

April 18, 2013

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**VIA Hand Delivery**

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

Re: GSP Management Co. v. Pennsylvania American Water Company  
Docket No. C-2012-2336436

Dear Secretary Chiavetta:

On behalf of both Complainant GSP Management Company and Respondent Pennsylvania-American Water Company, please find the enclosed *Joint Stipulations* of the parties for filing in the above-captioned docket.

Please do not hesitate to contact the undersigned should you have any questions or require additional information. Thank you for your attention to this matter.

Sincerely,

COZEN O'CONNOR

  
Michael D. Klein

Enclosure

cc: Certificate of Service

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COMMONWEALTH OF PENNSYLVANIA  
BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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GSP MANAGEMENT CO.,  
  
Complainant,  
  
v.  
  
PENNSYLVANIA AMERICAN  
WATER COMPANY,  
  
Respondent.

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DOCKET NO. C-2012-2336436

**JOINT STIPULATIONS**

Complainant GSP Management Co. and Respondent Pennsylvania American Water Company hereby file the following joint stipulations of fact for purposes of resolution of the above-captioned matter only.

1. Complainant GSP Management Co. (“GSP”) operates the Interstate Village mobile home park in Claysville, Pennsylvania
2. Respondent Pennsylvania American Water Company (“PAWC”) is a public utility providing water and wastewater services to Interstate Village.
3. There are 80 developed lots at Interstate Village.
4. GSP provides water and sewer services to the residents of Interstate Village. There are no users outside the park connected to the park’s water or sewer system.
5. Interstate Village is located in PAWC’s Claysville-Donnegal service area.
6. PAWC acquired the Claysville-Donnegal system in July 2008.

7. Interstate Village has its own internal water distribution system and its own internal wastewater collection and conveyance system.
8. Interstate Village has two master water meters (collectively the “Water Meter”) through which all water to the park flows before it is distributed to individual lots.
9. PAWC owns and maintains the Water Meter.
10. Interstate Village has a wastewater flow meter (the “Sewer Meter”) through which all wastewater generated in the park flows before it enters PAWC’s sewer system.
11. Interstate Village owns and maintains the Sewer Meter.
12. Due to a variety of factors, the park’s metered water flows are usually higher than the amount of wastewater discharged by the park into PAWC’s sewer system.
13. Some metered water does not enter PAWC’s sewer system due to water consumption, water leaks, and outdoor water usage, such as watering lawns, plants, and flowers, and washing cars.
14. Metered water that enters Interstate Village but is not discharged to PAWC’s sewer system is not conveyed to or treated in PAWC’s wastewater treatment plant.
15. In addition to water, Interstate Village also discharges liquid waste and liquid borne solid waste, including waste resulting from the non-commercial preparation, cooking and handling of food: consisting of human excrement; or consisting of non-commercial laundering water, domestic housekeeping wastewater, and similar types of wastes from sanitary uses.
16. Wastewater, liquid waste and liquid borne solid waste from Interstate Village discharged to PAWC’s sewer system is conveyed to and treated in PAWC’s wastewater treatment plant.

17. The park's average metered water flow is approximately 320,000 gallons per month.

18. The park's average metered wastewater flow is approximately 259,000 gallons per month.

19. Between July 2008 and August 2012, PAWC billed GSP for wastewater services at Interstate Village based on readings from the park's Sewer Meter.

20. Based upon these historical averages, using metered water flow instead of metered wastewater flow to calculate the wastewater bills for Interstate Village will result in a wastewater bill that is approximately \$1,000 higher per month.

21. For the months of August 2011 and March 2012, the Sewer Meter for Interstate Village was partially clogged and the Sewer Meter readings for the park were erroneous.

22. The clog in August 2011 was caused by rags and grease. The clog in March 2012 was caused by grease.

23. In August 2011, the Sewer Meter reading was 893,800 gallons, approximately 300 % above the monthly average.

24. In March 2012, the Sewer Meter reading was 1,013,600, approximately 400% above the monthly average.

25. PAWC adjusted the wastewater invoices for these two months at GSP's request to reflect the average monthly sewer usage at Interstate Village.

