

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Shane and Melissa Elison, <i>et al.</i>	:	
	:	
v.	:	Docket No. C-2010-2175673
	:	
Pennsylvania American Water Company	:	

SETTLEMENT

I. Introduction

Shane and Melissa Elison (collectively the Complainants), Pennsylvania-American Water Company (PAWC), the Office of Trial Staff (OTS), and the Office of Consumer Advocate (OCA), being parties to the above-captioned proceeding, hereby join in this Settlement. This Settlement shall be filed with the attached Certificate of Satisfaction upon the completion of the Terms and Conditions of the Settlement identified in Section III below.

II. Background

1. On May 8, 2010, Shane and Melissa Elison filed a Formal Complaint following the installation of a new meter by Pennsylvania-American Water Company (PAWC). The Formal Complaint alleged that following the installation of a new water meter by PAWC, the Elisons' household monthly water bill tripled. The Complainants have been credited three public relations adjustments totaling \$127.93. In addition, due to the unique circumstances of this case, and due, in part, to the Elisons' cooperation, including the amount of time and effort they have devoted to bringing this issue to PAWC's attention, PAWC has further credited their account for other plumbing adjustments.

2. The OCA filed its Notice of Intervention and Public Statement on July 1, 2010.
3. The OTS filed a Notice of Appearance on December 2, 2010.
4. Initially, the matter was set for mediation. Thereafter, the OCA requested that the matter be set for litigation and assigned to the Office of Administrative Law Judge.
5. The Office of Administrative Law Judge further assigned Administrative Law Judge David A. Salapa to the matter.
6. On November 22, 2010, a Prehearing Conference was issued and set the Prehearing Conference for December 14, 2010.
7. A Prehearing Conference was held on December 14, 2010. At that time, the parties requested a ninety (90) day extension in order to allow for further discovery and settlement discussions.
8. On December 15, 2011, in Prehearing Order #2, ALJ Salapa authorized the ninety (90) day extension.
9. On January 6, 2011, PAWC filed an Amended Answer and New Matter.
10. The OCA, OTS and the Elisons separately filed replies to PAWC's Amended Answer and New Matter.
11. The Parties filed a Status Report on March 15, 2011, informing ALJ Salapa that *settlement negotiations were continuing and requesting a further sixty (60) day extension.*
12. On March 16, 2011, ALJ Salapa issued an Order Granting Request to Extend Time to Conduct Settlement Discussions and Discovery. In the Order, ALJ Salapa approved a further sixty (60) day extension and requested a Status Report by no later than May 16, 2011.
13. On May 13, 2011, PAWC filed a Second Status Report informing ALJ Salapa that a tentative settlement agreement had been reached among the parties. The parties requested a

further ninety (90) day extension in order to allow for the Settlement to be fully implemented and for the subsequent filing of a Certificate of Satisfaction.

14. On May 16, 2011, the ALJ issued an Order Granting Request To Extend Time To Implement Settlement. The Order granted the joint request in the Second Status Report to extend the time to implement the Settlement for ninety (90) days and to file a certificate of satisfaction upon implementation of the Settlement. The Order requested a written Status Report by no later than August 22, 2011.

III. Terms and Conditions of the Settlement

15. Requirement for Installation of Dual Check Valve

a. PAWC agrees that the Settlement, and any clarifications, representations or summaries of the Settlement terms, shall not state that Pennsylvania law or regulations require residential customers to install a backflow prevention device or check valve on their water service connections.

b. The above provision does not affect statements regarding PAWC's water service tariff.

16. Distribution of Customer Notice

a. PAWC will distribute the draft customer bill letter as a conspicuous bill insert in the July 2011 billings.

b. The bill insert shall be distributed to PAWC's entire residential customer base.

17. Customer Service

a. The Company will provide training to customer service representatives regarding customer meter and billing issues related to the absence of a backflow preventer.

