COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE
Secretary
717-772-7777

February 19, 2004

A-210117
A-230101

JEFFREY A FRANKLIN ESQUIRE
CARL J ENGLEMAN JR ESQUIRE
RYAN RUSSELL OGDEN & SELTZER LLP
1105 BERKSHIRE BLVD, SUITE 330
WYOMISSING PA 19610-1222

Dear Mr. Franklin:

Receipt is acknowledged of the Application of Hidden Valley Utility Services, L.P., for approval to begin to offer, render, furnish or supply water and wastewater services to the public in Hidden Valley, PA, which has been captioned and docketed to the above numbers.

You are directed upon receipt of this letter to publish the enclosed notice once a week for two consecutive weeks in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before March 22, 2004.

This matter will receive the attention of the Commission and you will be advised of any further necessary procedure.

Sincerely,

James J. McNulty
Secretary

DOCKETED
FEB 19 2004

JJM:ddt

Enclosure

Cc: James F. Beener, Esquire

DOCUMENT
FOLDER

PENNSYLVANIA PUBLIC UTILITY COMMISSION

NOTICE TO BE PUBLISHED

Application of Hidden Valley Utility Services, L.P., for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, PA.
Docket Number: A-210117.

Formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code. All filings must be made with the Secretary of the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the Applicant, on or before March 22, 2004. The documents filed in support of the Application are available for inspection and copying at the Office of the Secretary between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, and at the Applicant's business address.

Applicant:

Hidden Valley Utility Services, L.P.

DOCUMENT FOLDER

Through and By Counsel:

Jeffrey A. Franklin, Esquire
Carl J. Engleman, Jr.
Ryan, Russell, Ogden and Seltzer, LLP
Suite 330
1105 Berkshire Boulevard
Wyomissing, PA 19610-1222

RECEIVED
LEGISLATIVE REFERENCE
BUREAU
04 FEB 23 AM 10: 11
PA. CODE & BULLETIN

BY THE COMMISSION

James J. McNulty
Secretary

DOCKETED
FEB 23 2004

COMMONWEALTH OF PENNSYLVANIA

DATE: February 19, 2004

SUBJECT: A-210117
A-230101

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary ddt

Application of Hidden Valley Utility Services, L.P.

We attach hereto a copy of the Application of Hidden Valley Utility Services, L.P., for approval to begin to offer, render, furnish or supply water and wastewater services to the public in Hidden Valley, PA, which has been captioned and docketed to the above numbers.

Applicant has served copies of the application upon each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service area; a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment and disposal service to the public and whose service area abuts the service area proposed in the application; and on the Office of Consumer Advocate, the Office of Small Business Advocate, and the Department of Environmental Protection's appropriate regional office. A copy of the Certificate of Service is attached to the application.

Applicant has been instructed to publish in a newspaper.

If no protests are received by March 22, 2004, will your Bureau please prepare a report for the attention of the Commission or instruct the Secretary's Bureau to re-assign this matter to the Office of Administrative Law Judge for hearing.

Attachment

cc: Law Bureau

ddt

DOCUMENT FOLDER

DOCKETED FEB 19 2004

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222

TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM
February 18, 2004

HARRISBURG OFFICE
SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025
TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

VIA UPS OVERNIGHT

RECEIVED

FEB 18 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Attn: Doreen Trout
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania
Application Docket No. A- 210117

Dear Secretary McNulty:

Enclosed please find a check made payable to the "Commonwealth of Pennsylvania" in the amount of $350.00 which was inadvertently left out of the filing sent to your office on February 12, 2004 in the above-referenced matter.

Please contact me with any questions.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

Jeffrey A. Franklin/gas

Jeffrey A. Franklin

Enclosures

DOCUMENT
FOLDER

66

PROPRIETARY INFORMATION

Docket Number A-210117

Name of Document Check

Date Document Received 2-18-2004

DOCUMENT CONTAINS

PROPRIETARY INFORMATION

Pennsylvania Public Utility Commission

"Protest"

ORIGINAL

Docket Numbers A-210117 and A-230101

RECEIVED
2004 MAR -1 AM 3:14
SECRETARY'S BUREAU

1. Your name, mailing address, and telephone number.

Edwin C Miller, *et al*
203 Imperial Road, PO Box 4143, Hidden Valley, Pa. 15502 Somerset County.
814-444-8161

2. Name of company your complaint concerns.

Hidden Valley Resort, L.P.

DOCKETED
MAR 1 2 2004

3. What is your complaint.

For a number of years, Hidden Valley Resort (HVR) has been operating a *de facto* public utility, supplying water and wastewater service to approximately 1000 residents of Hidden Valley Resort using The Hidden Valley Foundation (Foundation) as a billing agent. Under the provision of the Foundation documents, the developer, HVR, has 5 of the 9 seats on the Board of the Foundation and exercises voting control. A resort employee reads the water meters and sends the billing information to the Foundation which issues the bills.

The water and waste water service is provided to the public for compensation in violation of 66 Pa. C.S. Sec 1101, by not obtaining a certificate of public convenience to provide these services. HVR has recently entered in an agreement with the Public Utility Commission to apply for this certificate. Docket numbers A-210117 and A-230101. Under 66 Pa. C.S. Sec 1301, the rates charged for these services are considered unjust and unreasonable.

4. What do you want the Public Utility Commission to do about your complaint.

We request refunds pursuant to Section 1312, on the grounds that the company collected rates while it was operating without a Certificate of Public Convenience to provide service.

DOCUMENT
FOLDER

49

5. You must sign and date your complaint below.

Signature _____ Date 2/27/04

Signature _____ Date 2/27/04

Signature _____ Date 2/27/04

Signature _____ Date 2/27/04

Signature _____ Date 3/1/04

Signature _____ Date 3/1/04

ORIGINAL

David & Angie Boyter
Box 4214 354 Lake Road
Hidden Valley, PA 15502
(814) 443-3290 voice (814) 443-2021 fax
Mailing Address:
3914 Mac Alpine Road
Ellicott City MD 21042
(410) 465-1444 voice (410) 465-0797 fax

boyter@sprynet.com
March 2, 2004

DOCUMENT

James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd floor
Harrisburg, PA 17120

In re: Petition to intervene in the Application of Hidden Valley Utility Services, L. P., for approval to offer, render, furnish, or supply water and wastewater services to the public in Hidden Valley, PA, Docket Nos. A-210117 & A-230101

Dear Secretary McNulty,

Enclosed for filing please find an original and three (3) copies of our petition to intervene in the above cited application.

If there are any questions, we can be contacted in Hidden Valley until March 20 and in Maryland after that date.

Very truly yours,

Angela M. Boyter

Angela M. Boyter

H. David Boyter

H. David Boyter

RECEIVED
2004 MAR -4 AM 11:59
PA P.U.C.
SECRETARY'S BUREAU

40

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2004 MAR -4 AM 11:59
PA P.U.C.
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L. P., for approval to offer, render, furnish, or supply water and wastewater services to the public in Hidden Valley, PA : Docket Nos. A-210117 & A-230101

PETITION TO INTERVENE

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

I. INTRODUCTION

1. Angela M. and H. David Boyter hereby submit this petition to intervene in the Application of Hidden Valley Utility Services, L. P., for approval to offer, render, furnish, or supply water and wastewater services to the public in Hidden Valley, PA, Docket Nos. A-210117 & A-230101, in accordance with 52 Pa. Code 5.72.

2. The name and address of the petitioners are:

Box 4214 354 Lake Road
Hidden Valley, PA 15502
(814) 443-3290 voice (814) 443-2021 fax
Alternate address:
3914 Mac Alpine Road
Ellicott City MD 21042
(410) 465-1444 voice (410) 465-0797 fax
boyter@sprynet.com

DOCUMENT
DOCKETED
MAR 12 2004

II. BACKGROUND INFORMATION

3. Since approximately 1985, Hidden Valley Resort has been providing water and wastewater service to approximately 1000 residents of the Hidden Valley community using the Hidden Valley Foundation (the homeowner association) as a billing agent. This service has been provided under terms of an agreement between the Resort and the Foundation. This agreement provides, *inter alia*, for the Resort to furnish annual financial statements and to maintain a capital reserve fund for major replacements. The Resort has not been complying with these provisions.

4. Under the provisions of the Foundation documents, the Resort has 5 of the 9 seats on the Board of the Foundation and exercises voting control.

5. Petitioners were complainants in complaint C-20028823. Hidden Valley's application was filed as a direct result of the settlement agreement signed with respect to this complaint and approved by the Commission.

III. ELIGIBILITY TO INTERVENE

6. Petitioners are homeowners residing in the proposed service area for Hidden Valley Utility Services and are directly affected by the action of the Commission in the proceeding. Petitioners have been aggrieved by the existing service provided by Hidden Valley with respect to rates, water quality, and emergency communications.

7. Current rates at Hidden Valley are higher than in nearby jurisdictions. Proposed rates are significantly higher. The financial information submitted in this application does not justify these rates. Petitioner Angela Boyter received some financial information on the Hidden Valley utility in years past as a part of the Hidden Valley homeowner association audit committee and can provide evidence of the utility's history of providing unjustified, incomplete, misleading, and inaccurate information and can challenge specific elements of the financial information and the basis for rates contained in the application.

8. Water at Hidden Valley is too often full of iron to such an extent that cooking and drinking are impossible, and laundry has been ruined. This condition has been a longstanding problem. Petitioner has samples of water to offer as evidence.

9. Emergency communications to the utility are inadequate. There is no way to reach the water department after normal business hours. Even during business hours the phone is normally answered by an answering machine, and replies may not come until the next day. At times (up to 30% of the time based on the petitioners' experience) even the answering machine does not answer.

10. Hidden Valley's petition does not offer redress of any of these shortcomings. Therefore, petitioner seeks to intervene to cause the Commission to impose the necessary relief.

11. Petitioners have a special standing with respect to this application not shared by other homeowners by virtue of being complainants in complaint C-20028823. As such, petitioners have an interest in the outcome of this application that justifies intervention.

WHEREFORE, Angela M. Boyter and H. David Boyter respectfully request that the Commission allow us to intervene in the application of Hidden Valley Utility Services, L. P., for approval to offer, render, furnish, or supply water and wastewater services to the public in Hidden Valley, PA, Docket Nos. A-210117 & A-230101.

Respectfully submitted.

Dated: March 2, 2004

Angela M. Boyter

H. David Boyter

H. David Boyter
354 Lake Road
Hidden Valley, PA 15502
Mailing address: 3914 MacAlpine Road
Ellicott City, MD 21042
(410) 465-1444
(410) 465-0797 fax
boyter@sprynet.com

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L. P., for approval to offer, render, furnish, or supply water and wastewater services to the public in Hidden Valley, PA	: : : :	Application Docket Nos. A-210117 & A-230101

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of our petition to intervene upon the individuals listed below, in accordance with the requirements of 52 Pa. Code 1.54 (relating to service by a participant).

Service by first-class mail, postage prepaid, to

Jeffrey Franklin, Esquire
Carl J. Engleman, Jr., Esquire
Ryan, Russell, Ogden, and Seltzer, LLP
1105 Berkshire Blvd., Suite 330
Wyomissing, PA 19610-1222

PA Department of Environmental Protection
Southwest Regional Office
400 Waterfront Drive
Pittsburgh, PA 15222-4745

James Beener, Esq.
Barbera, Clapper, Beener, Rullo, & Melvin
146 West Main Street
PO Box 775
Somerset, PA 15501-0775

Office of Trial Staff
P. O. Box 3265
Harrisburg, PA 17105-3265

Hidden Valley Utility Services, L. P.
1 Craighead Drive
Suite 300
Hidden Valley, PA 15502

Jefferson Township
Board of Supervisors
1610 Glades Pike
Somerset, PA 15501

Office of the Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

Somerset County
Suite 500
300 North Center Avenue
Somerset, PA 15501

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Somerset Planning Commission
Suite 540
300 North Center Avenue
Somerset, PA 15501

Dated: March 2, 2004

Angela M. Boyter

Angela M. Boyter
Box 4214 354 Lake Road
Hidden Valley, PA 15502
Mailing address: 3914 MacAlpine Road
Ellicott City, MD 21042
(410) 465-1444
(410) 465-0797 fax
boyter@sprynet.com

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2004 MAR -4 AM 11:59
PA P.U.C.
SECRETARY'S BUREAU

DOCUMENT

COMMONWEALTH OF PENNSYLVANIA

DOCKETED
MAR 12 2004

DATE: March 9, 2004

SUBJECT: A-210117
A-230101

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary KB

Application of Hidden Valley Utility Services, L.P. for approval to offer, render, furnish or supply water and wastewater services to the public in Hidden Valley, PA.

Attached is a copy of a Petition to Intervene filed by H. David and Angela M. Boyter, in connection with the above docketed proceeding.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: LAW

ksb

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

MEMO

ORIGINAL

March 17, 2004

Subject: **Applications of Hidden Valley Utility Services at Docket Nos. A-210117 & A-230101**

DOCUMENT

To: James J. McNulty
Secretary

From: Robert A. Rosenthal, Director
Bureau of Fixed Utility Services

The above referenced Applications for Certification were filed on February 12, 2004. In the interim period, a Petition to Intervene and a Protest have been filed by residents of the development served by the subject systems.

In light of the aforementioned, please reassign this Application to the Office of Administrative Law Judge for appropriate adjudication.

DOCKETED
APR 05 2004

cc: Judith Koch Carlson
Ed Rodrock
Stanley E. Brown
Larry Lash
Ralph Wax
Kerry Klinefelter
Scott Rhodes, Secretary's Bureau

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2004 MAR 17 PM 1:44
PA P.U.C.
SECRETARY'S BUREAU

45

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

DATE 2/25/2004
RECEIPT # 201735

JEFFREY A. FRANKLIN
RYAN, RUSSELL, OGDEN & SELTZER LLP
1100 BERKSHIRE BOULEVARD, SUITE 301
READING, PA 19610-1221

IN RE: Application fees for HIDDEN VALLEY UTILITY SERVICES, L.P.

Docket Number A-210117..... $350.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 8925
CHECK AMOUNT: $350.00

C. Joseph Meisinger
(for Department of Revenue)

DOCUMENT
FOLDER

DOCKETED
MAR 30 2004

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE

March 18, 2004 ORIGINAL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT FOLDER

Re: Application of Hidden Valley Utility Services, L. P.
for approval to begin to offer, render, furnish or supply
water service to the public in Hidden Valley,
Pennsylvania
Docket No. ~~A-00210117~~
A-210117

Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the **Protest of the Office of Trial Staff** (OTS) in the above-captioned proceeding.

Copies are being served on all active parties of record.

Sincerely,

Charles Daniel Shields
Prosecutor
Office of Trial Staff

CDS:em

Enclosure

c: Parties of Record
Director Walker-Davis

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2004 MAR 18 PM 2:35
SECRETARY'S BUREAU

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCUMENT
FOLDER

Application of Hidden Valley Utility Services, L. P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania	:	Docket No. ~~A-00210117~~ A-210117

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2004 MAR 18 PM 2:35
SECRETARY'S BUREAU

PROTEST OF THE
OFFICE OF TRIAL STAFF

The Office of Trial Staff ("OTS") of the Pennsylvania Public Utility Commission ("Commission"), by and through its Acting Chief Prosecutor Johnnie E. Simms and Prosecutor Charles Daniel Shields, hereby files this Protest pursuant to 52 Pa. Code §3.502, entitled "Protests to applications for certificate of public convenience as a water supplier or wastewater collection, treatment and disposal supplier" and respectfully requests that OTS be allowed to participate in the proceeding as a party intervenor.

Introduction

The filing of the instant water service application was required by the terms and conditions of a settlement entered into by OTS, Complainants Angie and David Boyter, and the present applicant on June 19, 2003. The Commission's Order entered November 14, 2003, at Docket Nos. C-20028823 and C-20039320, approved said settlement as submitted to the presiding Administrative Law Judge. As noted on page 4 of the Order,

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the settlement required the applicant to file separate applications for certificates of public convenience to provide water and wastewater service within ninety days of the entry of a final Order approving the Settlement Stipulation. OTS is filing a companion Protest against the applicant's wastewater application, docketed at A-00230101.

On February 12, 2004, the instant water service application was filed with the Secretary of the Commission. Said filing was made within the required ninety (90) days established by the settlement given the November 14, 2003, entrance date of the Commission's final Order.

The Office of Trial Staff Prosecutor in this proceeding is Charles Daniel Shields. All correspondence directed to the Office of Trial Staff regarding this application proceeding should be addressed as follows:

Charles Daniel Shields, Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265

The OTS fax number is (717) 772-2677. Prosecutor Shields can be reached directly during normal business hours by telephone at (717) 783-6151 and by electronic mail at *chshields@state.pa.us*.

Statement of OTS Interest in the Application

OTS hereby represents that a formal proceeding before an assigned Administrative Law Judge on the instant application is necessary to allow for development of a record

sufficient to establish that the granting of the application (either in its present form or as modified as a result of the proceeding) is in the public interest. Consistent with this assertion, OTS further represents that additional time is needed for the assigned OTS Technical Staff Experts to, inter alia, take the following actions:

a. determine whether the proposed capital structure is appropriate;

b. investigate the source of financing of the assets including the industrial revenue bonds and the loans from the parent company, Kettler Brothers, Inc.;

c. investigate whether there is, or needs to be, an affiliated interest agreement between Hidden Valley Utility Services, L. P. and Hidden Valley Resort, L. P.;

d. determine whether all affiliated revenue is reflected in the instant application;

e. examine the legitimacy and appropriateness of **rate-related matters** including:

   (1) Rate Base,
   (2) Depreciation,
   (3) Operating Expenses,
   (4) Rate Structure, e.g., the development of the proposed customer and usage charges,
   (5) Operating Revenues, including the current number and class of customers, current usage and an updated bill frequency analysis.

f. examine the nature of the customer base, i.e., the number of full-time vs. seasonal customers;

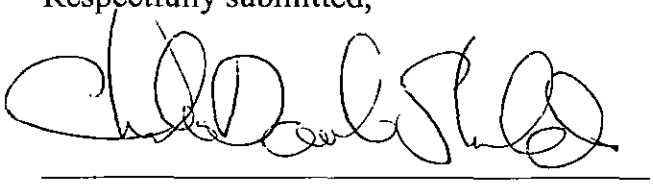
g. establish rates for Public and Private Fire Hydrant service and so recommend to the Commission;

h. consider the appropriateness of an availability charge as an additional source of appropriate revenue.

Conclusion

For the foregoing reasons, OTS requests a formal proceeding be established to ensure that any final application that might be approved by the Commission is in the public interest and further that OTS be allowed to participate in said proceeding as a party intervenor.

Respectfully submitted,



Charles Daniel Shields
Prosecutor

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2004 MAR 18 PM 2:35
SECRETARY'S BUREAU

Office of Trial Staff
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, PA 17105-3265

Dated: March 18, 2004

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Hidden Valley Utility Services, L.P.	:	
for approval to begin to offer, render, furnish or supply	:	Docket No.
water service to the public in Hidden Valley,	:	A-00210117
Pennsylvania	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Protest of the Office of Trial Staff**, dated March 18, 2004, either personally, by first class mail, electronic mail, express mail, or by fax upon the persons listed below:

Jeffrey A. Franklin, Esquire
Carl J. Engleman, Jr., Esquire
Ryan, Russell, Ogden & Seltzer LLP
1105 Berkshire Boulevard
Suite 330
Wyomissing, PA 19610-1222

James F. Beener, Esquire
Barbera, Clapper, Beener, Rullo & Melvin
146 West Main Street
P.O. Box 775
Somerset, PA 15501-0775

Irwin A. Popowsky, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place - 5th Floor
Harrisburg, PA 17101-1923

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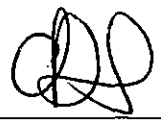
2004 MAR 18 PM 2:35
SECRETARY'S BUREAU

William R. Lloyd, Jr., Esquire
Small Business Advocate
Suite 1102, Commerce Bldg.
300 North Second Street
Harrisburg, PA 17101

Honorable Robert A. Christianson
Chief Administrative Law Judge
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265



Charles Daniel Shields
Prosecutor
Office of Trial Staff

Dated: March 18, 2004
Docket No. A-00210117

COMMONWEALTH OF PENNSYLVANIA

DATE: March 18, 2004

SUBJECT: A-210117 & A-230101

DOCUMENT

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

Hidden Valley Utility Services

Per memo dated March 17, 2004, from Robert A. Rosenthal, Director, Bureau of Fixed Utility Services, the above docketed proceeding is being reassigned to your Office for appropriate action.

jih

pc: FUS

DOCKETED
APR 05 2004

COMMONWEALTH OF PENNSYLVANIA

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWIN A. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

ORIGINAL

DOCKETED
MAR 2 4 2004

March 19, 2004

DOCUMENT FOLDER

James J. McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania
Docket No. A-210117

Dear Secretary McNulty:

Enclosed please find for filing an original and three (3) copies of the Office of Consumer Advocate's Protest in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Very truly yours,

Christine Maloni Hoover

Christine Maloni Hoover
Senior Assistant Consumer Advocate

RECEIVED
2004 MAR 19 PM 4:09
SECRETARY'S BUREAU

Enclosures
cc: All parties of record
78472.doc;1/CMH/smn

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED
2004 MAR 19 PM 4:09
SECRETARY'S BUREAU

Application of Hidden Valley Utility Services, L.P. for Approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania	:	Docket No. A-210117

PROTEST OF THE
OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) files this Protest in the above-captioned Application pursuant to the notice in the Pennsylvania Bulletin and the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (PUC or Commission), 52 Pa. Code §§5.51-5.53, and Chapter 11 of the Public Utility Code. Through this Application, Hidden Valley Utility Services (Hidden Valley or Applicant) seeks Commission approval for the right to offer, render, furnish or supply water service, as a public utility in a portion of Jefferson Township, Somerset County.