26. After July 2012, PAWC switched from billing for wastewater services based on Sewer Meter readings to billing for wastewater services based on Water Meter readings.

27. PAWC's *Tariff Wastewater PA P.U.C. No. 14* (the "Tariff") was adopted on December 16, 2010.

28. Under Part I (Rates) of the Tariff, the usage charges for wastewater service between January 1, 2011, and December 31, 2011, were \$1.253 "[p]er 100 gallons of metered water or wastewater usage."

29. Under Part I of the Tariff, the usage charges for wastewater service between January 1, 2012, and December 31, 2012, were \$1.686 "[p]er 100 gallons of metered water or wastewater usage."

30. Under Part I of the Tariff, the usage charges for wastewater service between January 1, 2013, and December 31, 2013, are \$2.118 "[p]er 100 gallons of metered water or wastewater usage."

31. Under Part I of the Tariff, the usage charges for wastewater service between January 1, 2014, and December 31, 2016, will be \$2.551 "[p]er 100 gallons of metered water or wastewater usage."

32. Under Part I of the Tariff, the usage charges for wastewater service beginning January 1, 2017, will be \$2.118 "[p]er 100 gallons of metered water or wastewater usage."

33. Between July 2008, when PAWC acquired the Claysville-Donnegal sewer system and August 2012, when PAWC began billing Interstate Village for wastewater services based on metered water usage, PAWC generally utilized the following process to calculate the monthly wastewater invoice for Interstate Village:

- a. Every week, typically on Friday afternoon or on Saturday, an employee from the Claysville wastewater treatment plant would drive a company vehicle about a mile up to where the Sewer Meter recording instrumentation is housed.
- b. To read the Sewer Meter, the employee must sometimes leave the plant unmanned.
- c. This employee was an employee of the plant, not a meter reader.
- d. The recording instrumentation is a Partlow MRC 5000 Circular Chart Recorder, a round paper chart that is fitted with a pen, and which takes a continuous read of flow levels from the Sewer Meter.
- e. The Sewer Meter also has a digital display that shows the total metered flow.
- f. The PAWC employee opened the box and retrieved the round paper chart, checked that the pen remained functional, replaced the old paper chart with a new one, recorded the digital reading and returned to the plant.
- g. The employee would then report each reading by filling out a form and faxing it to PAWC's accounting department in McMurray.
- h. If the PAWC employee who obtained the reading noticed a flow level spike in the circular chart that did not appear associated with a wet weather event, the employee might check the Sewer Meter to see if a blockage was present.
- i. Because all readings from the Sewer Meter were taken manually, the readings also had to be processed manually by PAWC's accounting department in McMurray for billing purposes.

j. Using the manual read date from the Sewer Meter that most closely corresponded to the billing cycle read date for other wastewater accounts on the Claysville-Donnegal system, PAWC's accounting department would manually forward the information for the GSP account to PAWC's central billing department in Illinois and would follow up to ensure that the information was received.

34. Prior to forwarding the information to PAWC's central billing department, PAWC's accounting department would compare the reported sewer usage to Interstate Village's historic sewer usage.

35. When PAWC switched to billing Interstate Village based on water usage, PAWC's employees no longer had to read the Sewer Meter.

36. PAWC is still reading the Sewer Meter.

37. PAWC does not manually read water meters in the Claysville-Donnegal system.

38. This water system is totally remotely read. Each customer's meter has a radio frequency device installed.

39. PAWC completed the automation of this water system in 2010 at an expense of \$140,992.50.

40. These devices send a signal every day to the PAWC's two data collectors, situated at the fire department and where the PAWC's water tank is located.

41. These collectors read every PAWC customer account in Claysville every day at midnight and send the readings to a server maintained by Neptune Tech.