Specifically, the Company will train customer service representatives on how to identify a potential backflow preventer issue and what corrective measures need to be taken in order to resolve the problem. Customer service representatives will also be trained to understand that customer bills may need to be corrected or adjusted.

b. The Company will create a form on its website by which customers can report a potential backflow problem to the Company. Such a website form will explain the potential for customer meter and billing issues related to the absence of a backflow preventer and allow customers to report to the Company a problem regarding this issue. Questions that come through the website should be responded to by the Company within two business days.

IV. Conditions of the Settlement

18. The Parties acknowledge and agree that this Settlement shall have the same force and effect as if the Parties had fully litigated this proceeding.

19. This Settlement is proposed by the Parties to settle certain issues in the instant proceeding and is made without any admission against, or prejudice to, any position which any Party to this Settlement may adopt during any subsequent litigation of this or any other proceeding. This Settlement is presented without prejudice to any position which any of the Parties may have advanced and without prejudice to the position any of the Parties may advance in the future on the merits of the issues in future proceedings.

20. It is understood and agreed among the Parties that this Settlement is the result of compromises, and does not necessarily represent the position(s) that would be advanced by any Party in this proceeding if it were fully litigated.

21. The Parties agree that the Certificate of Satisfaction shall only be filed and go into effect upon the completion of the above Terms and Conditions of the Settlement identified in

Section III above. If any of the Terms and Conditions of the Settlement are not completed as described in Section III above, any Party may withdraw from the Settlement and request to proceed with litigation in this matter.

22. The execution of this Settlement and fulfillment of the Terms and Conditions identified in Section III represent satisfaction of the concerns raised by the Complainants, OCA, and OTS in this matter. Therefore, upon completion of the Terms and Conditions identified in Section III above, the Parties agree that this matter is satisfied and may be closed by the filing of the attached Certificate of Satisfaction. Filing of the attached Certificate of Satisfaction shall mean that the Terms and Conditions of the Settlement identified in Section III have been fulfilled and completed.

23. This Settlement may be executed in counterparts, each of which shall be deemed to constitute an original.

Pennsylvania-American Water Company

Dated: _____


By: _____

Dated: 5/29/11



Melissa Elison

Dated: 5/29/11



Shane Elison

The Office of Trial Staff

Dated: _____

By: _____

The Pennsylvania Office of Consumer Advocate

Dated: _____

By: _____

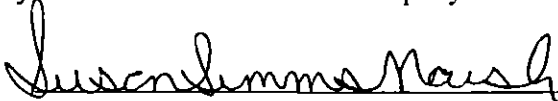
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Pennsylvania-American Water Company

Dated: 6/2/2011

By: 

Dated: _____

Melissa Elison

Dated: _____

Shane Elison

The Office of Trial Staff

Dated: _____

By: _____

The Pennsylvania Office of Consumer Advocate

Dated: _____

By: _____

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Pennsylvania-American Water Company

Dated: _____

By: _____

Dated: _____

Melissa Elison

Dated: _____

Shane Elison

The Office of Trial Staff

Dated: 6/3/11

By: 

Adeolu A. Bakare

The Pennsylvania Office of Consumer Advocate

Dated: _____

By: _____

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Pennsylvania-American Water Company

Dated: _____

By: _____

Dated: _____

Melissa Elison

Dated: _____

Shane Elison

The Office of Trial Staff

Dated: _____

By: _____

The Pennsylvania Office of Consumer Advocate

Dated: 6/1/11 _____

By: Christy M. Appley _____

CERTIFICATE OF SERVICE

Re: Shane and Melissa Elison
v.
Pennsylvania-American Water Company
Docket No. C-2010-2175673

I hereby certify that I have this day served a true copy of the foregoing Joint Stipulation of Certificate of Satisfaction, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 8th day of August 2011.

SERVICE BY EMAIL and IN PERSON

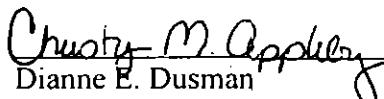
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Adeolu A. Bakare, Esquire
Office of Trial Staff
Pa. Public Utility Commission
400 North Street
Harrisburg, PA 17101

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