The OCA files this Protest in order to ensure that the application is approved only if (1) it is found to be in the public interest; (2) applicant is found to have the requisite technical, managerial and financial fitness; (3) it provides substantial, affirmative benefits to the ratepayers, and (4) it is in accordance with the Public Utility Code.

Specifically, the OCA avers as follows:

1. The Protestant is Irwin A. Popowsky, Consumer Advocate, 555 Walnut Street, 5th Floor, Forum Place, Harrisburg, PA 17101-1923. Protestant's attorney for the purpose of receiving

service of all documents in this proceeding is Christine Maloni Hoover, Senior Assistant Consumer Advocate.

2. The OCA is authorized by law to represent the interests of utility ratepayers in all proceedings before the Commission. 71 P.S. §§ 309-1, *et seq.* This Protest is filed by the OCA to ensure that the interests of Applicants' customers are protected.

3. The Application must be examined pursuant to Chapter 11 of the Public Utility Code.

4. Section 1102 of the Public Utility Code requires that the Commission issue a Certificate of Public Convenience as a legal prerequisite to an entity offering service, abandoning service and certain property transfers by public utilities or their affiliated interests. 66 Pa.C.S. §1102(a)(1)-(3).

5. The Code further requires that a certificate shall only be granted upon findings that the granting of such certificate is "necessary or proper for the service, accommodation, convenience or safety of the public." 66 Pa.C.S.§1103(a).

6. Section 1101 of the Public Utility Code states that, upon application of any proposed public utility and the approval of such application by the commission, it shall be lawful for any such proposed public utility to begin to offer, render, furnish or supply service within the Commonwealth. 66 Pa. C.S. § 1101.

7. Additionally, Section 1103 explicitly allows the Commission to impose conditions upon the issuance of a Certificate of Public Convenience. 66 Pa.C.S. §1103(a). Section 1103(a) of the Code provides: "The Commission, in granting such a certificate, may impose such conditions as it may deem to be just and reasonable." The OCA submits that the Commission may wish to consider the imposition of conditions in order to ensure that the public interest standard is met.

8. Preliminarily, the OCA has identified the following areas that require further consideration by the Commission and must be resolved prior to Commission approval of this Application.

a. Ratemaking Issues: The Applicant has included a proposed initial water tariff, including rates. The Applicant proposes to charge $42.15 per month for a customer using 5,000 gallons of water per month. The OCA is concerned about the proposed rates, including whether the proposed initial rates are higher than the rates Hidden Valley has been charging. To the best of the OCA's knowledge and belief, the Applicant has not provided notice to its customers of a proposed rate increase. In addition, it does not appear that the Applicant has met the filing requirements for information to be provided with a general rate increase filing.

b. Prior Uncertificated Service: It appears that Applicant may have been operating without a Certificate of Public Convenience. The Applicant or a related corporate entity may have been charging and collecting rates without a lawfully approved tariff. The Commission therefore must determine whether refunds are appropriate for any prior service. In addition, the Applicant may be required, by Chapter 21 of the Public Utility Code, to file an Affiliated Interest Agreement.

c. Fitness: The Commission must ensure that the applicant currently has and will continue to have the requisite technical, financial and managerial fitness to receive a Certificate of Public Convenience.

9. The OCA reserves the right to raise additional issues as the case proceeds and further information is obtained from the Company.

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Pennsylvania Public Utility Commission investigate and hold full hearings, including public input hearings in Applicant's service territory, regarding the Application and requested rates of Hidden Valley Utility Services. The OCA further requests that the Commission not approve this Application at this time due to the issues raised above and the need for additional information.

Respectfully submitted,

Christ Maloni Hoover

Christine Maloni Hoover
Senior Assistant Consumer Advocate

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Dated: March 19, 2004
00078489.WPD

CERTIFICATE OF SERVICE

Re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania
Docket No. A-210117

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Protest, 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 19th day of March, 2004.

SERVICE BY INTER-OFFICE MAIL

Charles Daniel Shields, Esq.
Office of Trial Staff
PA Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Bureau of Fixed Utility Services
PA Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Jeffrey A. Franklin, Esq.
Carl J. Engleman, Jr., Esq.
Ryan, Russell, Ogden & Seltzer LLP
Suite 330
1105 Berkshire Boulevard
Wyomissing, PA 19610

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Edwin C. Miller, *et al.*
203 Imperial Road
P. O. Box 4143
Hidden Valley, PA 15502

David & Angie Boyter
Box 4214
354 Lake Road
Hidden Valley, PA 15502

Christine Maloni Hoover
Senior Assistant Consumer Advocate

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
78470.doc;1/CMH/smn

RECEIVED
2004 MAR 19 PM 4:09
SECRETARY'S BUREAU

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222

TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM

HARRISBURG OFFICE
SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025
TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

RECEIVED
2004 MAR 26 AM 9:19
SECRETARY'S BUREAU

March 24, 2004

ORIGINAL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

In re: Application of Hidden Valley Utility Services, L.P.
Application Docket Nos. A-230101 and A-210117

DOCUMENT FOLDER

Dear Secretary McNulty:

Enclosed please find the Proofs of Publication in the above-referenced docket numbers. The two notices were advertised in the Tribune – Democrat, Johnstown, Pennsylvania on March 3 and March 10, 2004.

Copies of these Proofs of Publication have been served upon other parties to this proceeding as per the attached Certificate of Service.

If you have any questions, please feel free to contact me at any time.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

Carl J. Engleman, Jr.
Counsel for Hidden Valley Utility Services, L.P.

CJE:jab
Enclosures
c: As per Certificate of Service

4

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pennsylvania:	Application Docket No. A-230101
In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania:	Application Docket No. A-210117

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the Proofs of Publication in the above-captioned matters upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by First Class Mail, postage prepaid, addressed as follows:

Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042

RECEIVED
2004 MAR 26 AM 9:19
SECRETARY'S BUREAU

Dated: March 24, 2004

Carl J. Engleman, Jr.
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Hidden Valley Utility Services, L.P.

COMMONWEALTH OF PENNSYLVANIA }
County of Cambria } SS

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Application of Hidden Valley Utility Services, L.P., for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, PA. Docket Number: A-

DOCKETED
JUN 15 2004

On this 10th day of March A.D. 2004 before me, the subscriber, a Notary Public in and for said County and State, personally appeared Christine Pringle, who being duly sworn according to law, deposes and says as Classified Advertising Manager of the Tribune-Democrat, Johnstown, PA, a newspaper of general circulation as defined by the "Newspaper Advertising Act", a merger September 8,1952, of the Johnstown Tribune, established December 7,1853; and of the Johnstown Democrat, established March 5, 1863, published continu in the County of Cambria, and Commonwealth of Pennsylvania and that the annexed is a true copy of a notice in the above matter published in said publication in the regular issues of The Johnstown Tribune-Democrat, Johnstown, PA, on March 3, 10, 2004; and that the Affiant is not interested in the subject matter of said notice or advertising and that all of the allegations as to time, place and character of said publication are true.

Christine M. Pringle

STATEMENT OF ADVERTISING COSTS

Sworn and Subscribed before me this
10th day of March, 2004.

46 Lines @ $1.85 per line	$170.20
0 Inches @ $18.50 per inch	$000.00
Probating Same	$ 2.00
Total Cost	$172.20

Vivian Ohs
(Notary Public)

Notarial Seal
Vivian Ohs, Notary Public
City of Johnstown, Cambria County
My Commission Expires Dec. 6, 2004
Member, Pennsylvania Association of Notaries

To The Tribune-Democrat, Johnstown, PA
For publishing the notice or publication attached hereto on the above stated dates.

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

Vivian Ohs for publisher of The Tribune-Democrat
a newspaper of general circulation, hereby acknowledges receipt of the aforesaid and publication costs and certifies that the same has been duly paid.

The Tribune-Democrat, Johnstown, PA
(Name of Newspaper)

By Vivian Ohs

DOCUMENT FOLDER

COMMONWEALTH OF PENNSYLVANIA }
County of Cambria } SS

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Application of Hidden Valley Utility Services, L.P., for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, PA. Docket Number: A-210117.
Formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code. All filings must be made with the Secretary of the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the Applicant, on or before March 22, 2004. The documents filed in support of the Application are available for inspection and copying at the Office of the Secretary between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, and at the Applicant's business address.
Applicant:
Hidden Valley Utility Services, L.P.
Through and By Counsel:
Jeffrey A. Franklin, Esquire
Carl J. Engleman, Jr.
Ryan, Russell, Ogden and Seltzer, LLP
Suite 330
1105 Berkshire Boulevard
Wyomissing, PA 19610-1222
BY THE COMMISSION
James J. McNulty
Secretary

On this 10th day of March A.D. 2004 before me, the subscriber, a Notary Public in and for said County and State, personally appeared Christine Pringle, who being duly sworn according to law, deposes and says as Classified Advertising Manager of the Tribune-Democrat, Johnstown, PA, a newspaper of general circulation as defined by the "Newspaper Advertising Act", a merger September 8,1952, of the Johnstown Tribune, established December 7,1853; and of the Johnstown Democrat, established March 5, 1863,

published continu . . in the County of Cambria, and Commonwealth of Pennsylvania and
that the annexed : e in the above matter published in said publication in the regular issues
of The Johnstown hnstown, PA, on March 3, 10, 2004; and that the Affiant is not
interested in the s otice or advertising and that all of the allegations as to time, place and
character of said ,

Christine M. Pringle

Sworn and Subscr
10th day of March

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46 Lines @ $1.85 per line	$170.20
0 Inches @ $18.50 per inch	$000.00
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Vivian Ohs
(Notary Public)

Notarial Seal
Vivian Ohs, Notary Public
City of Johnstown, Cambria County
My Commission Expires Dec. 6, 2004
Member, Pennsylvania Association of Notaries

To The Tribune-Democrat, Johnstown, PA
For publishing the notice or publication attached hereto on the above stated dates.

DOCKETED
JUN 15 2004

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Vivian Ohs for publisher of The Tribune-Democrat
a newspaper of general circulation, hereby acknowledges receipt of the aforesaid and publication costs and certifies that the same has been duly paid.

The Tribune-Democrat, Johnstown, PA
(Name of Newspaper)

By Vivian Ohs

DOCUMENT FOLDER

RECEIVED
2004 APR -5 AM 11:57
P.A.P.U.C.
SECRETARY'S BUREAU

ORIGINAL

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222

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HARRISBURG OFFICE
SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025
TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

April 2, 2004

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

DOCUMENT
FOLDER

Re: Applications of Hidden Valley Utility Services, L.P. for Approval to begin to offer, render, furnish or supply water and wastewater service to the public in Hidden Valley, Pennsylvania
PaPUC Docket Nos. A-00210117 and A-00230101

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of a Certificate of Service for Hidden Valley Utility Services, L.P.'s Interrogatories and Request for Production of Documents Set I to Angie and David Boyter in the above-referenced matters served upon all parties of record as of this date.

If you have any questions, please contact us.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

Carl J. Engleman, Jr.
Jeffrey A. Franklin

Counsel for Hidden Valley Utility Services, L.P.

RJP

CJE:jag
c: As per Certificate of Service

224

ORIGINAL

RECEIVED
2004 APR -5 AM 11:57
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pennsylvania:	Application Docket No. A-230101
In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania:	Application Docket No. A-210117

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the Hidden Valley Utility Services, L.P.'s Interrogatories and Request for Production of Documents Set I to Angie and David Boyter in the above-captioned matters upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by First Class Mail, postage prepaid, as follows:

Angie and David Boyter
3914 MacAlpine Road
Ellicott City, MD 21042

Hidden Valley Resort
1 Craighead Drive, Suite 300
Hidden Valley, PA 15502

Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

James F. Beener, Esquire
Barbera, Clapper, Beener, Rullo & Melvin
146 West Main Street
P.O. Box 775
Somerset, PA 15501-0775

Dated: April 2, 2004

Carl J. Engleman, Jr.
Jeffrey A. Franklin
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Hidden Valley Utility Services, L.P.

LASR

Pennsylvania Department of Environmental Protection

Bureau of Water Supply Management
286 Industrial Park Road
Ebensburg, PA 15931-4119

April 5, 2004

04 APR -9 AM 9:53

BUREAU OF
FIXED UTILITY SERVICES

814-472-1900
FAX NUMBER 814-472-1861

Cambria Office

Pennsylvania Public Utility Commission
Bureau of Fixes Utility Services
Water/Wastewater Division
P. O. Box 3265
Harrisburg, PA 17105-3265

DOCKETED
APR 28 2004

Attention: Judith A. Koch Carlson

Re: Request for Information Regarding Hidden Valley Resorts LP
Public Water Supply ID No. 4560049

A-210117

Dear Ms. Koch Carlson:

The Department of Environmental Protection, Bureau of Water Supply Management, responsible for regulating the public water supply ID No. 4560049, has no current violations with Hidden Valley Resorts at this time. Also there are no outstanding complaints presently on file for Hidden Valley Resorts. If you have any other questions, please feel free to contact me at 814-472-1883.

Sincerely,

Benjamin Williams
Sanitarian

cc: Jay Tarara
Mary Martha Truschel
File

BW:bk

DOCUMENT
FOLDER

RECEIVED
2004 APR 13 AM 4:15
SECRETARY'S BUREAU

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222
TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM

HARRISBURG OFFICE
SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025
TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

DOCUMENT FOLDER

April 15, 2004

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APR 15 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Re: Applications of Hidden Valley Utility Services, L.P. for Approval to begin to offer, render, furnish or supply water and wastewater service to the public in Hidden Valley, Pennsylvania
PaPUC Docket Nos. ~~A-00210117~~ A-210117 and A-00230101

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of a Certificate of Service for Hidden Valley Utility Services, L.P.'s Interrogatories and Request for Production of Documents Set I to the Office of Consumer Advocate and the Office of Trail Staff in the above-referenced matters served upon all parties of record as of this date.

If you have any questions, please contact us.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

Carl J. Engleman, Jr.
Jeffrey A. Franklin

Counsel for Hidden Valley Utility Services, L.P.

CJE:jag
c: As per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pennsylvania:	:	Application Docket No. A-230101
In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania	:	Application Docket No. A-210117

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the Hidden Valley Utility Services, L.P.'s Interrogatories and Request for Production of Documents Set I to the Office of Consumer Advocate and the Office of Trial Staff in the above-captioned matters upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by First Class Mail, postage prepaid, as follows:

Angie and David Boyter
3914 MacAlpine Road
Ellicott City, MD 21042

Hidden Valley Resort
1 Craighead Drive, Suite 300
Hidden Valley, PA 15502

RECEIVED
APR 15 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Charles David Shields
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

Christine Maloni Hoover
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

James F. Beener, Esquire
Barbera, Clapper, Beener, Rullo & Melvin
146 West Main Street
P.O. Box 775
Somerset, PA 15501-0775

Dated: April 15, 2004

Carl J. Engleman, Jr.
Jeffrey A. Franklin
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Hidden Valley Utility Services, L.P.

David & Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

boyter@sprynet.com

RECEIVED
2004 APR 23 PM 9:42
SECRETARY'S BUREAU

April 19, 2004

DOCUMENT
FOLDER

James McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Re: Response to interrogatories and requests for production of documents (Set I) from Hidden Valley Utility Services, L.P re Application of Hidden Valley Utility Services, L.P., for Approval to offer, render, furnish, or supply water and wastewater service to the public in Hidden Valley, Pennsylvania Pa PUC Docket Nos. A-210117 and A-230101

Dear Secretary McNulty,

Enclosed please find an original and three (3)copies of a Certificate of Service for David and Angela Boyter's responses to Hidden Valley Utility Services, L.P.'s, Interrogatories and Request for Production of Documents Set I in the above-referenced matters served upon all parties of record as of this time.

If you have any questions, please contact us.

Very truly yours,

Angela M. Boyter

Angela M. Boyter
C: As per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED
2004 APR 23 PM 9:42
SECRETARY'S BUREAU

In re: Application of Hidden Valley Utility :
Services, L.P., for approval to offer, render,: Application Docket
furnish, or supply wastewater service to the: No.A-230101
public in Hidden Valley, Pennsylvania :

In re: Application of Hidden Valley Utility :
Services, L.P., for approval to offer, render,: Application Docket
furnish, or supply water sewer service to the: No.A-210117
public in Hidden Valley, Pennsylvania :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the Boyters' response to the to Hidden Valley Utility Services, L.P.'s, Interrogatories and Request for Production of Documents Set I in the above-referenced matters upon the individuals listed below.

Service by First Class mail, postage prepaid, as follows:

James Beener , Esq.
Barbera, Clapper, Beener, Rullo, & Melvin
145 W.Main Street
PO Box 775
Somerset, PA 15501

Christine Maloni Hoover
Office of Consumer Advocate
555 Walnut Street
5thFloor, Forum Place
Harrisburg, PA 17101-1923

Jeffrey Franklin, Esq.
Carl J. Engleman, Jr., Esq.
Ryan, Russell, Ogden & Seltzer LLP
100 Berkshire Boulevard, Suite 301
Wyomissing, PA 19610-1221

Service via e-mail to:
Charles Daniel Shields
Office of Trial Staff
P. O. Box 3265
Harrisburg, PA 17105-3265

Dated : April 19, 2004

Angela M. Boyter

Angela M. Boyter
3914 MacAlpine Road
Ellicott City, MD 21042

David & Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

boyter@sprynet.com

RECEIVED
2004 APR 23 PM 9:42
SECRETARY'S BUREAU

April 19, 2004

James Beener , Esq.
Barbera, Clapper, Beener, Rullo, & Melvin
145 W.Main Street
PO Box 775
Somerset, PA 15501

Jeffrey Franklin, Esq.
Carl J.Engleman, Jr., Esq.
Ryan, Russell, Ogden & Seltzer LLP
100 Berkshire Boulevard,Suite 301
Wyomissing, PA 19610-1221

Re: Response to interrogatories and requests for production of documents (Set I) from Hidden Valley Utility Services, L.P re Application of Hidden Valley Utility Services, L.P., for Approval to offer, render, furnish, or supply water and wastewater service to the public in Hidden Valley, Pennsylvania Pa PUC Docket Nos. A-00210117 and A-00230101

Dear Counsel,

Enclosed are our responses to Hidden Valley's Interrogatories dated April 2, which we received April 5, 2003.

We have also provided a copy to Charles Daniel Shields of the Office of Trial Staff (via e-mail) and to Christine Maloni Hoover of the Office of Consumer Advocate.

Sincerely,

Angie Boyter

Cc: Hidden Valley Foundation

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

1. Identify persons answering the interrogatories.

These interrogatories are being answered by David and Angie Boyter.

DOCKETED
JUN 08 2004

DOCUMENT
FOLDER

RECEIVED
2004 APR 23 PM 9:42
P.A.P.U.C.
SECRETARY'S BUREAU

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

2. Identify, describe, and provide all documents addressing how any agreement between Hidden Valley Resort and the Hidden Valley Foundation is relevant to, or has any bearing on the above-referenced Applications.