42. Automation of the Claysville system reduces operational costs and increases operational efficiency.

43. Sonic meters operating on a gravity system occasionally clog when items such as rags and other materials are disposed of in the wastewater system.

44. Interstate Village uses a sonic meter on a gravity system and the Sewer Meter has clogged on numerous occasions.

45. Since acquiring the Claysville-Donnegal system in July 2008, PAWC received formal complaints from GSP, as filed with the Public Utility Commission and Attorney General, regarding high bills for August 2011 and March 2012 for its sewer account.

46. When PAWC received a complaint from GSP, it generally utilized the following process:

a. Each time an informal complaint about billing was received, PAWC's protocol was to send out a service technician, who is dispatched from Wilkes-Barre for service complaints in the Claysville-Donnegal system.

b. Because only the employees at the Claysville wastewater treatment plant can access Interstate Village's recording instrumentation, the PAWC service technician typically would report back to central dispatch that the service order could not be completed.

c. This would result in a call being made to David Ward, who would then direct a plant employee to drive up to the Interstate Village property and obtain a reading from the Sewer Meter and review the circular chart to confirm whether there appeared to be an abnormal spike in the flow level and to reissue the Sewer Meter information.

d. If the metered usage appeared correct, that result would be communicated to GSP.

c. If metered usage seemed to be due to an abnormal spike in flow level, additional effort would be made to investigate and confirm the cause.

f. If PAWC decided to issue a credit based on its investigation, additional man hours were required to process the credit through billing.

g. Additional man hours were also expended in communications between PAWC employees and GSP and communications with the Attorney General and/or Commission on complaints.

h. *The specific resources expended on each complaint varied on a case-by-case basis.*

47. PAWC does not own or maintain the Sewer Meter.

48. Interstate Village was billed by its Sewer Meter because that is how Interstate Village was billed prior to PAWC's acquisition of the system.

49. PAWC believes the continued use of the Sewer Meter was a useful way to monitor and account for the inflow and infiltration problems of the Interstate Village wastewater collection and conveyance system.

50. GSP believes that the continued use of the Sewer Meter remained the most accurate way to monitor and account for the wastewater discharged to PAWC's sewer system.

51. As a condition to its acquisition of the system, PAWC signed a consent decree to address inflow and infiltration issues in the Claysville-Donnegal service area.

52. There are 43 commercial customers receiving both water and sewer service from PAWC in the Claysville-Donnegal system.

53. Other than Interstate Village, none of these commercial customers has a wastewater meter.

54. There are no other wastewater customers in the Claysville-Donnegal service area that are billed using a wastewater meter.

55. The wastewater tariffs of the City of Bethlehem, Little Washington Wastewater Company, Pocono Waterworks, School House Village, Schuylkill Haven Borough, and Total Environmental Solutions Inc., which together comprise those entities listed on the Public Utility Commission's website and for which a tariff is provided, do not allow billing for sewer service based on a wastewater meter.

56. The wastewater tariff for Allegheny County Sanitary Authority (ALCOSAN) is based on the metered water usage of its customers; it is not based on metered wastewater usage.

57. Notwithstanding the foregoing paragraphs 55 and 56, GSP hereby reserves the right to challenge the relevance of the facts recited in those paragraphs at the hearing in this matter.

58. The Sewer Meter was installed in August 2003 by W.G. Malden.

59. The Sewer Meter was used for sewer billing purposes beginning in September 2003.

60. The Sewer Meter was installed for billing purposes.

61. *Interstate Village manager Fran Early checks the Sewer Meter every other day.*

62. When Mr. Ealy observes an obstruction, he uses a long plastic pipe to remove it.

63. Part III, Section B(1) of the Tariff provides that the customer service lateral (owned by the customer) shall be maintained by and at the sole expense of the customer.

64. Part III, Section B(3) of the Tariff provides that all service laterals, connections and fixtures furnished by the customer shall be maintained by the customer in good working order.

65. Part III, Section F(6) of the Tariff provides that any user violating any of the provisions of Tariff rules and regulations shall become liable to PAWC for all expenses, losses, or damages occasioned by PAWC by reason of such violation, whether incidental or consequential.

