) filed a request, to become effective December 29, 2009, containing proposed changes in water rates designed to produce additional annual revenues of \$112,309 or 69.4%. On the same day, the Company filed a request, to become effective December 29, 2009, containing proposed changes in wastewater rates designed to produce additional annual revenues of \$369,827, or 232.8%. OCA filed a Complaint against each filing on December 3, 2009. Formal complaints were filed by *Eagle Village Property Owners Association* and *The Glen at Tamiment Property Owners Association* against each as well as 5 customer complaints in water and 2 customer complaints in sewer. By Order entered December, 17, 2009 the Public Utility Commission (PUC or Commission) suspended the filing until July 29, 2010, and instituted an investigation into the reasonableness of the proposed rates. OTS entered its notice of appearance. The cases were assigned to Administrative Law Judge Salapa.

The Company agreed to participate in the PUC's mediation services and filed tariff supplements postponing the end of the suspension periods until September 28, 2010. A prehearing was held on January 25, 2010 at which time the two rate cases and the complaints were consolidated. The Glen and Eagle Village were included as active parties to the case. A mediation session was held immediately following the prehearing conference. A second mediation session was held in February in addition to numerous discussions, conference calls and further exchanges of information in an effort to resolve the proceedings.

Public input hearings were held on March 10, 2010 at The Glen Community Building, in the service territory, at which 22 customers testified. The Company filed its direct testimony on March 17, 21010. As a result of the mediation sessions and numerous discussions, the Parties

were able to agree on the Settlement set forth herein. The OCA submits that the proposed Settlement is in the public interest for the reasons discussed below.

II. REVENUES

The proposed Settlement provides for additional annual water revenues of \$70,000 or 43.26%. A typical residential customer using 9,000 gallons per quarter would see an increase from \$68.57 to \$100.72 (46%) per quarter, rather than to \$120.36 (75.5%) as originally proposed by the Company.

The proposed Settlement provides for additional annual wastewater revenues of \$275,000, phased in over two steps. In the first step, the Company's annual wastewater revenues would be increased by \$178,750, or 112.50%. In the second step, to be effective one year later, the wastewater revenues would increase by \$96,250, or 28.51%. A typical residential customer using 9,000 gallons of water per quarter, would see an increase from \$68.57 to \$152.41 (122.3%) in Phase I compared to \$241.36 as originally proposed by the Company. In Phase II, the typical customer's bill would increase from \$152.41 to \$197.01 per quarter (29.3%).

Based on the OCA's analysis of the Company's filing, the proposed revenues in the Settlement represent amounts which, in the OCA's view, would be within the range of the likely outcomes in the event of full litigation of the cases.

The Company has agreed that it will not file another water or sewer rate case any sooner than one year after the effective date of the Phase II rates. The stayout will provide some level of rate stability for the customers.

III. OTHER PROVISIONS

During the Course of this proceeding, including testimony provided at the public input hearings, numerous issues in addition to revenue requirement were identified and are addressed below.

Availability customers: The parties agree, for purposes of this case only, that the number of availability customers will be reduced by 220 to reflect the lots owned by a developer who abandoned those lots in the Company's service territory. If any of the lots are sold while the settlement rates are in effect, the Company agrees that it will charge availability fees for those lots.

Odor issues at the lift station and certain manhole covers: The Company agrees to resolve the odor issues at the lift station and nearby manhole covers. The Company agrees to consult with independent experts and take the necessary steps to resolve the odor issues no later than six months after the effective date of the rate increases. The Company will provide quarterly reports to the parties until the corrective actions have been completed. The report will describe the corrective actions taken by the Company during the quarter.

Water storage tank: The Company agrees to paint the outside of the water storage tank. The parties have agreed to a five year amortization of the \$23,500 tank painting costs which is reflected in the revenue increase agreed to in this case. The tank painting is to be completed within three months following the Commissioner order approving this settlement, and the Company will provide the estimate to the parties and will notify the parties when the painting is completed. The Company also agrees to have the inside of the water storage tank inspected by an independent contractor or consultant. The inspection must be done within 90 days after the

Commission order in this case. The Company will provide a copy of the report to the parties. If the inspection finds that the condition of the inside of the tank represents an imminent health and safety threat, the Company agrees to have the inside of the tank painted as quickly as possible. If the report indicates that the inside of the tank should be painted, but there is no imminent health and safety threat, then the Company agrees to have the tank painted as part of its next rate case.