Any and all documents, testimony, or other evidence relevant to this assertion will be submitted with the Boyters' direct testimony that will be distributed in due course when the formal litigation dates are established by the presiding Administrative Law Judge. The Boyters are amenable to providing ample time in the litigation schedule for the applicant to analyze any and all documents accompanying the distributed testimony before the required date of distribution of applicant's response testimony.

RECEIVED
2004 APR 23 PM 9:42
PA P.U.C.
SECRETARY'S BUREAU

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

3. Identify, describe, and provide any and all documents addressing how the financial information submitted in support of the above-referenced applications does not justify Hidden Valley's proposed rates.

Any and all documents, testimony, or other evidence relevant to this assertion will be submitted with the Boyters' direct testimony that will be distributed in due course when the formal litigation dates are established by the presiding Administrative Law Judge. The Boyters are amenable to providing ample time in the litigation schedule for the applicant to analyze any and all documents accompanying the distributed testimony before the required date of distribution of applicant's response testimony.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

4. Identify, describe, and provide all documents pertaining to:

a. how Angela Boyter "can challenge specific elements of the financial information and the basis for rates contained in the application" as asserted in your petition to intervene; and

b. each specific element of the financial information and/or rate basis that Angela Boyter can challenge.

Any and all documents, testimony, or other evidence relevant to this assertion will be submitted with the Boyters' direct testimony that will be distributed in due course when the formal litigation dates are established by the presiding Administrative Law Judge. The Boyters are amenable to providing ample time in the litigation schedule for the applicant to analyze any and all documents accompanying the distributed testimony before the required date of distribution of applicant's response testimony.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

5. Identify, describe, and provide all documents pertaining to:
   a. the iron content of the water provided by Hidden Valley;
   b. the "samples of water" that you intend to offer as evidence as described in Paragraph 8 of your Petition to Intervene;
   c. who collected the samples or water
   d. the method of collection
   e. whether a chain of custody exists
   f. the method of analysis
   g. the time between sample collection and sample analysis
   h. the person or entity that perfomed the analysis
   i. all lab reports or analyses for each sample.

Angela Boyter collected the samples from her kitchen faucet. A chain of custody exists. Any and all additional documents, testimony, or other evidence relevant to this assertion will be submitted with the Boyters' direct testimony that will be distributed in due course when the formal litigation dates are established by the presiding Administrative Law Judge. The Boyters are amenable to providing ample time in the litigation schedule for the applicant to analyze any and all documents accompanying the distributed testimony before the required date of distribution of applicant's response testimony.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

6. Identify, describe, and provide all documents pertaining to your assertion that emergency communications to the utility are inadequate.

Any and all documents, testimony, or other evidence relevant to this assertion will be submitted with the Boyters' direct testimony that will be distributed in due course when the formal litigation dates are established by the presiding Administrative Law Judge. The Boyters are amenable to providing ample time in the litigation schedule for the applicant to analyze any and all documents accompanying the distributed testimony before the required date of distribution of applicant's response testimony.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

7. Identify and describe any and all issues you intend to raise in the hearing of this proceedings.

Any and all documents, testimony, or other evidence relevant to this subject will be submitted with the Boyters' direct testimony that will be distributed in due course when the formal litigation dates are established by the presiding Administrative Law Judge. The Boyters are amenable to providing ample time in the litigation schedule for the applicant to analyze any and all documents accompanying the distributed testimony before the required date of distribution of applicant's response testimony.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

8. Identify, describe, and provide all documents pertaining to of [sic] each and every conversation between the Boyters and any representative of the Pennsylvania Public Utility Commission Office of Trial Staff or Pennsylvania Public Utility Commission Office of Consumer Advocate from January 1, 2004, to the present, including:

a. the identities of the parties;
b. the dates;
c. the subject matter, unless it is privileged;
d. a summary of the conversation;
e. copies of all documents concerning each conversation; and
f. if any claim of privilege is asserted, specifically identify the privilege.

Since January, 2004, the Boyters have had no communication with the Office of Trial Staff except via e-mail. The memory of the laptop on which the e-mail from the period before approximately March 15 was stored was destroyed during an electrical storm, and no hard copies exist in our files. The only e-mail the Boyters can remember was an e-mail from Charles Daniel Shields acknowledging receipt of a copy of the Boyters' petition to intervene. The Boyters received an e-mail from Charles Daniel Shields on March 18, 2004 at 11:58 AM transmitting a copy the OTS Protest to Hidden Valley's application. The applicant has that protest, and there was no additional narrative.

The Boyters have never to their knowledge had any conversation or communication with the Office of Consumer Advocate.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

9. Describe all witnesses you plan to call other than expert witnesses.

At this time, Angela and/or David Boyter would be the only witnesses.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

10. Identify expert witnesses.

None planned at this time

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

11. Describe qualifications of experts.

Not Applicable.

RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

12. Identify and provide copies of all documents or other objects you intend to present as exhibits at the hearing in this matter.

Any and all documents, testimony, or other evidence relevant to this assertion will be submitted with the complainants' direct testimony that will be distributed in due course when the formal litigation dates are established by the presiding Administrative Law Judge. The complainants are amenable to providing ample time in the litigation schedule for the Respondent to analyze any and all documents accompanying the distributed Complainant testimony before the required date of distribution of Respondent's response testimony.

David & Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

boyter@sprynet.com

April 20, 2004

RECEIVED
2004 APR 26 AM 9:46
PA PUC
SECRETARY'S BUREAU

James Beener , Esq.
Barbera, Clapper, Beener, Rullo, & Melvin
145 W.Main Street
PO Box 775
Somerset, PA 15501

Jeffrey Franklin, Esq.
Carl J.Engleman, Jr., Esq.
Ryan, Russell, Ogden & Seltzer LLP
100 Berkshire Boulevard,Suite 301
Wyomissing, PA 19610-1221

Re: Supplementary Response to interrogatories and requests for production of documents (Set I) from Hidden Valley Utility Services, L.P re Application of Hidden Valley Utility Services, L.P., for Approval to offer, render, furnish, or supply water and wastewater service to the public in Hidden Valley, Pennsylvania Pa PUC Docket Nos. A-00210117 and A-00230101

Dear Counsel,

Pursuant to our conversation yesterday, enclosed are our supplementary responses to Hidden Valley's Interrogatories dated April 2, which we received April 5, 2003.

We have also provided a copy to Charles Daniel Shields of the Office of Trial Staff and to Christine Maloni Hoover of the Office of Consumer Advocate.

Sincerely,

Angie Boyter

Angie Boyter

Cc: Hidden Valley Foundation

SUPPLEMENTARY
RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

2. Identify, describe, and provide all documents addressing how any agreement between Hidden Valley Resort and the Hidden Valley Foundation is relevant to, or has any bearing on the above-referenced Applications.

The agreements are relevant to the extent that they show the terms under which Hidden Valley Resort has been serving the water and sewer needs of the homeowners in Hidden Valley in past years. They would, of course, be superceded by decisions of the Public Utility Commission as to the terms under which Hidden Valley Utility Services, L.P., would provide services in the future.

DOCKETED
JUN 28 2004

DOCUMENT

SUPPLEMENTARY
RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

3. Identify, describe, and provide any and all documents addressing how the financial information submitted in support of the above-referenced applications does not justify Hidden Valley's proposed rates.

All parties to the instant cases have copies of the agreements between Hidden Valley Resort and Hidden Valley Foundation, and I would request we incorporate the agreements by reference.

Attached Exhibits:

Exhibit A. Rates in Nearby Jurisdictions

Exhibit B. History of Past Financial Information on water and sewer operations provided by Hidden Valley Resort

B-1: Summary of a Hidden Valley Foundation Audit Committee inquiry prepared in November, 1998, by Angela M. Boyter

B-2: Letter from Judy Viets, Foundation Board President, to John Scanlan, Hidden Valley Resort General Manager, February 17, 1998

B-3:Letter from Angela Boyter to Jerry Earley, Audit Committee Chair, dated February 16, 1998

B-4: "Financial Statements" provided by Hidden Valley April 20,1998

B-5: Letter from A.Boyter to J.Viets, April 23,1998

B-6: Letter from J. Earley to J. Viets dated September 16,1998

B-7:Fax from Boyter to Earley with attached "Financial Statements" provided by Hidden Valley September,1998

B-8: Letter from Boyter to Tom Beemiller, Hidden Valley Controller October 12,1998

B-9: Letter from Beemiller to Boyter November 9, 1998 with depreciation schedule

B-10: Letter from Audit Committee to Beemiller November 20,1998

B-11: Notes of Meeting of audit Committee with Hidden Valley Resort representatives December 18, 1998

B-12:Report from Boyter to Foundation Board with attached Resort-provided financial information for 1997, including balance sheet

B-13: Letter from Boyter to Homeowner members of the Foundation Board May 15, 1999

B-14: Letter from Boyter to Beemiller June 1,1999

B-15:Balance sheet for 1997 water and sewer operation, revised, distributed by James Kettler at July 16, 1999, Foundation Board meeting
B-16: Letter from Boyter to Cindy Miller, Hidden Valley Foundation Community Manager, dated December 23,2002
B-17;Response of Miller to Boyter letter

SUPPLEMENTARY
RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

4. Identify, describe, and provide all documents pertaining to:

a. how Angela Boyter "can challenge specific elements of the financial information and the basis for rates contained in the application" as asserted in your petition to intervene; and

b. each specific element of the financial information and/or rate basis that Angela Boyter can challenge.

See attached Exhibits A and B

SUPPLEMENTARY
RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

5. Identify, describe, and provide all documents pertaining to:
    a. the iron content of the water provided by Hidden Valley;
    b. the "samples of water" that you intend to offer as evidence as described in Paragraph 8 of your Petition to Intervene;
    c. who collected the samples or water
    d. the method of collection
    e. whether a chain of custody exists
    f. the method of analysis
    g. the time between sample collection and sample analysis
    h. the person or entity that perfomed the analysis
    i. all lab reports or analyses for each sample.

The sample consists of a canning jar of water whose unsuitability for household use is obvious to the naked eye of a reasonable person and does not require professional analysis.

SUPPLEMENTARY
RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP
(SET I)

Docket No. A-00230101 & Docket No. A-00210117

6. Identify, describe, and provide all documents pertaining to your assertion that emergency communications to the utility are inadequate.

No documents. Testimony will be given.

SUPPLEMENTARY
RESPONSES OF ANGIE AND DAVID BOYTER TO THE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF HIDDEN VALLEY UTILITY SERVICES, LP (SET I)

Docket No. A-00230101 & Docket No. A-00210117

7. Identify and describe any and all issues you intend to raise in the hearing of this proceedings.

The issues we intend to raise are listed fully in paragraphs 6 through 9 of our petition to intervene dated March 2, 2004, which the applicant has received.

Exhibit A

FGH fee 30.00 / 18.000 = 0.018 ... :0.023/gal

Johnstown:

1st 20,000 gallons	$7.50 + $4.75/1,000 gallons	$0.005125/galons
Next 80,000 gallons	$97.75 + $2.25/1000 gallons	$0.003472/gallon

Edinboro

Minimum 15,000 gallons/bimonthly	$37.50	$0.0025/gallon
Over 15,000 gallons	$2.25/1000 gallons	$0.00225/gallon

Altoona

Minimum 4,002 gallons	$34.73	$0.008678/gallon
1st 1,667 gallons	$18.41	$0.011048/gallon
Next 2,333 gallons	$16.38	$0.007021/gallon
Next 26,000 gallons	$116.10	$0.004465/gallon

Waynesboro

1st 5,000 gallons	$5.54/1000 gallons	$0.00554/gallon
Next 25,000 gallons	$2.78/1000 gallons	$0.00278/gallon
Over 30,000 gallons	$1.74/1000 gallons	$0.00174/gallon

Central City

1st 2,000 gallons	$23.50	$0.01175/gallon
Next 1,000 gallons	$ 3.50	$0.0035/gallon

Gallitizin

1st gallon	$23.50	
Next 100 gallon	$ 0.40	$0.004/gallon

Somerset Township

Depending on which system		
1st 100 gallons	$0.50 – 0.60	$0.005 – 0.006/gallon

Seven Springs Resort

Water		
Each Quarter	$34.50/6,000 gallons	$0.00575/gallon
Over the 6,000 gallons	$2.00/1,000 gallons	$0.0020/gallon
Sewer		
Each Quarter	$34.50/6,000 gallons	$0.00575/gallon
Over the 6,000 gallons	$2.00/1,000 gallons	$0.0020/gallon

0.015

p1of2

Meyersdale

0 – 6000 gallons	$49.08	$0.00818/gallon
Over 6000 gallons	$ 8.18 /1000 gallons	$0.00818/gallon

Somerset Borough

Water	$ 0.44/100 gallons	$0.0044/gallon
Sewer	$ 0.57/100 gallons	$0.0057/gallon

Windber

Water		
Up to 2000 gallons	$11.35	$0.005675/gallon
Over 2000 gallons	$ 4.50/1000 gallons	$0.0045/gallon
Sewer		
Up to 2000 gallons	$ 8.75	$0.004375
Additional Sewerage Fee	$ 5.00	$0.0025/gallon

Exhibit A p 2 of 2

November 14, 1998

B-1

Summary of Inquiry into Water Department Operation

At last year's Annual Meeting there were homeowner questions about the water rates, which are consiodered high.

January- Cindy Miller asked if we could inspect the financial records of the water operation. We were told we could not, although paragraph 8 of the agreement allows us to do so annually.

February- Cindy asked for the water department's financial statements. Water & Sewer agreement, 1980, provides Foundation receive annual financial statements from the Resort. None have ever been received.

February 17- Judy Viets sent John Scanlan a letter asking him to send the requested statements to the Audit Committee.

April 17- received profit and loss statement. Showed $356k profit (in excess of 50%), but no depreciation or reserve contribution. Also included $32k interest expense but no explanation.

April 23- wrote Judy asking for her help in obtaining more complete statements for us.

July 13- faxed Judy saying we had received no response and again asked for her help.

July- attended the Foundation Board meeting. Judy told me she had asked Tom Beemiller to provide the information, and we agreed I could deal directly with Tom if I had follow-up questions after I received the statements.

August 31- sent a fax to the rest of the committee reporting that I had received nothing. We decided to write a letter from Jerry Earley, as chair of the committee.

September 16- Jerry wrote and asked that the statement be provided by the end of September so that we could prepare our committee report for the Annual Meeting.

Last week in September- received revised profit and loss statement. It was identical to the original computer-generated statements except for small adjustments to water usage fees and personnel costs and the addition of $110, 785 of depreciation and increase in Interest Expense from $32, 615 to $302, 615 (1996 figures given originally were $33,487 in interest, which changed to 303,487 in interest). I called Tom Beemiller on October 5 and asked him to call me.

October 12-Having not heard from Tom, I wrote him asking for a balance sheet, the basis for the depreciation, and an explanation of the interest expense. I also asked him if the Resort is making the required contributions to the reserve fund.

Annual Report- told the owners we are still waiting for some additional information.

November 13- Tom gave Cindy a copy of a letter he had sent me on Nov. 9. Para 1 gave a schedule of depreciable assets from 1994. The assets are not segregated from Kettler assets, as para 12 would require. Para 2 gave an explanation of the interest which is difficult to interpret, because it cites sewer lines, which are paid for by tap-in fees when houses are sold, and revenue bonds, which are general bonds to Kettler and not separate bonds for the water operation. Para 3 said the escrow account is required to have a balance of 5% of operating costs and asserts it exceeds that amount, but the escrow agreement requires annual contributions of 5% of operating costs (para 13 of agreement and para 4 of escrow agreement).

Angela M Boyter
Audit Committee Member

Ex. B-2

HIDDEN VALLEY FOUNDATION, INC.
1900 South Ridge Drive, P.O. Box 4180
Hidden Valley, Pennsylvania 15502
(814) 443-3001
FAX (814) 443-3736

Cindy Miller
Community Manager

MEMORANDUM

BOARD OF DIRECTORS
Judith Viets, President
Anna Baird, 1st Vice President
Phyllis Bowman, 2nd Vice President
Hal Thompson, Treasurer
Tom Beemiller, Secretary
John Eddy, Director
Glen Fodor, Director
Keith James, Director
Mabon Lichtenfels, Director
Bruce Gabler, (Alternate)
Dirk Gleysteen, (Alternate)
Matt Trimbur, (Alternate)

TO: JOHN SCANLON

FROM: JUDY VIETS

DATE: FEBRUARY 17, 1998

RE: FINANCIAL STATEMENT -- WATER CHARGES

Pursuant to the Hidden Valley Foundation Annual Meeting and a request made in that venue from the Hidden Valley Foundation Audit Committee, I requested that a current financial statement be sent to the Foundation.

I have been advised by the Audit Committee that they have not as yet seen that statement. Please arrange for the most current statement be provided as soon as possible. Under the terms of paragraph six of the Water Service Agreement dated October 1, 1983 (modified in 1990), a statement is to be prepared at the end of each fiscal year and a copy transmitted to all those a party to the Water Service Agreement. This does not need to be an audited statement but should be in the form normally prepared by HV.

If you have any questions regarding this request, please give me a call. Thanks for your assistance in this matter.

JHV/ms

Ex B-3

David & Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

Box 4214
Hidden Valley, PA 15502
(814) 443-3290 voice (814) 443-2021 fax
boyter@sprynet.com

February 16, 1998

Jerry Earley
1035 Summer Place
Pittsburgh PA 15243

Dear Jerry,

I wanted to update you on the progress on the matter of the Resort's financial operations of the Hidden Valley water plant.

After you and I spoke, I talked to Hal Thompson, Treasurer of the Hidden Valley Foundation Board. Hal confirmed that many owners had expected their water bills to decrease as more units were built on the property and that there have been a number of complaints over the years. He agreed that if the Audit Committee had a look at the financial records of the resort's water operation and confirmed the reasonableness of the charges, our findings would reassure many of those owners.

Cindy Miller, Community Manager, asked the Resort if we could inspect the financial records of the water plant and was told we could not. This refusal was apparently based on the Resort's review of the Amendment Agreement on Water and Sewer dated January 1, 1990. I have looked at this document, and it is an amendment to, not a replacement for, the original document. Both the original water document and the original sewer documents give the Foundation, as the successor to the Utility Corporation, the right to inspect the financial records. It also requires the Resort to provide the Foundation with annual unaudited financial statements on the water and sewer operation. Cindy told me today that she has never received any financial statements. The sewer agreement also requires the Resort to maintain a Capital Reserve account in a separate escrow account.

Cindy is going to ask the Resort for the required annual financial statements, citing the appropriate parts of the agreements.

I spoke today to our auditor, Doug Bishop, about a possible engagement to verify that required reserves are being maintained and that homeowners are being properly charged. He said they would be happy to undertake agreed upon procedures to answer our questions. I believe we can frame our questions best after we see the financial statements.

While I am waiting for the statements, I will review the agreements more thoroughly to see if there are other requirements of interest to us. In addition, it

is not clear to me whether the Resort is required to reduce their rates even if the plant begins to show a p[redacted].
After we see the financials, we will have to develop our requ[redacted]ents, obtain a proposal from Doug Bishop, and request funding from the Foundation Board. The Audit Committee should also write a formal request to the Resort for permission to conduct this engagement.
Your wife said you are out of town and suggested I try to call you Saturday evening about 5:30 PM. Meanwhile, you will know the status of my inquiries even if we do not make contact on Saturday. I have appended pertinent sections of the agreements. If you or Lee would like the complete documents, please let me know. I do not know whether I will be in Maryland or Pennsylvania this week-end, but you can reach me by e-mail in either place.

Sincerely,

Angie Boyter

Angie Boyter

cc: Cindy Miller
Lee Shull
Hal Thompson
Phyllis Bowman
Doug Bishop

Ex B-4

Auditors 4/20/98 ENGAGEMENT
ALPERN & ROSENTHAL
FROM PITTSBURGH —

NOTES. 1/3
RESORT IS 90± OF
REVENUE.

NOTE: INFRASTRUCTURE DEPRECIATION + FACILITIES COSTS ARE NOT INCLUDED. E. SLUDGE BAGGER, ETC.