66. GSP has never flushed the Interstate Village wastewater collection and conveyance system.

67. The current Sewer Meter at Interstate Village is a Hydro 200 ultrasonic meter that was installed on July 13, 2012.

68. Interstate Village did not request and PAWC never formally approved the use of the meter installed on July 13, 2012, for billing purposes.

69. PAWC informed GSP via email that the Sewer Meter is GSP's responsibility and that GSP was responsible for repairing the Sewer Meter.

70. The Sewer Meter at Interstate Village from September 2003 to July 2012 was an Eastech Badger Vantage Model 2210 ultrasonic meter.

71. GSP selected both Sewer Meters.

72. Both Sewer Meters were installed by W.G. Malden.

73. W.G. Malden calibrates the Sewer Meter on an annual basis.

74. The annual calibration includes a recorder calibration, a totalizer calibration, and a transmitter calibration.

75. The Water Meter accurately records water flows into the park.
76. There are no grinders installed in Interstate Village's wastewater collection and conveyance system.
77. Throughout the 1990s and early 2000's, Interstate Village had a significant problem with infiltration and inflow.
78. As part of the agreement to connect to public sewer system of CDJMA, GSP agreed to re-pipe the park's sewage collection and conveyance system, which was completed by July 2003.
79. The purpose of the re-piping was to reduce inflow and infiltration in the park's sewage collection and conveyance system.
80. CDJMA allowed Interstate Village to be connected to public sewer after the re-piping was completed in 2003.
81. Since the re-piping was completed in 2003, the only repairs made to the wastewater collection and conveyance system were made at the request of PAWC.
82. These repairs improved the inflow and infiltration issues of the Interstate Village wastewater collection and conveyance system.
83. Before PAWC acquired the CDJMA system, CDJMA made one Sewer Meter blockage-related adjustment to the sewer bill in September 2003.
84. By looking at temporary spikes on the chart recorder and comparing the spikes against known wet weather events, PAWC plant manager Dave Ward can make an initial determination of whether it is likely that the Sewer Meter temporarily malfunctioned due to grease and other debris.

85. Any such initial determination that a clog likely occurred must be confirmed through additional investigation.

86. The wastewater invoice for August 2012 (July 25 to August 23, 2012) was \$4,971.15 based on a metered water flow of 293,900 gallons. An additional charge of \$1,584.00 was applied on September 27, 2012, to correct the wastewater service charge.

87. For the period from July 20, 2012, to August 17, 2012, the Sewer Meter recorded a total wastewater flow of only 235,500 gallons.

88. The wastewater invoice for September 2012 (August 23 to September 25, 2012) was \$7,185.72 based on a metered water flow of 331,300 gallons.

89. For the period from August 17, 2012 to September 21, 2012, the Sewer Meter recorded a total wastewater flow of only 277,900 gallons.

90. The wastewater invoice for October 2012 (September 25, 2012, to October 23, 2012) was \$6,307.31 based on a metered water flow of 279,200 gallons.

91. For the period from September 21, 2012, to October 19, 2012, the Sewer Meter recorded a total wastewater flow of only 245,000 gallons.

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Respectfully submitted,

GSP Management Co.

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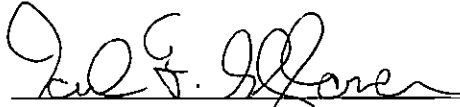
  
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Dated: April 17, 2013

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Respectfully submitted,

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GSP MANAGEMENT CO.

v.

PENNSYLVANIA AMERICAN  
WATER COMPANY

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Docket No. C-2012-2336436

**CERTIFICATE OF SERVICE**


I hereby certify that I have this day served a true and correct copy of the foregoing document upon the persons and in the manner indicated below in accordance with the requirements of § 1.54 (relating to service by a party):

**Via Electronic and First-Class Mail:**

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DATED: April 18, 2013