Pressure issues: The Company agrees to conduct pressure surveys as required by 52 Pa. Code § 65.6(d). The Company also agrees that it will make a booster pump available to customers at an elevation of 1,231 ft msl or higher when the pressure at the main is below 30 psi. This provision does not relieve the Company from any other pressure requirements or regulations. The Company also agrees to conduct a leak detection survey by the end of the first quarter following the PUC's order. The Company will provide a copy of the report to the parties within ten days after it is received. The Company agrees that it will repair any leaks discovered as part of the survey within 60 days following receipt of the report and will provide a report on the number of leaks repaired.

Billing: The Company agrees to modify its current billing format to include information required by 52 Pa. Code §§ 56.15 and 56.21.

Customer Complaint Logs: The Company agrees to keep records of customer complaints it receives accordance with 52 Pa. Code § 65.3.

Fire Hydrants: The Company agrees to remove the locks on the fire hydrants that are located in the populated areas of the service territory. The locks will remain on the fire hydrants in the areas that are sparsely populated. The Company will work with the Associations to insure that there is agreement on which fire hydrants will be unlocked. In addition, the Company will obtain bids on telemetry that would monitor the level of water in its storage tanks so that if

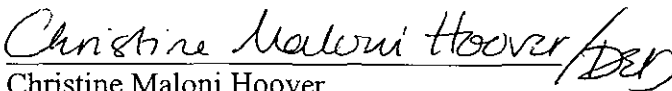
installed, the telemetry would provide an early warning system if there was a sudden drawdown on the level of water in the storage tanks. The bids will be obtained within 90 days following a Commission order and will be provided to the parties.

IV. CONCLUSION

The terms and conditions of the proposed Settlement of this rate proceeding represent a fair and reasonable resolution of the issues and claims arising in this proceeding. If approved, the proposed Settlement would produce revenues within a range of anticipated litigation outcomes, and under the Settlement, ratepayers will benefit from the other provisions discussed above. Finally, the Commission and all Parties would benefit by the reduction in rate case expense and the conservation of resources made possible by adoption of the Settlement in lieu of full litigation.

WHEREFORE, for the foregoing reasons, the Office of Consumer Advocate submits that the proposed Settlement is in the best interests of Pennsylvania Utility Company's customers.

Respectfully submitted,



Christine Maloni Hoover
Senior Assistant Consumer Advocate
Pa. I.D. No. 50026
choover@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
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(717) 783-5048
(717) 783-7152(fax)

Date: May 14, 2010
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXHIBIT "E"
OFFICE OF TRIAL STAFF
STATEMENT IN SUPPORT

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2009-2103937
	:	
Pennsylvania Utility Company – Water Division	:	
	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2009-2103980
	:	
Pennsylvania Utility Company – Wastewater Division	:	
	:	

**OFFICE OF TRIAL STAFF
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT
OF RATE PROCEEDING**

TO ADMINISTRATIVE LAW JUDGE DAVID A. SALAPA:

The Office of Trial Staff ("OTS") of the Pennsylvania Public Utility Commission, ("Commission") by and through its Prosecutor Carrie B. Wright, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Settlement of Rate Proceeding ("Settlement") are in the public interest and represent a fair, just, reasonable and equitable balance of the interest of Pennsylvania Utility Company ("PA Utility" or "Company") and its customers.

1. All five (5) active parties to this proceeding participated in the Office of Administrative Law Judge's ("OALJ") mediation process and as result, the Company, OTS, 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 "Joint Petitioners") have agreed upon the terms embodied in the foregoing Settlement.

2. OTS is charged with the representation of the public interest in proceedings relating to rates, rate-related services and application proceedings affecting the public interest held before the Commission. Consequently, in negotiated settlements, it is incumbent upon OTS to ensure that the public interest is served and to quantify to what extent amicable resolution of any such proceeding will benefit the public interest.

3. Prior to agreeing to the instant settlement, OTS conducted a thorough review of the Company's filing and supporting information, discovery responses and submitted filing data, participated in the mediation session, conducted an inspection of the facilities, and contributed to the forthright discussions amongst the parties during settlement talks. The provisions of this settlement represent a revenue increase that OTS agrees is just and reasonable and in the public interest, but is not based upon any specific adjustments or ratemaking approach, unless otherwise specifically indicated.