Big profit
Variance —

HIDDEN VALLEY RESORT

DEPARTMENTAL PROFIT AND LOSS STATEMENT SEWER & WATER OPERATIONS — 3 - 19
PRELIM. DECEMBER 32, 1997

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH PRIOR YEAR ACTUAL		YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE PRIOR YEAR ACTUAL	YEARLY BUDGET
			INCOME				
0	9,000	0	TAP-IN-FEES	66,000	69,000	30,000	69,000
26,242	42,421	0	WATER USAGE FEES	547,525	534,663	499,476	534,663
26,242 *	51,421 *	0	* TOTAL INCOME	613,525 *	603,663 *	529,476 *	603,663 *
26,242 **	51,421 **	0	** GROSS PROFIT	613,525 **	603,663 **	529,476 **	603,663 **
			PAYROLL				
0	3,248	0	PAYROLL-SALARIED	35,811	32,354	29,870	32,354
0	3,378	0	PAYROLL-HOURLY-OTHER	30,392	36,723	29,712	38,723
0	155	0	PAYROLL-HOURLY-HOLIDAY PAY	1,580	948	1,447	948
0	0	0	ANNUAL LEAVE	3,757	5,784	6,429	5,784
0	42	0	PAYROLL-SICK PAY	105	768	406	768
0 *	6,823 *	0 *	TOTAL PAYROLL	71,645 *	78,577 *	67,864 *	78,577 *
			PAYROLL RELATED COST				
0	1,355	0	PAYROLL ASSESSMENTS	12,478	15,715	13,285	15,715
874	533	0	EMPLOYEE GROUP INSURANCE	9,253	6,396	7,408	6,396
0	257-	0	GROUP INSURANCE OFFSET	4,220-	3,204-	3,669-	3,204-
874 *	1,631 *	0 *	TOTAL PAYROLL RELATED COST	17,511 *	18,907 *	17,024 *	18,907 *
874	8,454	0	TOTAL PAYROLL & RELATED COST	89,156	97,484	84,888	97,484
			EXPENSES				
0	0	0	SUPPLIES-SAFETY	0	4,095	20	4,095
0	330	0	SUPPLIES-MAINTENANCE	926	1,375	819	1,375
0	183	0	SUPPLIES-OFFICE / LABORATORY	526	2,500	727	2,500
0	0	0	SUPPLIES-POSTAGE & SHIPPING	24	100	0	100
0	0	0	SUPPLIES-SMALL TOOLS & EQUIP	357	825	89	825
0	370	0	GASOLINE & OIL	2,601	3,245	3,188	3,245
0	0	0	EDUCATIONAL TRAINING	201	575	366	575
0	0	0	LICENSES & PERMITS	3,200	1,547	777	1,547
0	0	0	UNIFORMS	128	610	159	610
0 *	710 *	0 *	TOTAL EXPENSES	8,063 *	14,672 *	6,145 *	14,672 *
25,368 **	42,267 **	0 **	P/L BEFORE UNDISTRIBUTED EXPENSE	516,306 **	491,507 **	438,443 **	491,507 **
			UNDISTRIBUTED EXPENSES				
0	0	0	MAINT & REPAIRS-BUILDINGS	126	4,800	87	4,800
0	0	0	MAINT & REPAIRS-ELECTRICAL	39	665	654	665
0	900	0	MAINT & REPAIRS-EQUIPMENT	5,306	14,000	8,538	14,000
2,021	2,500	377	MAINT & REPAIRS-WATER SYSTEMS	14,390	17,150	15,141	17,150
0	0	0	MAINT & REPAIRS-PLUMB & HEAT	60	300	52	300
274	250	0	MAINT & REPAIRS-VEHICLES	1,369	3,010	2,262	3,010
0	0	205	MAINT & REPAIRS-MISC	274	1,000	774	1,000
0	72	0	PROF SERVICES-CONSULTANTS	4,167	3,344	4,264	3,344
0	0	0	PROF SERVICES-ENGINEERS	7,328	2,750	1,395	2,750
0	6,000	0	ELECTRICITY	73,391	72,000	73,489	72,000

72%

7172361281

APR-20-1998 10:15

P.02

Memo

From
HAL THOMPSON

To ANGIE 4-20-98

SEE MY E-MAIL MSG FROM YESTERDAY 4/19/98 -

- ACCORDING TO CINDY - AGREEMENT CALL FOR A REQUIREMENT THAT ALL THE WATER FACILITIES BE INSURED I DON'T SEE ANY LISTED.

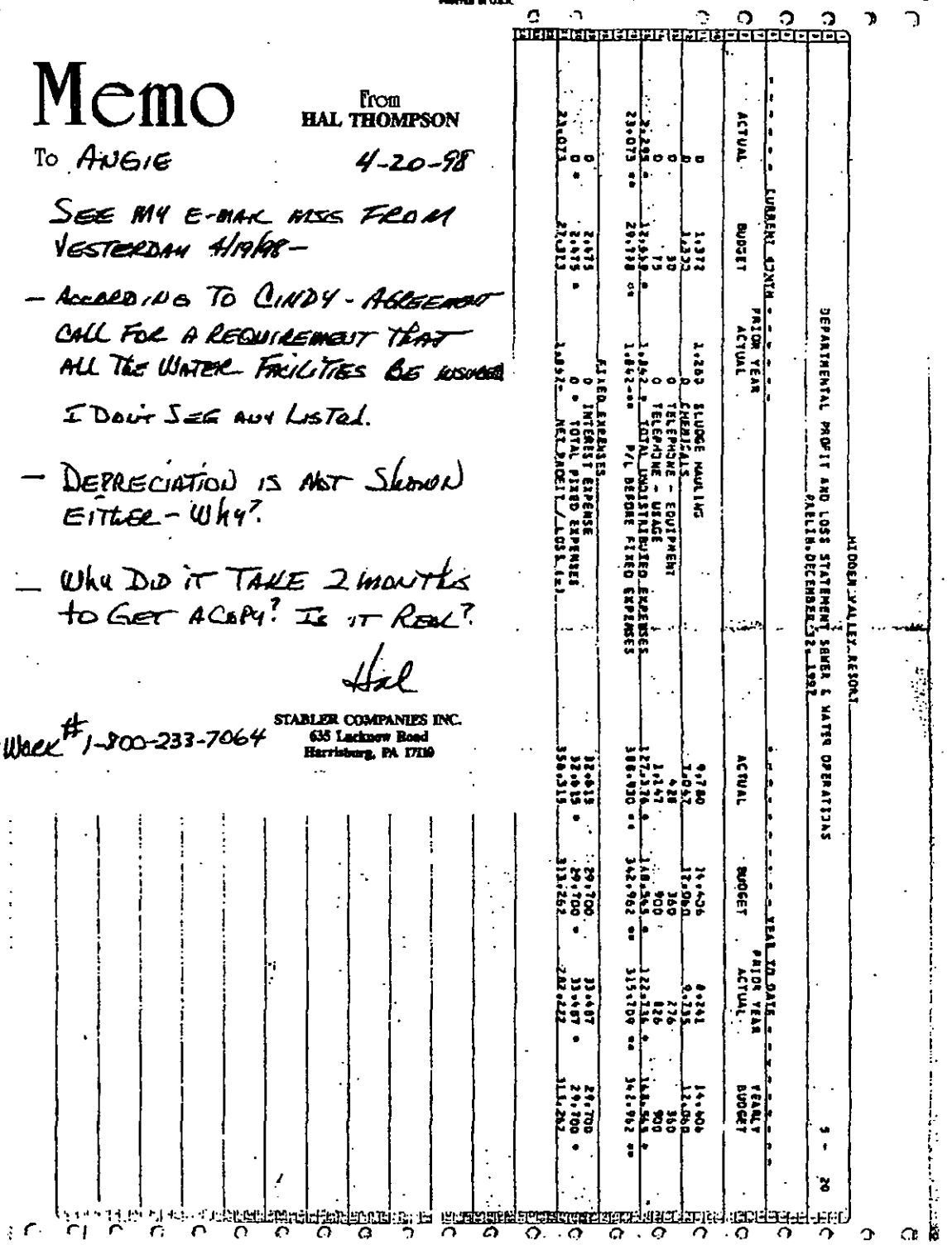
- DEPRECIATION IS NOT SHOWN EITHER - WHY?

- WHY DID IT TAKE 2 MONTHS TO GET A COPY? IS IT REAL?

Hal

STABLER COMPANIES INC.
635 Lacknow Road
Harrisburg, PA 17110

Work # 1-800-233-7064



B-5

Angie Boyter

3914 MacAlpine Road
Ellicott City, MD 21042
(410) 465-1444 fax (410) 465-0797
boyter@sprynet.com

April 23, 1998

Judy Viets, President
Hidden Valley Foundation Board of Directors
9426 Stewarttown Rd.
Montgomery Village, MD 20879
Fax: (301) 948-9749

Dear Judy,

Earlier this week, the Audit Committee received a Preliminary Profit and Loss statement for the Water department. As you know, we had asked for this statement to follow up homeowner comments at the Annual Meeting and elsewhere questioning what appeared to be high water rates to homeowners. Our goal was to try to give the homeowners some level of assurance that the rates are reasonable, in line with expenses of operating the water plant. The information we have received would not lead to that conclusion, but we believe it would be premature to draw a conclusion based on the statement provided. Although the preliminary profit and loss statement shows a profit from water operations in excess of 50%, it is clear that the statement is incomplete. For example, it shows no depreciation, and we are sure that the facility is not fully depreciated. It also shows no insurance, although the water agreement requires insurance coverage. Finally, there is no indication of any contributions to a reserve account for replacements. The information shown on the statement we received gives us no sense of what information is used to set water rates at Hidden Valley. If all expense were included, it is quite possible that we would conclude that the rates are fair. We would like to be able to so report to the Board and the homeowners. In any case, the Foundation is entitled to receive annual statements on the

water operation, and we would expect these to be more complete than what has been sent to us.
We would appreciate your assistance in obtaining more complete and informative financial information on the water operation so that we can try to resolve homeowner concerns.

Sincerely,

Angie Boyter
Member, Hidden Valley Audit Committee

cc: Jerry Earley
Lee Shull
Cindy Miller
Foundation Board Members

B-6

JEROME A. EARLEY
1555 CNG TOWER
625 LIBERTY AVENUE
PITTSBURGH, PENNSYLVANIA 15222-3123

(412) 565-7209
FAX: (412) 565-2924

September 16, 1998

Ms. Judy Viets, President
Hidden Valley Foundation Board of Directors
9426 Stewarttown Road
Montgomery Village, MD 20879

Dear Ms. Viets:

The Audit Committee of the Hidden Valley Foundation has been trying unsuccessfully since February to obtain information on the Resort's operation of the Water department in order to answer queries and complaints from homeowners about the water rates. We need information promptly so that we can prepare a report for the Annual Meeting in November.

As you know, the agreement between the Foundation and the Resort provides that we are entitled to copies of the financial statements of the Water operation. Although that agreement says that the Resort may provide those statements in the same format it normally uses, the statements we have received are clearly incomplete. It is not cr3dible that the Resort manages its operations with such incomplete and summarized information.

At the Board meeting in July, you told Angie Boyter of our committee that Tom Beemiller would provide us with additional information. As of this date, we have not heard from Mr. Beemiller or anyone else from the Resort about this matter.

We need additional information by the end of September to analyze it and prepare our report for the Annual Meeting. As Angie noted in her letter to you on April 23, the information we have received thus far would lead us to report to the homeowners that the Water department is making a significant profit. This will no doubt lead to pressure for a reduction in water rates. If you are comfortable with such a report, we need make no further analysis.

The Audit committee and the Board have a responsibility to the rest of the homeowners to assure proper use of resources. We need the Resort's cooperation and your own assistance to carry out our responsibility accurately and fully. Please help us by seeing to it that we receive the information we need to make a complete and accurate report.

Sincerely,

Jerry Early

Jerry Earley
Chairman, Audit Committee

cc: James Kettler, Jr.
Foundation Board members and alternates
Audit Committee members
Cindy Miller

David & Angie Boyter

3914 MacAlpine Road
Ellicott City, MD 21042
(410) 465-1444 fax (410) 465-0797
boyter@sprynet.com

FROM: Angie Boyter DATE: October 6, 1998 TIME: 4:46 PM

TO: Jerry Earley, Lee Shull cc: Cindy Miller, Hal Thompson (w/o attachment)

Last week I received the attached financial statement on the water operation from Tom Beemiller in the mail. There were two other pages that I have not included because the reproduction is so bad you would not be able to read them. The other two pages were computer printout similar to the tentative financial statements we received earlier in the year with a few adjustments to the numbers. They are identical to the page I am sending you except that the Fixed Expenses section on them lists only Interest Expense in the amount of $32,615.

I was in Hidden Valley over the week-end and tried to reach Tom yesterday before I left Pennsylvania. I left a message asking him to call me here in Maryland, but I have not yet heard from him. I spoke to both Phyllis Bowman and Hal Thompson of the Board, and neither was aware of any loans that should generate any interest expense. Certainly the amount of interest expense is extremely high in comparison to the depreciation. As a start, I want to ask Tom about the interest expense, the assets that are being depreciated, the lack of contribution to a reserve, the extent of the insurance coverage, and whether a balance sheet is available. Do you have any additional questions? I know we wanted to turn this over to the auditors, but I feel we still do not have enough to get them started.

This process is proceeding much too slowly, and any suggestions you might have about ways to speed it up would be appreciated.

Sewer & Water Divisional
Profit/Loss Statement
Dec[redacted]r 31, 1997

Version 2 - by loss

me:	Year To Date Actual	Budget	Prior Year Actual	Yearly Budget
in Fees	66,000	69,000	30,000	69,000
r Usuage	521,283	534,663	499,476	534,663
tal Income	*587,283*	*603,663*	*529,476*	*603,663*
roll:				
ayroll-Salary	35,811	32,354	29,870	32,354
ayroll-Hrly-Other	30,392	38,723	29,712	38,723
ayroll-Hrly-H. Pay	1,580	948	1,447	948
nnual Leave	3,757	5,784	6,429	5,784
ayroll-Sick Pay	105	768	406	768
l Payroll	*71,645*	*78,577*	*67,864*	*78,577*
roll Related Costs				
ayroll assessments	12,478	15,715	13,285	15,715
mployee Group Ins.	8,379	6,396	7,408	6,396
roup Ins. Offset	(4,220)	(3,204)	(3,669)	(3,204)
l Payroll Related	16,637	18,907	17,024	18,907
tal Payroll & Related	*88,282*	*97,484*	*84,888*	*97,484*
PENSES:				
Supplies-Safety	0	4,095	20	4,095
Supplies-Mainteneance	826	1,375	819	1,375
Supplies-Office/ Lab.	526	2,500	727	2,500
Supplies-Postage & Ship.	24	100	0	100
Supplies-Small tools	357	625	89	625
Gasoline & Oil	2,801	3,245	3,188	3,245
Educational Training	201	575	366	575
Licenses & Permits	3,200	1,547	777	1,547
Uniforms	128	610	159	610
tal Expenses	*8,063*	*14,672*	*6,145*	*14,672*
P/L befor Undistr. Exp	*490,938*	*491,507*	*438,443*	*491,507*
NDISTRIBUTED EXP.:				
Maint. & Repairs-Bldg.	126	4,600	87	4,600
Maint. & Repairs-Elect	59	665	654	665
Maint. & Repairs-Equip	5,306	16,000	8,538	16,000
Maint. & Repairs-Wat. Sys	12,368	17,150	14,764	17,150
Maint. & Repairs-Plmb. Heat	*60*	*300*	*52*	*300*
Maint. & Repairs-Vehicles	1,595	3,010	2,262	3,010
Maint. & Repairs-Misc.	278	1,000	569	1,000
Professional-Consultants	4,167	3,344	4,264	3,344
Professional-Engineers	7,328	2,750	1,395	2,750
Electricity	75,391	72,000	70,489	72,000
Sludge Hauling	9,780	14,406	6,981	14,406
Chemicals	7,047	12,060	9,735	12,060
Telephone-Equipment	428	360	276	360
Telephone-Usage	1,147	900	826	900
Adm. & General	✓ 20,000	23,000	20,000	22,000
Total Undistributed Exp.	145,080	171,545	140,892	170,545
P/L before Fixed Exp.	*345,858*	*319,962*	*297,551*	*320,962*
Fixed Expenses:	✓			
Interest Expense	302,615	299,700	303,487	299,700
Taxes-Real Estate & Other	✓ 15,000	16,000	15,000	16,000
Insurance-Gen. Liab. etc.	✓ 6,175	7,000	5,900	7,000
Depreciation	✓ 110,785	110,000	110,785	110,000
Total Fixed Expenses	434,575	432,700	435,172	432,700
Net Profit/ Loss	*(88,717)*	*(112,738)*	*(137,621)*	*(111,738)*

V - allocations - per J. Kettler 12/18/98

ZL

Angie Boyter

3914 MacAlpine Road
Ellicott City, MD 21042
(410) 465-1444 fax (410) 465-0797
boyter@sprynet.com

October 12, 1998

Tom Beemiller
Hidden Valley Resort
Hidden Valley, PA 15502

Dear Tom,

I was sorry to miss you when I was in Hidden Valley the week-end of October 3 and left a message for you to contact me. I received the revised profit and loss statement on the Hidden Valley Water Department for the year ended December 31, 1997, on September 28, and I have some questions.

The statement would be much easier to understand if we had a balance sheet. It is my understanding that the Resort's operations are audited, which means there must be a balance sheet. If it exists, please send it to me. It might clear up some of the Audit Committee's questions.

The biggest differences between the profit and loss statement I received last month and earlier statements involved depreciation and interest expense. It is reasonable that there would be depreciation, but the amount is fairly high. Could you please send me the schedule of depreciable assets so that we could understand the depreciation better? Most significant, however, was the interest expense. I have spoken to several Foundation Board members, and they were not aware of any debts that would cause the Water Department to incur Interest Expense, much less $300,000 worth of expense. Please send me a list of the debts and the interest rates so that we can explain the debt to the Board.

Board members are also concerned that the Resort is making the required contributions to a reserve account, and we see no evidence of this contribution on the profit and loss statement. Please send evidence that contributions are being made and insurance as required by the agreement is being maintained.

I need this information as soon as possible to prepare our report to the homeowners for the Annual Meeting. We would like to be able to give them the reassurance they were seeking in the questions at last year's meeting.

Sincerely,

Angie Boyter

Angie Boyter
Audit Committee

Cc: Audit Committee, Cindy Miller, Foundation Board

HIDDEN VALLEY

FOUR SEASONS RESORT

Ex B-9

November 9, 1998

Angie Boyter
3914 Mac Alpine Road
Ellicott City, MD 21042

Dear Angie:

In response to your letter of October 12, 1998 please find enclosed a copy of the depreciation schedule for the sewer and water department as you requested. This schedule should provide you with the information necessary to substantiate the annual depreciation expense.

The debt associated to the sewer and water department is made up primarily of industrial revenue bonds and debt to Kettler Homes Inc.. Interest expense is not necessarily allocated to each particular division or department on the financial statements. Part of the land Development costs associated with real estate home development would be the infrastructure for the water and sewer lines. This infrastructure is estimated to be approximately $2.7 million. The interest expense associated to the debt for this infrastructure along with the debt from the industrial revenue bonds account for the $300,000 annual expense on the financial statement.

Under terms of the agreement between Hidden Valley Resort and Jefferson Township, Hidden Valley maintains a sewer & water escrow account with Somerset Trust Company. Paragraph 13 of this agreement requires Hidden Valley to maintain a Balance in this account equal to at least 5% of the annual operating and maintenance expenses of the sewer and water facility. At present the balance in this account exceeds the 5% requirement.

I hope this letter addresses the major concerns outlined in your correspondence to me on October 12, 1998.

Sincerely,

Tom Beemiller
Controller

HIDDEN VALLEY ASSET CALCULATIONS

12/31/94

ASSET #	ASSET DESCRIPTION	G/L #	DATE ACQUIRED	ACQUISITION VALUE	DEPR. METHOD TAX	LIFE TAX	TOTAL TAX ACC DEPR	NET TAX VALUE	LAST DEPR	DEPR. METHOD BOOK	LIFE BOOK	TOTAL BOOK ACC DEPR	NET BOOK VALUE
485	ALUM.BILLBOARD	5012-1	92987	8,737.64	Z	7	8,737.64	0.00	1294	H	3	8,737.64	0.00
486	INSTALLATION	5012-1	72787	5,075.00	Z	7	5,075.00	0.00	1294	H	3	5,075.00	0.00
			13812.64										
380	LAKE PIER, DOCK & GAZERO	5013-1	53186	37,099.39	A	19	20,824.05	16,175.34	1294	H	35	9,009.83	28,089.56
582	FLOATS/LABOR	5013-1	81788	5,081.53	Z	10	3,874.32	1,207.21	1294	H	10	3,302.97	1,778.56
			42180.92										
583	ARTWORK/LIGHTS	5013-10	41288	1,219.51	Z	5	1,219.51	0.00	1294	H	5	1,219.51	0.00
584	CONSTRUCTION	5013-10	41488	988.80	Z	5	988.80	0.00	1294	H	5	988.80	0.00
585	SUPPLIES	5013-10	41188	48.22	Z	5	48.22	0.00	1294	H	5	48.22	0.00
[redacted]	DESIGN TIME	5013-10	42988	1,592.50	Z	5	1,592.50	0.00	1294	H	5	1,592.50	0.00
[redacted]	DESIGN TIME	5013-10	62288	407.50	Z	5	407.50	0.00	1294	H	5	407.50	0.00
[redacted]	TILE CEILING	5013-10	42188	1,860.00	Z	5	1,860.00	0.00	1294	H	5	1,860.00	0.00
589	MIRRORS/CHANNELS	5013-10	42088	654.00	Z	5	654.00	0.00	1294	H	5	654.00	0.00
590	CARPEYING	5013-10	51288	2,726.00	Z	5	2,726.00	0.00	1294	H	5	2,726.00	0.00
591	SUPPLIES	5013-10	51188	58.78	Z	5	58.78	0.00	1294	H	5	58.78	0.00
706	DESIGNS	5013-10	121588	17,220.00	Z	5	17,220.00	0.00	1294	H	5	17,220.00	0.00
707	DESIGNS	5013-10	121488	8,331.44	Z	5	8,331.44	0.00	1294	H	5	8,331.44	0.00
708	ELECTRICAL	5013-10	91688	812.15	Z	5	812.15	0.00	1294	H	5	812.15	0.00
			35918.9										
381	FIT PATH	5013-2	53186	29,633.19	A	19	16,713.12	12,920.07	1294	H	35	7,196.81	22,436.58
382	TOT LOT	5013-3	53186	43,974.08	A	19	24,801.38	19,172.70	1294	H	35	10,679.40	33,294.68
484	POOL IMPROVEMENTS	5013-4	42187	5,107.70	Z	31	1,249.91	3,857.79	1294	H	15	2,553.82	2,553.88
487	STORAGE BLDG.	5013-5	120487	2,950.00	Z	31	659.45	2,290.55	1294	H	10	2,212.50	737.50
488	SKI ACCT.ROOM	5013-6	110187	2,330.39	Z	31	527.11	1,803.28	1294	H	15	1,165.20	1,165.19
564	SKI ACCT. ROOM	5013-6	123187	266.85	Z	31	59.64	207.21	1294	H	15	133.42	133.43
780	TABLES/SHELVES	5013-6	103189	104.00	Z	5	104.00	0.00	1294	H	5	104.00	0.00
			2701.24										
565	DRYER	5013-7	123187	2,807.94	Z	7	2,807.94	0.00	1294	H	7	2,807.94	0.00
566	WASHER	5013-7	123187	6,507.34	Z	7	6,507.34	0.00	1294	H	7	6,507.34	0.00
			9315.28										
[redacted]	SEWAGE SYSTEM PRIOR 1981	5020-0	50183	33,000.00	S	10	33,000.00	0.00	1294	S	35	11,000.03	21,999.97
[redacted]	SEWAGE SYSTEM 1981-83	5020-0	50183	629,724.88	A	10	620,724.88	0.00	1294	S	35	209,908.30	419,816.58
	SEWAGE SYSTEM LAGOON	5020-0	50183	13,741.33	S	10	13,741.33	0.00	1294	S	35	4,580.45	9,160.88
71	SEWAGE SYSTEM SEWER	5020-0	50183	30,729.81	S	10	30,729.81	0.00	1294	S	35	10,243.22	20,486.59
72	SEWAGE SYSTEM 1984 ADDN	5020-0	70184	7,666.39	A	10	7,666.39	0.00	1294	S	35	2,299.92	5,366.47
73	SAFEHAR ASSET SEW SYS 83	5020-0	50183	337,275.00	S	10	337,275.00	0.00	1294	S	35	112,425.02	224,849.98
181	CEMENT BLOCKS-LAKE HELEN	5020-0	90185	553.85	A	10	553.85	0.00	1294	S	35	147.65	406.20
183	AIR DIFFUSERS/NOZZLES	5020-0	100185	385.38	A	10	385.38	0.00	1294	S	35	96.57	288.81
212	MYERS GRINDER PUMP	5020-0	110185	2,060.69	A	10	2,060.69	0.00	1294	S	35	539.73	1,520.96
239	M. GLOSSER & SONS	5020-0	30185	2,064.51	A	10	2,064.51	0.00	1294	S	35	580.07	1,484.44
240	SUPER CITY MFG.	5020-0	30185	970.00	A	10	970.00	0.00	1294	S	35	272.48	697.52
241	M. GLOSSER & SONS	5020-0	20185	1,543.16	A	10	1,543.16	0.00	1294	S	35	437.23	1,105.93
242	SEWER ADDITIONS	5020-0	60185	52,783.25	A	10	52,783.25	0.00	1294	S	35	14,452.53	38,330.72
249	ENGINEERING EQUAL TANK	5020-0	32786	1,967.03	A	5	1,967.93	0.00	1290	S	5	1,967.93	0.00
250	BLACKTOP S & W LOTS	5020-0	32586	399.00	A	5	399.00	0.00	1290	S	5	399.00	0.00
251	BASKET STRAINER	5020-0	11086	197.34	A	5	197.34	0.00	1290	S	5	197.34	0.00
383	PLANT MODIFICATION	5020-0	53186	10,217.76	A	10	9,298.17	919.59	1294	H	35	2,481.49	7,736.27
384	MOOSER WELL	5020-0	53186	49,848.80	A	10	45,382.40	4,466.40	1294	H	35	12,106.12	37,742.68
950	PRIMARY CLARIFIER	5020-0	123189	189,290.99	Z	31	30,296.59	158,994.40	1294	H	35	29,745.70	159,545.29
1037	ENGINEERING-JWC ENVIRON.	5020-0	123190	2,966.81	Z	5	2,682.71	284.10	1294	H	5	2,670.12	296.69
1064	PRIMARY CLARIFIRN	5020-0	22891	797.33	Z	20	189.95	607.38	1294	H	35	79.73	717.60
1065	NORTH SUMMIT FOVER MAIN	5020-0	12291	9,886.20	Z	31	1,239.79	8,628.41	1294	H	35	986.61	8,879.59
			1378030.41										
236	LICHTENFELS NU	5020-1	120186	564.50	A	10	513.70	50.80	1294	S	35	130.38	434.12
252	SEWER LINE	5020-1	80486	1,652.10	A	5	1,652.10	0.00	1290	S	5	1,652.10	0.00
253	SEWER LINE	5020-1	72586	2,595.13	A	5	2,595.13	0.00	1290	S	5	2,595.13	0.00
254	SEWER SYSTEM	5020-1	91088	8,080.50	A	5	8,080.50	0.00	1290	S	5	8,080.50	0.00

99299.03

HIDDEN VALLEY ASSET CALCULATIONS

12/31/94

ASSET #	ASSET DESCRIPTION	G/L #	DATE ACQUIRED	ACQUISITION VALUE	DEPR. METHOD TAX	LIFE TAX	TOTAL TAX ACC DEPR	NET TAX VALUE	LAST DEPR	DEPR. METHOD BOOK	LIFE BOOK	TOTAL BOOK ACC DEPR	NET BOOK VALUE
255	SEWER REPLACEMENT	5020-1	102186	2,329.50	A	5	2,329.50	0.00	1290	S	5	2,329.50	0.00
256	SEWER REPLACEMENT	5020-1	82986	1,260.41	A	5	1,260.41	0.00	1290	S	5	1,260.41	0.00
257	IMPERIAL ROAD SEWER LINE	5020-1	70386	22.50	A	5	22.50	0.00	1290	S	5	22.50	0.00
258	SEWER REPLACEMENT	5020-1	92586	53,592.37	A	10	48,769.05	4,823.32	1294	S	35	12,632.48	40,959.89
259	SEWER LINE IMPERIAL ROAD	5020-1	62786	27.32	A	5	27.32	0.00	1290	S	5	27.32	0.00
260	SEWER REPLACEMENT	5020-1	90886	2,448.65	A	5	2,448.65	0.00	1290	S	5	2,448.65	0.00
261	SEWER REPLACEMENT	5020-1	72886	1,964.55	A	5	1,964.55	0.00	1290	S	5	1,964.55	0.00
262	SEWER REPLACEMENT ENGIN	5020-1	63086	1,467.59	A	5	1,467.59	0.00	1290	S	5	1,467.59	0.00
263	STONE SEWER REPLACEMENT	5020-1	71786	102.59	A	5	102.59	0.00	1290	S	5	102.59	0.00
264	SEWER REPLACEMENT	5020-1	71086	596.03	A	5	596.03	0.00	1290	S	5	596.03	0.00
265	SEWAGE REPLACEMENT	5020-1	71086	76.13	A	5	76.13	0.00	1290	S	5	76.13	0.00
266	SEWAGE REPLACEMENT	5020-1	31986	725.36	A	5	725.36	0.00	1290	S	5	725.36	0.00
267	SEWAGE REPLACEMENT	5020-1	32786	10,700.53	A	5	10,700.53	0.00	1290	S	5	10,700.53	0.00
[redacted]	EQUALIZATION SEWAGE	5020-1	31786	388.15	A	5	388.15	0.00	1290	S	5	388.15	0.00
[redacted]	SEWAGE REPALCEMENT	5020-1	43086	1,843.01	A	5	1,843.01	0.00	1290	S	5	1,843.01	0.00
[redacted]	SEWAGE REPLACEMENT	5020-1	50806	277.38	A	5	277.38	0.00	1290	S	5	277.38	0.00
271	SEWAGE TREATMENT PLANT	5020-1	43086	232.50	A	5	232.50	0.00	1290	S	5	232.50	0.00
272	SEWAGE REPLACEMENT	5020-1	11586	322.55	A	5	322.55	0.00	1290	S	5	322.55	0.00
273	SEWAGE REPLACEMENT	5020-1	11386	464.56	A	5	464.56	0.00	1290	S	5	464.56	0.00
274	SEWAGE REPLACEMENT	5020-1	32086	318.50	A	5	318.50	0.00	1290	S	5	318.50	0.00
275	SEWAGE REPLACEMENT	5020-1	32086	374.85	A	5	374.85	0.00	1290	S	5	374.85	0.00
276	SEWAGE REPLACEMENT	5020-1	32086	906.50	A	5	906.50	0.00	1290	S	5	906.50	0.00
277	SEWAGE REPLACEMENT	5020-1	32686	1,415.70	A	5	1,415.70	0.00	1290	S	5	1,415.70	0.00
278	SEWAGE REPLACEMENT	5020-1	32886	319.10	A	5	319.10	0.00	1290	S	5	319.10	0.00
279	SEWAGE REPLACEMENT	5020-1	30486	8,222.09	A	5	8,222.09	0.00	1290	S	5	8,222.09	0.00
280	SEWAGE REPLACEMENT	5020-1	32786	584.38	A	5	584.38	0.00	1290	S	5	584.38	0.00
281	SEWAGE TREATMENT PLANT	5020-1	22786	384.21	A	5	384.21	0.00	1290	S	5	384.21	0.00
282	SEWAGE REPLACEMENT	5020-1	22486	59,467.25	A	5	59,467.25	0.00	1290	S	5	59,467.25	0.00
283	SEWAGE REPLACEMENT	5020-1	22786	12,612.69	A	5	12,612.69	0.00	1290	S	5	12,612.69	0.00
330	DEWBERRY & DAVIS	5020-1	120186	69.00	A	10	62.79	6.21	1294	S	35	15.92	53.08
379	LICHTENFELS NURSERY	5020-1	123186	1,279.46	A	10	1,164.31	115.15	1294	H	35	310.76	968.70
385	PJR SEWAGE REPLACEMENT.	5020-1	71286	103.08	A	10	93.82	9.26	1294	H	35	25.07	78.01
386	NEW ENTERPRISE STONE	5020-1	91086	118.69	A	10	108.01	10.68	1294	H	35	28.81	89.88
387	DEWBERRY & DAVIS	5020-1	121886	196.00	A	10	178.36	17.64	1294	H	35	47.60	148.40
409	LICHTENFELS NURSERY	5020-1	122986	1,760.95	A	10	1,602.48	158.47	1294	H	35	427.63	1,333.32
489	STONE/ASH	5020-1	71587	2,745.81	Z	31	650.14	2,095.67	1294	H	20	1,029.67	1,716.14
592	LABOR	5020-1	123188	1,014.00	Z	5	1,014.00	0.00	1294	H	5	1,014.00	0.00
593	LABOR	5020-1	123188	1,103.00	Z	5	1,103.00	0.00	1294	H	5	1,103.00	0.00
594		5020-1	123188	5,678.50	Z	5	5,678.50	0.00	1294	H	5	5,678.50	0.00
595	MUFFIN MONSTER	5020-1	42088	19,943.90	Z	20	8,036.68	11,907.22	1294	H	20	6,481.74	13,462.16
781	SEWER LINE REPAIR	5020-1	120189	1,470.00	Z	5	1,470.00	0.00	1294	H	5	1,470.00	0.00
[redacted]	PREP FOR SOD/LABOR	5020-1	113089	1,963.41	Z	5	1,963.41	0.00	1294	H	5	1,963.41	0.00
[redacted]	LAWN PATCHING	5020-1	113089	71.16	Z	5	71.16	0.00	1294	H	5	71.16	0.00
[redacted]	LABOR	5020-1	111389	305.00	Z	5	305.00	0.00	1294	H	5	305.00	0.00
785	LABOR/SOD	5020-1	111389	288.24	Z	5	288.24	0.00	1294	H	5	288.24	0.00
786	LABOR	5020-1	80989	1,320.50	Z	5	1,320.50	0.00	1294	H	5	1,320.50	0.00
787	LABOR	5020-1	81689	25.00	Z	5	25.00	0.00	1294	H	5	25.00	0.00
788	LABOR	5020-1	82189	16.80	Z	5	16.80	0.00	1294	H	5	16.80	0.00
789	LABOR	5020-1	110189	817.00	Z	5	817.00	0.00	1294	H	5	817.00	0.00
790	ENGINEERING SERVICES	5020-1	102389	5,910.62	Z	5	5,910.62	0.00	1294	H	5	5,910.62	0.00
791	STONE	5020-1	72189	99.26	Z	5	99.26	0.00	1294	H	5	99.26	0.00
792	STONE	5020-1	72689	268.67	Z	5	268.67	0.00	1294	H	5	268.67	0.00
793	STONE	5020-1	72589	311.34	Z	5	311.34	0.00	1294	H	5	311.34	0.00
794	LABOR/SUPPLIES	5020-1	72689	24,309.10	Z	5	24,309.10	0.00	1294	H	5	24,309.10	0.00
795	WIRING/LABOR	5020-1	72889	291.57	Z	5	291.57	0.00	1294	H	5	291.57	0.00
796	WIRING LABOR	5020-1	91389	914.07	Z	5	914.07	0.00	1294	H	5	914.07	0.00
797	LABOR	5020-1	52389	4,025.50	Z	5	4,025.50	0.00	1294	H	5	4,025.50	0.00
798	150 YARDS TURF	5020-1	81689	182.85	Z	5	182.85	0.00	1294	H	5	182.85	0.00
799	120 YARDS TURF	5020-1	81689	146.28	Z	5	146.28	0.00	1294	H	5	146.28	0.00
800	TESTING	5020-1	82489	60.00	Z	5	60.00	0.00	1294	H	5	60.00	0.00
1096	LABOR/SOD	5020-1	111689	97.00	Z	5	97.00	0.00	1294	H	5	97.00	0.00
			251044.94										
284	SEWAGE LAGOON	5020-2	110386	128.80	A	5	128.80	0.00	1290	S	5	128.80	0.00
285	SEWAGE LAGOON	5020-2	91686	1,122.18	A	5	1,122.18	0.00	1290	S	5	1,122.18	0.00
286	SEWAGE LAGOON	5020-2	81986	488.50	A	5	488.50	0.00	1290	S	5	488.50	0.00
287	SEWAGE LAGOON	5020-2	72986	10,886.82	A	5	10,886.82	0.00	1290	S	5	10,886.82	0.00
288	SEWAGE LAGOON	5020-2	72186	81.78	A	5	81.78	0.00	1290	S	5	81.78	0.00