4. On October 30, 2009, PA Utility 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, containing proposed changes in rates, rules, and

regulations. The changes were calculated to produce \$112,309 (69.4%) in additional annual revenues for the Water Division and \$369,827 in additional revenues for the Wastewater Division.

5. By Order entered December 17, 2009, the Commission instituted an investigation to determine the lawfulness, justness and reasonableness of the proposed rates, rules and regulations.

6. Pursuant to 66 Pa. C.S. §1308(d), the filing was suspended by operation of law until July 29, 2010, unless permitted by Commission Order to become effective at an earlier date.

7. Administrative Law Judge David A. Salapa conducted a Prehearing Conference on January 25, 2010. A mediation session followed with Mediator Cynthia Lehman.

8. A second mediation session was held on March 25, 2010.

9. OTS considers Commission approval of the terms and conditions of the settlement to have the same effect as full and complete litigation and further recognizes that final resolution of this proceeding by approval of the settlement shall result in Commission-made rates.

10. OTS agrees that the terms and conditions of the Settlement are in the public interest for a number of reasons, including the following:

- (a) the Settlement provides for a level of additional operating revenues that OTS, as one of the Joint Petitioners, agrees is reasonable and lawful. The proposed rate increase is in the public interest because it allows the

Company additional annual revenue while significantly moderating the amount of the increase for PA Utility ratepayers;

- (b) the Settlement provides for a phase-in of the rates for the Sewer Division. Step one of the phase-in provides for sixty-five percent of the total revenue requirement increase taking effect upon one day's notice after the entry of a Commission order approving the Settlement. Step two of the phase-in provides for thirty-five percent of the total revenue requirement increase taking effect upon one day's notice 12 months from the effective date of the Phase I rates. Furthermore, Phase II rates will not take effect until the terms and conditions in paragraphs 7.g through 7.n of the Settlement petition are satisfied, unless the Company was unable to satisfy those requirements for reasons beyond the Company's control although they made reasonable efforts to do so. This helps avoid rate shock to the PA Utility customers and further provides reassurance that the Company will comply with the terms of the Settlement;
- (c) the Settlement provides for a stay out until the end of a twelve month period after Phase II of the increase is implemented. This provides for a level of rate stability for PA Utility customers that would not otherwise be achieved through litigation;
- (d) the Settlement avoids the necessity of further administrative and possible appellate court proceedings, which would have been at substantial cost to the involved parties and the Company's ratepayers and thereby conserves time and expenses for all involved;
- (e) the Settlement requires the Company commit to resolve the odor issues related to the lift station and manhole covers near the lift station. The Company has agreed to address these issues no later than six months after the effective date of the rate increase. Issues raised by customers such as these are an essential component of the rate case process and provide valuable insight about issues of importance to PA Utility customers. Resolving these issues, to the extent possible, is in the public interest;
- (f) the Settlement requires the Company to paint the outside of the water tank and to employ reasonable efforts to have this done within three months following Commission approval of the Settlement. Further the Company has agreed to have the inside of the tank inspected within 90 days of a Commission order approving the Settlement, and if the inspection reveals that the inside of the tank needs to be painted, the Company agrees to do so

in the context of its next rate case. If the inside of the tank presents an imminent health or safety issue the Company agrees to paint the inside of the tank as quickly as possible. This will correct an eyesore as well as prevent health or safety problems related to the water tank should the inside be found to be a health threat. Resolving issues such as these is in the public interest;

- (g) the Settlement provides for the Company to complete a leak detection survey by the end of the first quarter following Commission approval of the settlement and arrange to have any leaks repaired. This is in the public interest because detection and repair of leaks will help to mitigate the Company's percentage of lost and unaccounted for water;
- (h) the Settlement provides that the Company will conduct pressure surveys as required by 52 Pa. Code § 65.6(d) and offer booster pumps to those customers in a service area at an elevation of 1,231 ft. or higher and whose pressure at the main is below 30 psi. This is in the public interest as it helps to ensure customers will have adequate pressure;
- (i) the Settlement provides that the Company will alter its current billing format to comply with Commission regulations;
- (j) the Settlement provides that the Company will comply with 52 Pa. Code § 65.3 and keep a record of any customer complaints;
- (k) the Settlement provides that the Company will remove locks from fire hydrants in densely populated areas and retain them in those areas that are sparsely populated. Further the Company has agreed to work with Eagle Village and The Glen to determine which locks to remove. This will help to eliminate the concern from some customers that should a fire occur, the hydrants would either take too long to unlock or not be able to be unlocked by the fire department;