4018.68

HIDDEN VALLEY ASSET CALCULATIONS

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ASSET #	ASSET DESCRIPTION	G/L #	DATE ACQUIRED	ACQUISITION VALUE	DEPR. METHOD TAX	LIFE TAX	TOTAL TAX ACC DEPR	NET TAX VALUE	LAST DEPR	DEPR. METHOD BOOK	LIFE BOOK	TOTAL BOOK ACC DEPR	NET BOOK VALUE	
289	EQUALIZATION TANK	5020-2	82086	500.00	A	5	500.00	0.00	1290	S	5	500.00	0.00	
290	SEWAGE LAGOON	5020-2	61986	4,341.16	A	5	4,341.16	0.00	1290	S	5	4,341.16	0.00	
291	SEWAGE LAGOON	5020-2	42586	2,557.37	A	5	2,557.37	0.00	1290	S	5	2,557.37	0.00	
292	SEWAGE LAGOON	5020-2	52886	284.54	A	5	284.54	0.00	1290	S	5	284.54	0.00	
293	SEWAGE LAGOON	5020-2	41886	235.03	A	5	235.03	0.00	1290	S	5	235.03	0.00	
294	SEWAGE LAGOON	5020-2	43086	3,970.65	A	5	3,970.65	0.00	1290	S	5	3,970.65	0.00	
295	SEWAGE LAGOON	5020-2	22786	1,178.21	A	5	1,178.21	0.00	1290	S	5	1,178.21	0.00	
296	SEWAGE LAGOON	5020-2	22786	1,305.82	A	5	1,305.82	0.00	1290	S	5	1,305.82	0.00	
297	SPRAY IRRIGATION SITE	5020-2	22786	572.92	A	5	572.92	0.00	1290	S	5	572.92	0.00	
388	FORY PITT FENCE	5020-2	51990	6,528.00	A	10	5,940.48	587.52	1294	H	35	1,585.33	4,942.67	
389	NEILAN ENGINEERS, INC.	5020-2	121186	441.00	A	10	401.31	39.69	1294	H	35	107.10	333.90	
390	NEILAN ENGINEERS, INC.	5020-2	121986	42.00	A	10	38.22	3.78	1294	H	35	10.20	31.80	
851	SEWAGE TREATMENT LAGOONS	5020-2	123189	740,407.30	Z	31	118,504.32	621,902.98	1294	H	35	116,349.89	624,057.81	
[redacted]	EQUALIZATION TANK	5020-2	22891	318,820.93	Z	20	75,905.34	242,721.59	1294	H	35	31,882.70	286,764.23	
[redacted]	EQUALIZATION TANK	5020-2	22891	35,908.37	Z	20	8,554.32	27,354.05	1294	H	35	3,590.82	32,317.55	
1083	SEWAGE LAGOON	5020-2	22891	47,308.86	Z	20	11,270.21	36,038.65	1294	H	35	4,730.88	42,577.98	
1106	SEWAGE TREATMENT LAGOONS	5020-2	123191	17,035.52	Z	20	4,058.31	12,977.21	1294	H	25	2,384.97	14,650.55	
			1193951.76											33322.7
74	WATER SYSTEM 1981-1983	5030-0	50183	160,000.00	A	10	160,000.00	0.00	1294	S	35	53,333.35	106,666.65	
75	WATER SYSTEM 1983	5030-0	70183	376,334.08	A	10	376,334.08	0.00	1294	S	35	123,652.60	252,681.48	
76	WATER SYSTEM 1984 ADDN	5030-0	70184	46,203.36	A	10	46,203.36	0.00	1294	S	35	13,861.05	32,342.31	
111	BOWL ASSEMBLY	5030-0	40185	1,678.03	A	10	1,678.03	0.00	1294	S	35	468.93	1,209.10	
120	PUMP HOUSE	5030-0	50185	2,538.95	A	10	2,538.95	0.00	1294	S	35	701.22	1,837.73	
238	168A-1985 ADDITIONS	5030-0	120185	1,470.00	A	10	1,470.00	0.00	1294	S	10	1,335.25	134.75	
298	SNOWMAKING WATER SYSTEM	5030-0	43086	1,235.19	• A	5	1,235.19	0.00	1290	S	5	1,235.19	0.00	
299	MAIN WATER SYSTEM	5030-0	33186	1,887.28	• A	5	1,887.28	0.00	1290	S	5	1,887.28	0.00	
391	WATER TANK	5030-0	53186	311,795.01	A	10	283,733.46	28,061.55	1294	H	35	75,721.85	236,073.36	
392	LOT OWNERS WATER SYSTEM	5030-0	53186	31,419.48	A	10	28,591.73	2,827.75	1294	H	35	7,630.45	23,789.03	
393	SOMERSET WELL DRILLING	5030-0	123186	2,425.00	A	10	2,206.75	218.25	1294	H	35	588.96	1,836.04	
394	SALES	5030-0	123186	44.01	A	10	40.04	3.97	1294	H	35	10.71	33.30	
490	TEST WELL #1	5030-0	60987	853.50	Z	31	204.38	649.12	1294	H	25	256.05	597.45	
712	WATER SYSTEM	5030-0	123188	1,434.39	Z	10	1,070.12	364.27	1294	H	10	932.36	502.03	
801	WATER LINE HEIGHTS	5030-0	113089	2,060.60	Z	10	1,402.26	658.34	1294	H	10	1,133.33	927.27	
802	INSPECTOR SERVICES	5030-0	102389	366.73	• Z	5	366.73	0.00	1294	H	5	366.73	0.00	
803	PROFESSIONAL SERVICES	5030-0	102389	406.84	• Z	5	406.84	0.00	1294	H	5	406.84	0.00	
804	APPLICATION PREPARATION	5030-0	102389	520.17	• Z	5	520.17	0.00	1294	H	5	520.17	0.00	
805	INSPECTOR TESTING	5030-0	102389	511.64	• Z	5	511.64	0.00	1294	H	5	511.64	0.00	
806	LABOR/LAMP HOLE	5030-0	92289	52.00	• Z	5	52.00	0.00	1294	H	5	52.00	0.00	
807	LABOR	5030-0	82389	247.00	• Z	5	247.00	0.00	1294	H	5	247.00	0.00	
808	HTS WATERLINE REPLACEMENT	5030-0	72686	14,165.55	Z	31	2,454.61	11,710.94	1294	H	25	3,116.41	11,049.14	
[redacted]	LABOR/ENGINEERS	5030-0	41790	1,000.37	Z	5	957.72	42.65	1294	H	5	900.31	100.06	
[redacted]	VALVES/PUMP	5030-0	101290	642.36	Z	5	580.85	61.51	1294	H	5	578.11	64.25	
1039	BACKFLOW PIPE/VALVES	5030-0	92790	1,571.45	Z	5	1,460.48	110.97	1294	H	5	1,414.30	157.15	
1040	WELL # 2	5030-0	92790	5,281.60	Z	10	3,268.09	1,893.51	1294	H	10	2,387.72	2,893.88	
1041	WELL # 2	5030-0	101190	2,777.40	Z	10	1,688.22	1,109.18	1294	H	10	1,249.83	1,527.57	
1042	LABOR-ENG./NEILAN ENG.	5030-0	101190	85.05	Z	5	76.91	8.14	1294	H	5	76.54	8.51	
1043	ENG. SERVICES-NEILAN	5030-0	110890	470.47	Z	5	425.42	45.05	1294	H	5	423.40	47.07	
1158	WATER LINE REPLACEMENT	5030-0	100192	71,317.31	Z	31	4,999.78	66,317.55	1294	S	31	5,094.09	66,223.22	
1171	WATER LINE REPLACEMENT	5030-0	122992	1,778.53	Z	31	115.15	1,661.38	1294	S	31	112.80	1,663.73	
			1042549.35											29639.7
566	USE TAX	5030-1	91288	29.40	Z	5	29.40	0.00	1294	H	5	29.40	0.00	
597	DRILLING	5030-1	121688	2,542.50	Z	5	2,542.50	0.00	1294	H	5	2,542.50	0.00	
598	LABOR	5030-1	121588	61.30	Z	5	61.30	0.00	1294	H	5	61.30	0.00	
599	DRILLING	5030-1	120788	2,740.25	Z	5	2,740.25	0.00	1294	H	5	2,740.25	0.00	
600	LABOR	5030-1	112988	4,353.00	Z	5	4,353.00	0.00	1294	H	5	4,353.00	0.00	
601	LABOR	5030-1	112988	842.37	Z	5	842.37	0.00	1294	H	5	842.37	0.00	
602	LABOR	5030-1	112388	1,555.60	Z	5	1,555.60	0.00	1294	H	5	1,555.60	0.00	
603	LABOR	5030-1	111788	572.00	Z	5	572.00	0.00	1294	H	5	572.00	0.00	
604	STONE	5030-1	111588	60.95	Z	5	60.95	0.00	1294	H	5	60.95	0.00	
605	LABOR	5030-1	111588	66.00	Z	5	66.00	0.00	1294	H	5	66.00	0.00	
606	STONE	5030-1	110888	106.74	Z	5	106.74	0.00	1294	H	5	106.74	0.00	
607	PRINTS	5030-1	93188	490.00	Z	5	490.00	0.00	1294	H	5	490.00	0.00	
608	LABOR	5030-1	123188	633.00	Z	5	633.00	0.00	1294	H	5	633.00	0.00	
609	LABOR	5030-1	123188	175.00	Z	5	175.00	0.00	1294	H	5	175.00	0.00	
610	DRILLING	5030-1	82688	4,249.00	Z	5	4,249.00	0.00	1294	H	5	4,249.00	0.00	
611	DRILLING	5030-1	82688	4,134.00	Z	5	4,134.00	0.00	1294	H	5	4,134.00	0.00	

HIDDEN VALLEY ASSET CALCULATIONS

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ASSET #	ASSET DESCRIPTION	G/L #	DATE ACQUIRED	ACQUISITION VALUE	DEPR. METHOD TAX	LIFE TAX	TOTAL TAX ACC DEPR	NET TAX VALUE	LAST DEPR	DEPR. METHOD BOOK	LIFE BOOK	TOTAL BOOK ACC DEPR	NET BOOK VALUE
612	STAGING AREA ROAD	5030-1	82488	1,150.00	Z	5	1,150.00	0.00	1294	H	5	1,150.00	0.00
613	CONSTRUCTION	5030-1	90786	1,811.58	Z	5	1,811.58	0.00	1294	H	5	1,811.58	0.00
614	TEST DRILLING	5030-1	90988	5,162.45	Z	5	5,162.45	0.00	1294	H	5	5,162.45	0.00
809	LABOR/EROSION CONTROL	5030-1	111689	1,057.10	Z	5	1,057.10	0.00	1294	H	5	1,057.10	0.00
810	LABOR	5030-1	111389	281.00	Z	5	281.00	0.00	1294	H	5	281.00	0.00
811	LABOR	5030-1	121389	25.00	Z	5	25.00	0.00	1294	H	5	25.00	0.00
812	LABOR	5030-1	112089	924.00	Z	5	924.00	0.00	1294	H	5	924.00	0.00
813	PUMP & CABLE	5030-1	122789	4,214.00	Z	10	2,867.68	1,346.32	1294	H	10	2,317.70	1,896.30
814	LABOR/WELL PUMP	5030-1	122789	278.46	Z	5	278.46	0.00	1294	H	5	278.46	0.00
815	LABOR	5030-1	102889	132.69	Z	5	132.69	0.00	1294	H	5	132.69	0.00
816	LABOR	5030-1	50189	66.00	Z	5	66.00	0.00	1294	H	5	66.00	0.00
817	LABOR	5030-1	52589	967.00	Z	5	967.00	0.00	1294	H	5	967.00	0.00
818	LABOR	5030-1	52589	1,288.14	Z	5	1,288.14	0.00	1294	H	5	1,288.14	0.00
819	LABOR	5030-1	52589	739.50	Z	5	739.50	0.00	1294	H	5	739.50	0.00
820	LABOR	5030-1	53189	169.00	Z	5	169.00	0.00	1294	H	5	169.00	0.00
[redacted]	LABOR	5030-1	53189	1,075.00	Z	5	1,075.00	0.00	1294	H	5	1,075.00	0.00
822	LABOR	5030-1	53189	412.00	Z	5	412.00	0.00	1294	H	5	412.00	0.00
823	LABOR	5030-1	53189	168.00	Z	5	168.00	0.00	1294	H	5	168.00	0.00
824	LABOR	5030-1	60889	526.00	Z	5	526.00	0.00	1294	H	5	526.00	0.00
825	LABOR	5030-1	61289	60.00	Z	5	60.00	0.00	1294	H	5	60.00	0.00
826	LABOR	5030-1	62389	246.00	Z	5	246.00	0.00	1294	H	5	246.00	0.00
827	LABOR	5030-1	62389	276.00	Z	5	276.00	0.00	1294	H	5	276.00	0.00
828	LABOR	5030-1	110289	113.00	Z	5	113.00	0.00	1294	H	5	113.00	0.00
829	LABOR	5030-1	110289	176.00	Z	5	176.00	0.00	1294	H	5	176.00	0.00
830	DRILLING SERVICES	5030-1	60289	4,913.50	Z	5	4,913.50	0.00	1294	H	5	4,913.50	0.00
831	WIRE/PIPE/LABOR	5030-1	82389	609.50	Z	5	609.50	0.00	1294	H	5	609.50	0.00
832	DRILLING REPORTS	5030-1	60289	3,088.45	Z	5	3,088.45	0.00	1294	H	5	3,088.45	0.00
833	STONE/CONCRETE	5030-1	53189	513.40	Z	5	513.40	0.00	1294	H	5	513.40	0.00
834	STONE/CONCRETE	5030-1	53189	418.03	Z	5	418.03	0.00	1294	H	5	418.03	0.00
835	STONE	5030-1	53189	411.89	Z	5	411.89	0.00	1294	H	5	411.89	0.00
836	STONE/CEMENT	5030-1	61889	211.12	Z	5	211.12	0.00	1294	H	5	211.12	0.00
837	STONE	5030-1	61289	98.61	Z	5	98.61	0.00	1294	H	5	98.61	0.00
838	STONE	5030-1	61589	546.73	Z	5	546.73	0.00	1294	H	5	546.73	0.00
839	STONE	5030-1	61989	597.14	Z	5	597.14	0.00	1294	H	5	597.14	0.00
840	STONE	5030-1	62889	172.64	Z	5	172.64	0.00	1294	H	5	172.64	0.00
841	LABOR	5030-1	22189	66.00	Z	5	66.00	0.00	1294	H	5	66.00	0.00
842	LABOR	5030-1	22789	205.00	Z	5	205.00	0.00	1294	H	5	205.00	0.00
931	LABOR	5030-1	123189	328.00	Z	5	328.00	0.00	1294	H	5	328.00	0.00
1001	USE TAX	5030-1	11790	231.84	Z	5	228.65	3.19	1294	H	5	208.66	23.18
1107	TEST WELL-C/M TRACT	5030-1	112191	11,439.56	Z	5	9,462.81	1,976.75	1294	H	5	8,007.68	3,431.88
1134	TEST WELL	5030-1	21892	2,849.75	Z	31	260.10	2,589.65	1294	H	31	226.17	2,623.58
			70652.19										
[redacted]	SKI AREA PAVING	5040-9	123188	13,445.64	Z	15	6,399.32	7,046.32	1294	H	15	5,826.47	7,619.17
	SKI ENTRANCE PAVING	5040-9	123189	4,679.80	Z	15	1,950.97	2,728.83	1294	H	15	1,715.94	2,963.86
1060	N.S. OVERFLOW PARKING LOT	5040-9	22891	623.90	Z	15	191.82	432.08	1294	H	15	145.56	478.34
1179	SKI PARK PREFFERED	5040-9	70193	19,816.07	Z	31	908.15	18,707.92	1294	H	31	934.09	18,881.98
			38305.41										
85	AUTOMOTIVE PRIOR TO 1981	5050-3	50183	10,500.00	S	5	10,500.00	0.00	1290	S	5	10,500.00	0.00
86	AUTOMOTIVE 1983	5050-3	50183	12,906.47	A	5	12,906.47	0.00	1287	S	5	12,906.47	0.00
87	AUTO DODGE PICKUP	5050-3	80184	1,500.00	A	3	1,500.00	0.00	1287	S	5	1,500.00	0.00
89	DISP TRUCK	5050-3	100184	0.00	A	5	0.00	0.00	0	S	5	0.00	0.00
90	AUTOMOTIVE MAINT SIGNS	5050-3	110184	225.00	A	5	225.00	0.00	1290	S	5	225.00	0.00
91	AUTOMOTIVE CHEV SUBUR	5050-3	60184	4,000.00	A	3	4,000.00	0.00	1287	S	5	4,000.00	0.00
116	CONSTRUCTION TRAILER	5050-3	50185	950.00	A	5	950.00	0.00	1290	S	5	950.00	0.00
170	PURCH NEW TRUCK	5050-3	90185	1,158.00	A	5	1,158.00	0.00	1290	S	5	1,158.00	0.00
188	1985 CHEV VAN	5050-3	100185	869.00	A	3	869.00	0.00	1287	S	5	869.00	0.00
201	150A-1985 ADDITIONS	5050-3	90185	4,033.00	A	3	4,033.00	0.00	1287	S	5	4,033.00	0.00
301	FORD DUMP TRUCK	5050-3	43086	3,554.00	A	3	3,554.00	0.00	1290	S	3	3,554.00	0.00
419	CHEROKEE JEEP WAGON	5050-3	42586	6,861.65	A	5	6,861.65	0.00	1290	H	10	5,832.37	1,029.28
491	78 CHEVY VAN	5050-3	100687	9,069.90	Z	5	9,069.90	0.00	1294	H	5	9,069.90	0.00
492	DISPOSED BLAZER	5050-3	111887	0.00	Z	5	0.00	0.00	0	H	5	0.00	0.00
615	1984 CHEVY TRUCK	5050-3	53188	4,506.00	Z	5	4,506.00	0.00	1294	H	5	4,506.00	0.00
843	USE TAX ON 86 EAGLE	5050-3	111089	330.00	Z	5	330.00	0.00	1294	H	5	330.00	0.00
844	86 EAGLE STATION WAGON	5050-3	31089	5,500.00	Z	5	5,500.00	0.00	1294	H	5	5,500.00	0.00
1059	1989 CHEVY CORSICA	5050-3	32291	13,710.00	Z	5	3,088.91	641.09	1294	H	5	2,597.00	1,113.00
1099	AUTO	5050-3	113088	7,670.16	Z	5	7,670.16	0.00	1294	H	5	7,670.16	0.00

1991 CAP. Ad. Assets Tims $ 39469.74 15 yr LIFE

2631.3

B-10

November 20, 1998

Mr. Tom Beemiller
Controller
Hidden Valley Resort
One Craighead Drive
Hidden Valley, Pa. 15502

Dear Tom:

At the Hidden Valley Foundation annual meeting, it was agreed that there would be a meeting with the members of the audit committee to review and discuss the Hidden Valley Water Department financial information. While the audit committee does not intend to conduct an audit, we would like to have a complete set of financial statements and supporting details made available for our review. In the interest of ensuring an efficient and productive meeting, we need the following information no later than the date of the meeting.

- Balance sheet or similar statement of assets and liabilities at 12/31/96 and 12/31/97, including details of fixed assets and debt. (We understand that there were certain allocations of overall resort debt and interest expense, and would therefore expect that there is a set of assumptions and calculations that were made to support the allocation. We would like to see these.) (Also, in reviewing the fixed asset detail provided, we noted that the schedule really has not been updated since December 1994, and shows no capital additions for the years 1993 - 1996. Further, the list is difficult to interpret since there are some assets that appear to be fully depreciated and it is not readily apparent that they have been excluded from the depreciation total.)
    - Please provide a schedule of the revenue bonds pertaining to the water and sewer operation, their terms, and the projects they relate to.

- Cash flow statement or similar details of receipts and disbursements for the period 12/31/96 to 12/31/97. (It would seem that the debt balances should be declining via cash collected for tap-in fees and the depreciation charge. We see no evidence of this as the interest expense is nearly the same for both 1996 and 1997.)
    - What is the basis for the tap-in fee rate? Is it sufficient to retire the debt for the relevant lines?

- Details in support of certain expense items, namely, depreciation and interest which were discussed above, admin. and general expense of $20,000 in both 1996 and 1997,

and taxes-real estate & other of $15,000 in both 1996 and 1997 (was there an allocation here as well?).

- Balance of the Reserve Account at 12/31/96 and 12/31/97 and supporting bank statement, etc.
    - Based on the contractual requirement to fund the reserve the reserve fund with 5% of the operating budget for each year, and considering any disbursements from the fund, how much should have been contributed, was actually contributed and should be in the fund at 12/31/97.
- Be prepared to brief us on the accounting for the water department, i.e., what is completely separated from the rest of the resort's accounting, what is allocated according to a formula, what financial statements are routinely prepared, and what is the budget process.

We are tentatively planning on Friday, December 18, 1998 for the meeting. If the above information will not be available for the meeting, please advise Angie Boyter by November 30 of those items that will not be available.

As we reported at the meeting, we will not be able to reach a conclusion about the appropriateness of the water rates without the above information.

Sincerely,

Hidden Valley Foundation Audit Committee:
J. A. Earley
A. Boyter
A. Lee Shull

cc: Cynthia Miller
Judith Viets

B-11

Hidden Valley Foundation Audit Committee
Meeting with Jim Kettler and Tom Beemiller
December 18, 1998

Attendees: Angie Boyter, Foundation Audit Committee Member
Lee Shull, Foundation Audit Committee Member
Jim Kettler, Hidden Valley Resort
Tom Beemiller, Hidden Valley Resort Controller

The purpose of the meeting was to discuss the financial statements for the Hidden Valley Water Department for the year ended December 31, 1997, that had been provided to the Audit Committee. The committee felt we need additional information to form a conclusion about the reasonableness of the water rates for Hidden Valley homeowners. There was a lot of discussion about three topics:
- the interest expense listed on the financial statement and whether it was supported by specifically identifiable loans,
-the capital assets for which depreciation was claimed, and
-the reserve account.

INTEREST: The Resort said there are IRB's Series 2 and 4 issued in 1989 that produced the direct interest expense of $32,000 listed in the original draft of the financial statements provided to the Audit Committee. There is $540,000 outstanding on those bonds, and they are due in 2007. The rest of the interest expense is an allocated item.

DEPRECIATION: Jim Kettler explained that Hidden Valley Resort had undergone a change of ownership in 1994 and that an appraisal at that time declared the capital assets of the water department to be of no value. As a result, records are not now being routinely kept on the assets owned before the change in ownership. Some depreciation, however, is being charged on those assets.

RESERVE: Due to a misunderstanding, the Resort had been underfunding the reserve fund. They have been maintaining the balance at 5% of the annual operating budget rather than contributing 5% of the operating fund annually. The current balance in the fund is approximately $25,000. Expenditures have been made for the water department that would appropriately come from the reserve fund; it was not clear whether these were always made from the fund.

The Resort agreed to provide the Audit Committee additional financial information by January 10:
-Balance sheet for the Water Department for the year ended December 31, 1997
-Complete schedule of capital assets for the water department
-Schedule for the reserve fund showing how much should have been contributed to the fund over the years and how much should have been spent from the fund.

Angela M. Boyter
Audit Committee Member

Addendum: On January 13, Tom Beemiller sent me a message saying that the press of year-end duties had prevented him from preparing the financial information for us and promising to have it to us by February 10, 1999.

B-12

Angie Boyter

Hidden Valley Foundation Audit Committee
Report to the Foundation Board

March 19, 1999

The Audit Committee has received some of the financial schedules and reports for the water department for the year ended December 31, 1997, that we requested from the Resort during our meeting in December. These are enclosed for your information. Although there is some additional information in what we received, there is not enough detail to permit us to draw conclusions about the water operation.

We have asked the Resort for similar information for the year ended December 31, 1998. We will continue our inquiry and keep you informed.

Angie Boyter

Angie Boyter
Audit Committee Member

Attachments: a/s

HIDDEN VALLEY RESORT
SEWER AND WATER ESCROW ANALYSIS
FEBRUARY 8, 1999

YEAR	ANNUAL SEWER & WATER OPERATING BUDGET	5% RESERVE	RESERVE FUND BALANCE	ACTUAL 12/31 ESCROW BALANCE	SEWER AND WATER CAPITAL IMPROVEMENTS
1985	$271,520	$13,576	$13,576	$10,128	$66,026
1986	$256,800	$12,840	$26,416	$21,795	$623,768
1987	$171,087	$8,554	$34,970	$29,621	$3,599
1988	$205,016	$10,251	$45,221	$15,534	$58,909
1989	$301,224	$15,061	$60,282	$16,877	$1,016,316
1990	$288,880	$14,444	$74,726	$18,168	$15,007
1991	$272,200	$13,610	$88,336	$19,220	$440,983
1992	$224,633	$11,232	$99,568	$19,914	$75,943
1993	$189,924	$9,496	$109,064	$20,411	$0
1994	$204,955	$10,248	$119,312	$21,133	$0
1995	$207,964	$10,398	$129,710	$22,270	$0
1996	$211,925	$10,596	$140,306	$23,345	$0
1997	$260,701	$13,035	$153,341	$24,527	$39,470
1998	$234,269	$11,713	$165,054	$25,810	$23,553
TOTAL	$3,301,098	$165,054			$2,364,576

Sent by:ADMIN
FEB-18-1999 18:15 8144438578 94% P.02

HIDDEN VALLEY RESORT L.P.
SEWER & WATER DEPARTMENT
BALANCE SHEET
DECEMBER 31, 1997

Cash-Escrow Account Somerset Trust Co.	$24,527
Property & Equipment @ cost	$3,975,698
Less Accumulated Depreciation	($1,492,910)
NET	$2,482,788
Total Assets	$2,507,315
Notes Payable - *Industrial* Revenue Bonds – Series 2 & 4	$561,695
Notes Payable – Frank	$2,800,176
M. Ewing Co. Inc.	
Partner's Deficit	($854,556)
Total Liability & Partners Capital	$2,507,315

B-13

Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

Box 4214 12 Lake Road
Hidden Valley, PA 15502
(814) 443-3290 Fax: (814)443-2021
boyter@sprynet.com
May 15, 1999

John Eddy, Treasurer
Phyllis Bowman
Mabon Lichtenfels
John Humphrey
Dirk Gleysteen
Doug Brown
Board of Directors
Hidden Valley Foundation
South Ridge Center
Hidden Valley, PA 15502

Dear John, Phyllis, Mabon, John, Dirk, and Doug,

I am writing to give you a status report on my inquiry into the operations of the Hidden Valley Water Department and to recommend what action should be taken.

Since my report to the Board dated March 19, 1999, we have heard nothing from anyone at the Resort. Since both Jim Kettler and Tom Beemiller received copies of that report, I am sure they are aware that we have not cancelled our request for additional information and that we are waiting for the annual financial statements for the year ended December 31, 1998.

I have been trying for over a year without success to obtain enough information on the water operation for the year ended 1997 to form reasonable opinions about the profitability of the operation or to turn the matter over to our auditors for additional work. My lack of success tempts me simply to let the matter drop. However, the scantiness of the information I have received forces me to conclude that the Resort is either trying to hide something or is managing the financial aspects of the operation in a very casual manner. I hope that neither of these is the case, but, given the indications, I believe it would be imprudent to drop the matter.

I believe the Audit Committee has done about as much as we can, and I am now returning the matter to the Board for further action. Since the Resort clearly would have a conflict of interest, I am directing this letter to the homeowner representatives alone. You are free to share as much of it as you like with the Resort representatives on the Board.

The Board asked the Audit Committee to begin this inquiry because of a complaint about high water rates made by [redacted] homeowner at the Annual Meeting in [redacted]. I was attempting to see if the water department was making a large profit and could, therefore, realistically lower its rates. As I stated above, I haven't received enough financial information to reach any conclusion. However, in reading the contract between the Foundation and the Resort, it appears that the Resort is not required to lower its rates, even if they are making a profit. The rates were negotiated, and there is a cap above which the Resort cannot raise them, but there is no mention of any voluntary reductions. I believe the homeowners expected the water department to be run as a service and not as a Resort profit center, as evidenced by the requirement that the Resort give us regular financial reports, but that is not in the contract, as far as I can tell.

I am not an attorney, but I feel the issues facing us are legal ones, not accounting. I believe the Foundation should get legal advice on how to proceed with this matter, if you desire to proceed. I am attaching documents that trace the events over the past year and a half. I would be happy to meet with the Board or the Foundation's attorney if I can be of any further help.

You can reach me as listed above. I expect to be in Hidden Valley next for Memorial Day week-end.

Sincerely,

Angie Boyter

Angie Boyter

Cc: Cindy Miller
Lee Shull
Jerry Earley

Attachments: a/s

B-14

David & Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

Box 4214
Hidden Valley, PA 15502
(814) 443-3290 voice (814) 443-2021 fax
boyter@sprynet.com
June 1, 1999

Tom Beemiller, Controller
Hidden Valley Resort
Hidden Valley, PA

Dear Tom,

I understand that the Foundation Board discussed my letter to the homeowner members dated May 15, 1999, at its May meeting. In this letter, I stated that the Audit Committee has not received all the information we need. I am told that you said you do not understand what we need but that, if told, you can supply it within two weeks.

As you know, the Audit Committee was asked to look into the water operation after homeowner complaints that the water rates were too high. Our objective was to look into the revenues and expenses of the operation to reassure the homeowners that the rates charged were in line with the actual costs. We also wanted to ascertain that the homeowners' long-term interests were being provided for by a properly funded reserve fund, as the contract requires. We have not yet received information adequate to satisfy those objectives. The remaining information we need is listed below:

Reserve Fund: Your Escrow Analysis spreadsheet dated February 8 lists $2,364, 576 of capital improvements since 1985 . Please provide an itemization of what those capital improvements were so that we can determine if it would have been appropriate to pay for them from the capital improvement fund.

Debt: The balance sheet for the year ended December 31, 1997, which was provided to us on March 10, 1999, shows Notes Payable of $3,361, 871. The book value of all of the property and equipment as of that date is only $2,482,788, and the capital improvements since 1985 were only $2,364,576. It would appear that the Resort has borrowed more than the amount of the capital improvements and also has a balance outstanding of more than the remaining assets are worth. Please provide a schedule of the Notes Payable showing date

borrowed, amount borrowed, purpose of loan, interest rate, and dates due. The Income statements provided to us for the year ended December 31, 1997, shows a loss of $88,717 and debt service of over $300,000. We need to examine this debt further because of the significance of the debt service amount. Please note also that paragraph 10 of the sewer agreement provides that Hidden Valley may not borrow money "in an amount that would increase the annual operation and maintenance, including debt service, in excess of an amount which can be charged for reasonable services provided by the system."

Depreciable Assets: At our meeting in December, Jim Kettler explained that records of assets owned before 1994 are not now being routinely kept by the Resort, but that some depreciation is still being charged on those assets. We had received a marked-up old schedule of depreciable assets earlier, which is difficult to follow and which included depreciation on some fully depreciated assets. Please provide us with an up-to-date complete list of depreciable assets for the Water and Sewer operation.

Year-end Financial Statements: The water and sewer agreements require that Hidden Valley "maintain books and records relating to the financial affairs in connection with the operation of the sewer system in accordance with sound and customary financial systems and accounting procedures" and that the Foundation receive year-end financial statements annually (par 8, Sewer Agreement dated October 31, 1981). Sound and customary accounting procedures would provide, at minimum, for a balance sheet, income statement, and fund accounting for the reserve fund. We have not received any financial statements for the reserve fund operation for any year (although we did receive the schedule referred to above). We have requested but not received any financials for the year ended December 31, 1998. Please provide a set of financials for the year ended December 31, 1998, promptly, including a balance sheet, income statement, and reserve fund statements, as customary accounting procedures require. Please send these automatically in the years to come.

Understanding the Operation: Please also provide a cash flow statement or similar details of receipts and disbursements for the years of 1997 and 1998. We were told that some of the expenses were allocations of general resort expenses. Please identify exactly which expenses were allocated and provide the assumptions and calculations that were used to make these allocations. The balance sheet for December 31, 1997, shows no payables and no receivables. This is quite unusual; please confirm that this information is accurate.

I will be waiting to receive the information by June 15. I will be in Hidden Valley until June 10 and in Maryland after that date. I'd be happy to meet with you before I leave if any of our requirements are not clear.

Sincerely,

Angie Boyter

Angie Boyter

cc: Jim Kettler, Hidden Valley Resort
Hidden Valley Foundation
Lee Shull
Jerry Earley
Robert Boose

J. Kettler Illegible 1/16/99 at Board meeting

B-15

HIDDEN VALLEY RESORT L.P.
SEWER & WATER DEPARTMENT
BALANCE SHEET
DECEMBER 31, 1997

ASSETS	
Cash - Escrow Account	$24,527
Property and Equipment @ cost	$3,975,698
Accumulated Depreciation	($1,492,910)
Net Property and Equipment	$2,482,788
TOTAL ASSETS	$2,507,315
LIABILITIES	
Notes Payable	
Industrial Revenue Bonds	$561,695
PARTNERS CAPITAL	$1,945,620
TOTAL LIABILITIES & PARTNERS CAPITAL	$2,507,315

David & Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

boyter@sprynet.com

B-16

December 23,2002

Cindy Miller, Community Manager
Hidden Valley Foundation
Hidden Valley PA 15502

Dear Cindy,

I believe you are aware that we have lodged a complaint with the Public Utility Commission against the Hidden Valley Resort water and sewer operation. As part of the evidence I am submitting I will be discussing the annual financial statements required by our water and sewer agreements. I do not know if I have the most recent statements, and I want to be sure my testimony is accurate. Could you please provide me a copy of the most recent statements the Foundation has received?

Sincerely,

Angie Boyter

Angie Boyter

B-17

Hidden Valley Resort, L.P.
Sewer & Water Divisional
Profit/Loss Statement
1998 thru 2000

	2000		1999		1998	
Income:	**Actuals**	**Budgeted**	**Actuals**	**Budgeted**	**Actuals**	**Budgeted**
Tap-In Fees	$39,000	$30,000	$33,000	$30,000	$24,000	$54,000
Water Usage	$437,338	$540,000	$491,380	$544,530	$528,969	$546,945
Total Income	**$476,338**	**$570,000**	**$524,380**	**$574,530**	**$552,969**	**$600,945**
Payroll:						
Payroll-Salary	$41,756	$37,200	$36,378	$35,178	$35,636	$38,292
Payroll-Hrly-Other	$26,050	$30,000	$27,222	$33,124	$27,657	$31,504
Payroll-Hrly-H. Pay			$1,214	$1,776	$1,337	$1,437
Annual Leave			$6,025	$7,960	$5,582	$6,361
Payroll-Sick Pay			$72	$508	$433	$699
Total Payroll	*$67,806*	*$67,200*	*$70,911*	*$78,546*	*$70,645*	*$78,293*
Payroll Assessments	$9,792	$10,080	$11,322	$13,745	$12,140	$13,700
Employee Group Ins	$5,299	$7,440	$5,945	$5,520	$10,365	$9,228
Group Ins Offset	($4,407)	($5,280)	($4,531)	($3,900)	($6,213)	($4,608)
Total Payroll Related	*$10,684*	*$12,240*	*$12,736*	*$15,365*	*$16,292*	*$18,320*
Total Payroll & Related	**$78,490**	**$79,440**	**$83,647**	**$93,911**	**$86,937**	**$96,613**

Expenses:

Supplies-Safety			$0	$120	$0	$120
Supplies-M&R	$504	$600	$506	$1,450	$818	$1,470
Supplies-Office	$675	$600	$748	$1,525	$286	$2,475
Supplies-P&S	$25	$0	$15	$150	$40	$100
Supplies-Small Tools			$382	$600	$0	$600
Gasoline & Oil	$4,591	$3,000	$2,670	$3,200	$2,302	$3,105
Educational Training			$240	$605	$46	$575
Licenses & Permits	$2,014	$310	$2,549	$2,200	$1,495	$2,055
Uniforms	$376	$0	$0	$400	$0	$300
Miscellaneous	$1,987	$0				
Total Expenses	*$10,172*	*$4,510*	*$7,108*	*$10,250*	*$4,987*	*$10,800*
P/L before Undist. Exp	**$387,676**	**$486,050**	**$433,625**	**$470,369**	**$461,045**	**$493,532**

Undistributed Exp.

M&R-Building			$0	$750	$225	$750
M&R-Electrical	$154	$0	$100	$670	$15	$670
M&R-Equipment	$3,170	$4,800	$3,541	$5,800	$971	$6,000
M&R-Water Systems	$17,047	$18,000	$7,636	$13,500	$2,994	$15,000
M&R-Plumbing & Heat			$88	$625	$70	$300
M&R-Vehicles	$1,681	$600	$1,196	$1,400	$2,376	$1,300
M&R-Misc			$0	$850	$10	$850
Prof-Consultants	$5,920	$6,000	$6,102	$6,760	$6,604	$6,795
Prof-Engineers	$1,163	$0	$2,242	$2,750	$0	$3,000
Electricity	$66,490	$72,000	$69,198	$81,600	$75,235	$77,500
Sludge Hauling	$2,060	$3,000	$2,217	$3,600	$2,549	$3,075
Chemicals	$7,248	$6,000	$8,141	$0	$6,778	$9,996
Telephone-Equipment	$259	$120	$260	$420	$349	$420
Telephone-Usage	$1,458	$600	$1,088	$1,320	$1,304	$1,200
Adm. & Gen	$20,000	$23,000	$20,000	$23,000	$20,000	$23,000
Total Undist. Exp	*$126,650*	*$134,120*	*$121,809*	*$143,045*	*$119,480*	*$149,856*

P/L before Fixed Exp	**$261,026**	**$351,930**	**$311,816**	**$327,324**	**$341,565**	**$343,676**
Fixed Expenses:						
Interest Expense	$299,160	$300,000	$299,480	$300,000	$300,832	$300,000
Taxes-Real Est. & Other	$15,850	$16,000	$15,500	$16,000	$15,000	$16,000
Ins-Gen Liab, ect.	$6,187	$6,000	$5,292	$6,000	$5,754	$7,000
Depreciation	$110,319	$110,000	$108,907	$110,000	$111,043	$110,000
Total Fixed Expenses	$431,516	$432,000	$429,179	$432,000	$432,629	$433,000
Net Profit/Loss	($170,490)	($80,070)	($117,363)	($104,676)	($91,064)	($89,324)

Dec 30 02 03:24p Cynthia Miller 814-443-3736 p.3

HIDDEN VALLEY RESORT
SEWER AND WATER ESCROW ANALYSIS
FEBRUARY 8, 1999

YEAR	ANNUAL SEWER & WATER OPERATING BUDGET	5% RESERVE	RESERVE FUND BALANCE	ACTUAL 12/31 ESCROW BALANCE	SEWER AND WATER CAPITAL IMPROVEMENTS
1985	$271,520	$13,576	$13,576	$10,128	$66,026
1986	$256,800	$12,840	$26,416	$21,795	$623,768
1987	$171,087	$8,554	$34,970	$28,821	$3,599
1988	$205,016	$10,251	$45,221	$15,534	$59,909
1989	$301,224	$15,061	$60,282	$16,877	$1,016,318 New plant
1990	$288,880	$14,444	$74,726	$18,168	$15,007
1991	$272,200	$13,610	$88,336	$19,220	$440,983
1992	$224,633	$11,232	$99,568	$19,914	$75,943
1993	$189,924	$9,496	$109,064	$20,411	$0
1994	$204,955	$10,248	$119,312	$21,133	$0
1995	$207,964	$10,398	$129,710	$22,270	$0
1996	$211,925	$10,596	$140,306	$23,345	$0
1997	$260,701	$13,035	$153,341	$24,527	$39,470
1998	$234,268	$11,713	$165,054	$25,810	$23,553
TOTAL	$3,301,098	$165,054			$2,364,576

FTB-18-1999 18:15 8144435578 P.02

David & Angie Boyter
3914 MacAlpine Road
Ellicott City, MD 21042
(410)465-1444 Fax: (410) 465-0797

boyter@sprynet.com

RECEIVED
04 APR 26 AM 9:16
PA P.U.C.
SECRETARY'S BUREAU

April 20, 2004

A-210117

James McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Re: Supplementary Response to interrogatories and requests for production of documents (Set I) from Hidden Valley Utility Services, L.P re Application of Hidden Valley Utility Services, L.P., for Approval to offer, render, furnish, or supply water and wastewater service to the public in Hidden Valley, Pennsylvania Pa PUC Docket Nos. A-00210117 and A-00230101

Dear Secretary McNulty,

Enclosed please find an original and three (3)copies of a Certificate of Service for David and Angela Boyter's supplementary responses to Hidden Valley Utility Services, L.P.'s, Interrogatories and Request for Production of Documents Set I in the above-referenced matters served upon all parties of record as of this time. We are sending this supplementary information pursuant to a phone conversation we had with Carl Engleman, Jr., Esq. on April 19, 2004,

If you have any questions, please contact us.

Very truly yours,

Angela M Boyter

Angela M. Boyter
C: As per Certificate of Service

DOCUMENT

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED
2004 APR 26 PM 9:46
PA P.U.C.
SECRETARY'S BUREAU

In re: Application of Hidden Valley Utility :
Services, L.P., for approval to offer, render,: Application Docket
furnish, or supply wastewater service to the: No.A-230101
public in Hidden Valley, Pennsylvania :

In re: Application of Hidden Valley Utility :
Services, L.P., for approval to offer, render,: Application Docket
furnish, or supply water sewer service to the: No.A-210117
public in Hidden Valley, Pennsylvania :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the Boyters' supplementary response to the to Hidden Valley Utility Services, L.P.'s, Interrogatories and Request for Production of Documents Set I in the above-referenced matters upon the individuals listed below.

Service by First Class mail, postage prepaid, as follows:

James Beener , Esq.
Barbera, Clapper, Beener, Rullo, & Melvin
145 W.Main Street
PO Box 775
Somerset, PA 15501

Christine Maloni Hoover
Office of Consumer Advocate
555 Walnut Street
5thFloor, Forum Place
Harrisburg, PA 17101-1923

Jeffrey Franklin, Esq.
Carl J. Engleman, Jr., Esq.
Ryan, Russell, Ogden & Seltzer LLP
100 Berkshire Boulevard, Suite 301
Wyomissing, PA 19610-1221

Charles Daniel Shields
Office of Trial Staff
P. O. Box 3265
Harrisburg, PA 17105-3265

Dated : April 20, 2004

Angela M. Boyter
3914 MacAlpine Road
Ellicott City, MD 21042

COMMONWEALTH OF PENNSYLVANIA

DATE: April 27, 2007

SUBJECT: A-210117
A-230101

TO: Bureau of Fixed Utility Services

FROM: JJM James J. McNulty, Secretary

Hidden Valley Utility Services, L.P.

Attached is a copy of a Letter Request for Extension of Time to File Annual Report filed by Hidden Valley Utility Services, L.P., in connection with the above docketed proceeding.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: LAW

ksb

DOCUMENT FOLDER

DOCKETED
APR 27 2007

LAW OFFICES
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330
1105 BERKSHIRE BOULEVARD
WYOMISSING, PENNSYLVANIA 19610-1222
TELEPHONE: (610) 372-4761
FACSIMILE: (610) 372-4177
WWW.RYANRUSSELL.COM

HARRISBURG OFFICE
SUITE 101
800 NORTH THIRD STREET
HARRISBURG, PENNSYLVANIA
17102-2025
TELEPHONE: (717) 236-7714
FACSIMILE: (717) 236-7816

ORIGINAL

RECEIVED
04 MAY 10 AM 9:13
PA P.U.C.
SECRETARY'S BUREAU

May 7, 2004

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

DOCUMENT
FOLDER

Re: Responses of Hidden Valley Utility Services, L.P. to OCA's Interrogatories and Request for Production of Documents
Docket Nos. A-210117 and A-230101

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of a Certificate of Service for the Responses of Hidden Valley Utility Services, L.P.'s to the Interrogatories and Request for Production of Documents propounded by the Office of Consumer Advocate in the above-referenced matters served upon all parties of record as of this date.