11. OTS represents that all issue have been satisfactorily resolved through discovery and discussions with the Company and are incorporated in the Settlement. The very nature of a settlement requires compromise on the part of all parties. This particular agreement exemplifies this principle. The balance of the issues have been carefully

discussed and negotiated in this agreement. Line by line identification of the ultimate resolution of the disputed issues is not necessary as OTS represents that the Settlement maintains the proper balance of the interests of all parties. OTS is satisfied that no further action is necessary and considers its investigation of this rate filing complete.

12. The Settlement is conditioned upon the Commission's approval of all terms and conditions contained therein and should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by the Company or OTS as provided therein.

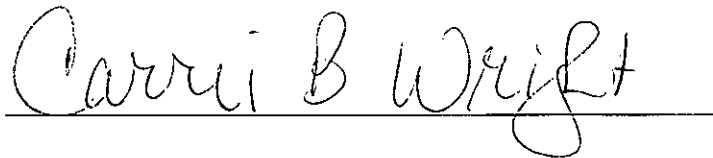
13. OTS' agreement to settle this case is made without any admission or prejudice to any position that OTS might adopt during subsequent litigation in the event that the Settlement is rejected by the Commission or otherwise properly withdrawn by any other parties to the instant proceeding.

14. If the ALJ recommends that the Commission adopt the Settlement as proposed, OTS agrees to waive the filing of Exceptions. However, OTS has not waived its right to file Reply Exceptions with respect to any modifications to the terms and conditions of the Settlement, or any additional matters, that may be proposed by the ALJ in the Recommended Decision. OTS also reserves the right to file Reply Exceptions to any Exceptions that may be filed by the Company.

15. The Commission's Office of Trial Staff represents that it has thoroughly analyzed the instant base rate filing and has actively participated in settlement discussions, which resulted in the foregoing Joint Petition for Settlement. OTS supports

the Settlement as being in the public interest and respectfully requests that Administrative Law Judge David A. Salapa recommend, and the Commission approve, the terms and conditions contained in the Joint Petition for Settlement.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carrie B. Wright". The signature is written in black ink and is positioned above a solid horizontal line.

Carrie B. Wright
Prosecutor

Office of Trial Staff
Pennsylvania Public Utility Commission
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(717) 787-1976

Dated: May 14, 2010

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXHIBIT "F"
STATEMENT IN SUPPORT OF THE
GLEN AT TAMINENT PROPERTY
OWNERS ASSOCIATION AND EAGLE
VILLAGE PROPERTY OWNERS
ASSOCIATION

Statement in Support of Joint Petition for Settlement of Rate Investigation
on behalf of Glen at Tamiment Property Owners Association
and Eagle Village Property Owners Association

Glen at Tamiment Property Owners Association and Eagle Village Property Owners Association supports the Joint Petition for Settlement of Rate Investigation.

The proposed settlement reduces the water and sewer rates from amounts originally requested. The Joint Petition also addresses customer complaints raised at the public input hearings including odor complaints, pressure complaints, and complaints relating to the appearance of water storage tank. Phase II of the sewer rates are tied into the company satisfying concerns that were raised by the rate payers at the public input hearings. The Associations believe the Joint Petition for Settlement is in the public interest and should be approved.

NEWMAN, WILLIAMS, MISHKIN,
CORVELEYN, WOLFE & FARERI, P.C.

By: 

James V. Fareri, Esq.
Attorney for Glen at Tamiment
Property Owners Association and
Eagle Village Property Owners
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(570) 421-9090

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2009-2103937
	:	
Pennsylvania Utility Company - Water Division	:	
	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2009-2103980
	:	
Pennsylvania Utility Company - Wastewater Division	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing documents upon the individuals listed, in accordance with the requirements of Section 1.54 (relating to service by a party).

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Via E-mail and Hand Delivery

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Via E-mail and Hand Delivery

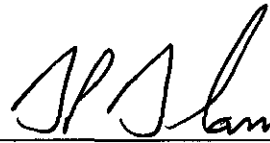
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Dated: May 18, 2010



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Counsel for Pennsylvania Utility Company, Inc.