If you have any questions, please contact us.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

Carl J. Engleman, Jr.
Jeffrey A. Franklin

Counsel for Hidden Valley Utility Services, L.P.

CJE:jag
c: As per Certificate of Service

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pennsylvania:	Application Docket No. A-230101
In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania	Application Docket No. A-210117

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04 MAY 10 AM 9:1[illegible]
PA PUC
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the Responses of Hidden Valley Utility Services, L.P. to the Interrogatories and Requests for Production of Documents of the Office of Consumer Advocate in the above-captioned matters upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by First Class Mail, postage prepaid, as follows:

Angie and David Boyter
3914 MacAlpine Road
Ellicott City, MD 21042

Hidden Valley Resort
1 Craighead Drive, Suite 300
Hidden Valley, PA 15502

Charles David Shields
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

Christine Maloni Hoover
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

James F. Beener, Esquire
Barbera, Clapper, Beener, Rullo & Melvin
146 West Main Street
P.O. Box 775
Somerset, PA 15501-0775

Dated: May 7, 2004

Carl J. Engleman, Jr.
Jeffrey A. Franklin
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Hidden Valley Utility Services, L.P.

CERTIFICATE OF SERVICE

DOCUMENT FOLDER

Re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania
Docket No. A-210117

I hereby certify that I have this day served a true copy of the foregoing document, Office of Consumer Advocate's Responses to Hidden Valley Utility Services, L.P. Interrogatories, Set I, 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 12th day of May, 2004.

RECEIVED
2004 MAY 12 PM 4:07
SECRETARY'S BUREAU

SERVICE BY INTER-OFFICE MAIL

Charles Daniel Shields, Esq.
Office of Trial Staff
PA Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Jeffrey A. Franklin, Esq.
Carl J. Engleman, Jr., Esq.
Ryan, Russell, Ogden & Seltzer LLP
Suite 330
1105 Berkshire Boulevard
Wyomissing, PA 19610-1222

James F. Beener, Esq.
Barbera, Clapper, Beener, Rullo & Melvin
146 West Main Street
P. O. Box 775
Somerset, PA 15501-0775

William R. Lloyd, Jr., Esq.
Small Business Advocate
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

David and Angie Boyter
354 Lake Road
P. O. Box 4214
Hidden Valley, PA 15502

Edwin C. Miller, *et al.*
203 Imperial Road
P. O. Box 4143
Hidden Valley, PA 15502

Christine Maloni Hoover
Senior Assistant Consumer Advocate

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
78615.doc;1/CMH/smn

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

June 15, 2004

In Re: **A-210117 & A-230101**

(SEE ATTACHED LIST)

Application of Hidden Valley Utility Services, LP

For approval to offer, render, furnish, or supply water and wastewater services to the public in Hidden Valley, PA

N O T I C E

This is to inform you that a prehearing conference on the above-captioned case will be held as follows:

Type: **Initial Prehearing Conference**

Date: **Monday, August 9, 2004**

Time: **10:00 a.m.**

Location: **11th floor hearing room**
Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, Pennsylvania

Presiding: **Administrative Law Judge John H. Corbett, Jr.**
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
Telephone: (412) 565-3550
Fax: (412) 565-5692

DOCUMENT
FOLDER

DOCKETED
JUN 18 2004

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission:

- Scheduling Office: (717) 787-1399.
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988.

pc: Judge Corbett
Dawn Reitenbach
Beth Plantz
Docket Section
Calendar File

A-210117 & A-230101
HIDDEN VALLEY UTILITY SERVICES LP

FOR APPROVAL TO OFFER, RENDER, FURNISH, OR SUPPLY WATER AND WASTEWATER SERVICES TO THE PUBLIC IN HIDDEN VALLEY, PA

HIDDEN VALLEY UTILITY SERVICES LP
1 CRAIGHEAD DRIVE SUITE 300
HIDDEN VALLEY PA 15502

JEFFREY A FRANKLIN ESQUIRE
CARL J ENGLEMAN JR ESQUIRE
RYAN RUSSELL OGDEN & SELTZER LLP
1105 BERKSHIRE BOULEVARD SUITE 330
WYOMISSING PA 19610-1222

JAMES F BEENER ESQUIRE
BARBERA CLAPPER BEENER RULLO & MELVIN
146 WEST MAIN STREET
PO BOX 775
SOMERSET PA 15501-0775

DAVID AND ANGIE BOYTER
3914 MAC ALPINE ROAD
ELLICOTT CITY MD 21042

H DAVID & ANGELA M BOYTER
BOX 4214
354 LAKE ROAD
HIDDEN VALLEY PA 15501-0775

EDWIN C MILLER ET AL
203 IMPERIAL ROAD
PO BOX 4143
HIDDEN VALLEY PA 15502

CHRISTINE MALONI HOOVER ESQUIRE
OFFICE OF CONSUMER ADVOCATE
5TH FLOOR FORUM PLACE
555 WALNUT STREET
HARRISBURG PA 17101-1923

CHARLES DANIEL SHIELDS PROSECUTOR
OFFICE OF TRIAL STAFF
PA PUBLIC UTILITY COMMISSION
P O BOX 2365 3265
HARRISBURG PA 17105-3265

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17102-2025
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June 22, 2004

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JUN 22 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Answer of Hidden Valley Utility Services, L.P. to the Complaint of Edwin C. Miller et al and Hidden Valley Utility Services, L.P.'s Motion to Dismiss the Complaint of Edwin C. Miller et al
Docket Nos. A-230101 and A-210117

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of the Answer and New Matter of Hidden Valley Utility Services, L.P. to the Complaint of Edwin C. Miller et al. and Hidden Valley Utility Services, L.P.'s Motion to Dismiss the Complaint of Edwin C. Miller et al. Copies of each of these documents have been served upon all parties of record as evidenced in the attached Certificate of Service.

If you have any questions, please feel free to contact us at any time.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

Carl J. Engleman, Jr. jag
Carl J. Engleman, Jr.
Counsel for Hidden Valley Utility Services, L.P.

CJE:jag
Enclosures
c: As per Certificate of Service
Administrative Law Judge Corbett

DOCUMENT
FOLDER

47

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pennsylvania: Application Docket No. A-230101

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pennsylvania: Application Docket No. A-210117

RECEIVED
JUN 22 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the Answer and New Matter of Hidden Valley Utility Services, L.P. to the Complaint of Edwin C. Miller et al. and Hidden Valley Utility Services, L.P. Motion to Dismiss the Complaint of Edwin C. Miller et al. in the above-captioned matters upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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5th Floor, Forum Place
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James F. Beener, Esquire
Barbera, Clapper, Beener, Rullo & Melvin
146 West Main Street
P.O. Box 775
Somerset, PA 15501-0775

Edwin C. Miller et al.
203 Imperial Road
P.O. Box 4143
Hidden Valley, PA 15502

Dated: June 22, 2004

Carl J. Englehan, Jr.
Jeffrey A. Franklin
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Hidden Valley Utility Services, L.P.

RECEIVED
JUN 22 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

EDWIN C. MILLER *et al.*	:	
v.	:	Docket Nos. A-210117
	:	A-230101
HIDDEN VALLEY RESORT, L.P.	:	

ANSWER AND NEW MATTER OF HIDDEN VALLEY UTILITY SERVICES, L.P. TO THE COMPLAINT OF EDWIN C. MILLER ET AL.

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

AND NOW, Hidden Valley Utility Services, L.P. ("HVUS"), by and through its counsel, Jeffrey A. Franklin, Carl J. Engleman, Jr. and Ryan, Russell, Ogden & Seltzer LLP, answers the above Complaint pursuant to Section 5.61 of this Commission's regulations, 52 Pa. Code § 5.61, as follows:

1. Admitted in part and denied in part. It is admitted that Edwin C. Miller's address is 203 Imperial Road, PO Box 4143, Hidden Valley, PA. It is denied that all signatories of the filing reside at Mr. Miller's address.

2. Denied. Hidden Valley Resort, L.P. ("HVR") is not a party to this proceeding.

3. For purposes of this Answer, the several sentences of this paragraph have been restated and answered as they appear as follows:

1) **For a number of years, Hidden Valley Resort, (HVR) has been operating a *de facto* public utility, supplying water and wastewater service to approximately 1000 residents of Hidden Valley Resort using the Hidden Valley Foundation (Foundation) as a billing agent.**

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Admitted in part and denied in part. It is admitted that for a number of years, Hidden Valley Resort was supplying water and wastewater service to approximately 1000 people through the Hidden Valley Foundation, a bona fide homeowners association. It is specifically denied that Hidden Valley Resort is a *de facto* public utility or that Hidden Valley Resort operated as such at any time.

2) **Under the provision of the Foundation documents, the developer, HVR, has 5 of the 9 seats on the Board of the foundation and exercises voting control.**

Denied. This sentence contains no averment of fact or allegation of a violation of any applicable law, regulation or tariff to which a responsive answer is required. By way of further answer, any "Foundation documents" speak for themselves.

3) **A resort employee reads the water meters and sends billing information to the Foundation which issues the bills.**

Denied. This sentence contains no averment of fact or allegation of a violation of any applicable law, regulation or tariff to which a responsive answer is required.

4) **The water and waste water service is provided to the public for compensation in violation of 66 Pa. C.S. Sec 1101, by not obtaining a certificate of public convenience to provide these services.**

Denied. This sentence contains a conclusion of law to which no responsive answer is required. To the extent any answer is required, any allegations in this sentence are denied.

5) **HVR has recently entered in an agreement with the Public Utility Commission to apply for this certificate. Docket numbers A-210117 and A-230101.**

Denied as stated. It is specifically denied that HVR is applying for any certificate in the proceedings at docket numbers A-210117 and A-230101. By way of further answer, the Applicant in the referenced proceeding is HVUS.

6) **Under 66 Pa. C.S. Sec 1301, the rates charged for these services are considered unjust and unreasonable.**

Denied. This paragraph contains a conclusion of law to which no responsive answer is required. To the extent any answer is required, any allegations in this sentence are denied.

4. The allegations in this paragraph constitute a prayer for relief to which no responsive pleading is required.

NEW MATTER

5. Edwin C. Miller and a number of other individuals who are not listed by name, only by their signature, filed a Formal Complaint that referenced Docket numbers A-210117 and A-230101.

6. HVUS was never served with the Formal Complaint by the Commission or the Complainants. HVUS was informed of Complainants' filing by the Pennsylvania Public Utility Commission Office of Consumer Advocate ("OCA"). The OCA provided counsel for HVUS with a copy of the Complaint.

7. The Applicant at Docket Numbers A-210117 and A-230101 is HVUS, a Pennsylvania Limited Partnership that seeks to provide water and wastewater service as a public utility.

8. The Complainants' Formal Complaint alleges specific conduct by Hidden Valley Resort, L.P., a wholly distinct and separate entity from HVUS and an entity not part of this proceeding.

9. Contemporaneous with the filing of this Answer and New Matter, HVUS is filing a Motion to Dismiss this Formal Complaint, which is incorporated herein by reference.

WHEREFORE, Hidden Valley Utility Services, L.P. hereby requests that the Complaint of Edwin C. Miller *et al* be dismissed with prejudice.

Respectfully submitted,

Dated: June 22, 2004

Carl J. Engleman, Jr.
Attorney I.D. 82070
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Hidden Valley Utility Services, L.P.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

EDWIN C. MILLER *et al.*	:	
v.	:	Docket Nos. A-210117
	:	A-230101
HIDDEN VALLEY RESORT, L.P.	:	

HIDDEN VALLEY UTILITY SERVICES, L.P. MOTION TO DISMISS THE COMPLAINT OF EDWIN C. MILLER ET AL.

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

AND NOW, Hidden Valley Utility Services, L.P. ("HVUS"), by and through its counsel, Jeffrey A. Franklin, Carl J. Engleman, Jr. and Ryan, Russell, Ogden & Seltzer LLP, files this Motion to Dismiss the Complaint of Edwin C. Miller *et al* ("Complainants") pursuant to Section 5.101 of this Commission's regulations, 52 Pa. Code § 5.101, as follows:

Background

1. Complainants commenced this action by filing a Formal Complaint at the above-referenced docket numbers against Hidden Valley Resort, L.P. ("HVR"). A copy of the Complaint is attached hereto as Exhibit A.

2. The Applicant in the proceedings at the above-referenced docket numbers is HVUS.

3. HVUS is a Pennsylvania Limited Partnership formed for the purpose of providing water and wastewater services to the public under the regulation of the Pennsylvania Public Utility Commission ("Commission").

4. HVUS is an entirely separate entity from HVR.

5. HVR is not a party to this proceeding.

Legal Standard

6. It is well-settled law in the Commonwealth of Pennsylvania that "[A] motion to dismiss a complaint with challenges the sufficiency of the complaint is similar to a preliminary objection in the nature of a demurrer. Yesteryear Corporation, d/b/a Angelo's Restaurant v. Philadelphia Electric Company, 1992 Pa. PUC LEXIS 106 at 8 (1992).

7. A judge may only grant a motion to dismiss "if the complaint is clearly insufficient to establish the complainant's right to relief." Id.

8. To test the legal sufficiency of a complaint, "all well-pleaded, material, relevant facts, and every inference deducible from those facts" are admitted as true. Id.

9. Conclusions or averments of law are not admitted as true by a demurrer. Id.

10. A motion to dismiss should be sustained "only in cases that clearly and without a doubt fail to state a claim for which relief may be granted. Id.

Motion to Dismiss

11. Complainants do not cite or allege any violation by HVUS of any tariff or the Public Utility Code. Complainants also do not set forth any conduct by HVUS in violation or claimed violation of any statute or regulation which the Commission has jurisdiction to enforce as required by 66 Pa. C.S.A. § 701 and 52 Pa. Code § 5.22(a)(4).

12. Complainants do not purport to be customers of HVUS and have no relationship with HVUS.

13. Indeed, Complainants' filing alleges conduct by HVR, a non-party to this proceeding, and raises issues outside the scope of this proceeding.

14. If this Commission accepts all of Complainants' well pleaded, material, relevant facts, and every inference deducible from those facts as true, it is clear that Complainants' filing is wholly insufficient to establish any right of relief from HVUS.

15. Complainants' filing clearly and without a doubt fails to state a claim against HVUS for which relief may be granted.

WHEREFORE, Hidden Valley Utility Services, L.P. hereby requests that the Complaint of Edwin C. Miller *et al.* be dismissed with prejudice.

Respectfully submitted,

Dated: June 22, 2004

Carl J. Engleman, Jr.
Attorney I.D. 82070
RYAN, RUSSELL, OGDEN & SELTZER LLP
1105 Berkshire Boulevard, Suite 330
Wyomissing, Pennsylvania 19610-1222
(610) 372-4761

Attorneys for
Hidden Valley Utility Services, L.P.

EXHIBIT A

ORIGINAL "Protest"

Pennsylvania Public Utility Commission

RECEIVED
2004 MAR -4 AM 3:13
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Docket Numbers A-210117 and A-230101

1. Your name, mailing address, and telephone number.

Edwin C Miller, *et al*
203 Imperial Road, PO Box 4143, Hidden Valley, Pa. 15502 Somerset County.
814-444-8161

2. Name of company your complaint concerns.

DOCKETED
MAR 12 2004

Hidden Valley Resort, L.P.

3. What is your complaint.

For a number of years, Hidden Valley Resort (HVR) has been operating a *de facto* public utility, supplying water and wastewater service to approximately 1000 residents of Hidden Valley Resort using The Hidden Valley Foundation (Foundation) as a billing agent. Under the provision of the Foundation documents, the developer, HVR, has 5 of the 9 seats on the Board of the Foundation and exercises voting control. A resort employee reads the water meters and sends the billing information to the Foundation which issues the bills.

The water and waste water service is provided to the public for compensation in violation of 66 Pa. C.S. Sec 1101, by not obtaining a certificate of public convenience to provide these services. HVR has recently entered in an agreement with the Public Utility Commission to apply for this certificate. Docket numbers A-210117 and A-230101. Under 66 Pa. C.S. Sec 1301, the rates charged for these services are considered unjust and unreasonable.

4. What do you want the Public Utility Commission to do about your complaint.

We request refunds pursuant to Section 1312, on the grounds that the company collected rates while it was operating without a Certificate of Public Convenience to provide service.

DOCUMENT FOLDER

50

5. You must sign and date your complaint below.

Signature _____ Date 2/27/04

Signature _____ Date 2/27/04

Signature _____ Date 2/27/04

Signature _____ Date 2/27/04

Signature _____ Date 3/1/04

Signature _____ Date 3/1/04

VERIFICATION

I hereby state that the facts set forth in the Answer and New Matter of Hidden Valley Utility Services, L.P. to the Complaint of Edwin C. Miller et al. and Hidden Valley Utility Services, L.P.'s Motion to Dismiss the Complaint of Edwin C. Miller et al. are true and correct to the best of my knowledge, information and belief and that I expect Hidden Valley Utility Services, L.P. to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 6-14-04, 2004

Hidden Valley Utility Services, L.P.

By: _____
Name: John Scanlan
Title: President

Sworn to and subscribed before
me this 18 day of June, 2004.

Wendy S. Ritenour
Notary Public

NOTARIAL SEAL
WENDY S. RITENOUR, NOTARY PUBLIC
JEFFERSON TWP., SOMERSET COUNTY
MY COMMISSION EXPIRES OCT. 18, 2007

ORIGINAL

DOCUMENT

Edwin C Miller *et al*
P.O. Box 4143
Hidden Valley, Pa 15502
814-444-8161
Pwdrpwdr@aol.com

July 1, 2004

04 JUL -6 AM 9:46
P.U.C.
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Answer of Edwin C. Miller *et al* to Hidden Valley Utility Services, L.P.'s Motion to Dismiss the Complaint of Edwin C. Miller et al.
Docket Nos. A-230101 and A-210117

Dear Secretary McNulty;

Enclosed please find an original and three (3) copies of the Answer to Hidden Valley Utility Services, L.P.'s Motion to Dismiss the Complaint of Edwin C. Miller *et al.* Copies of each of these documents have been served upon all parties of record as evidenced in the attached Certificate of Service.

If you have any questions, please feel free to contact me at any time.

Very truly yours,

Edwin C. Miller

Enclosures

c: As per Certificate of Service
Administrative Law Judge Corbett

04 JUL -6 AM 9:46
P.U.C.
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

EDWIN C. MILLER *et al*

Docket Nos. A-210117
A-230101

v.

DOCKETED
SEP 27 2004

HIDDEN VALLEY RESORT, L.P.

ANSWER TO THE HIDDEN VALLEY UTILITY SERVICES, L.P.' MOTION TO DISMISS THE COMPLAINT OF EDWIN C. MILLER ET AL.

Edwin C. Miller *et al* answers the Motion to Dismiss filed by Hidden Valley Utility Services, L.P. ("HVUS")

1. The address of Edwin C. Miller, 203 Imperial Road, PO Box 4143, Hidden Valley, Pa. was used as a mailing address. The addresses of all the signatories are as follows:

Edwin C. Miller 203 Imperial Rd. Hidden Valley, Pa	Jack Mautino Jr. 2308 South Ridge Dr. Hidden Valley, Pa	Douglas Brown 149 Browns Run Hidden Valley, Pa.
John Fiesta 1752 Greenfield Dr. Hidden Valley, Pa	Richard Brown 1767 Greenfield Terrace Hidden Valley, Pa.	Edward Mackenzie 1947 South Ridge Way Hidden Valley, Pa.

All are full time residents of Hidden Valley and customers of the water company.

2. Hidden Valley Utility Services, L.P. and Hidden Valley Resort ("HVR") are one and the same for the purpose of this complaint. In the Settlement Stipulation, Docket Nos. C-20028823 and C-20039320 Paragraph 15 states: " HVR or one of its affiliates agrees to apply to the Commission for a Certificate of Public Convenience to become a public utility for the provision of water and waste water service within ninety (90) days of a final Commission Order approving this Stipulation." HVR changed the name of the water and wastewater company to HVUS when applying for the Certificate. Until that time the utility was operating under the name of HVR

DOCUMENT

3. HVR is, and was acting as a de facto public utility, using the Hidden Valley Foundation ("HVF") as a billing agent. It acted in every way like a public utility except it had HVF send the statements.

4. No response.

5. See # 1

6. The Protest was filed with the Pennsylvania Public Utility Commission ("PUC") on the form recommended by the PUC and mailed to the address on the form. At the time, they were unaware that any other parties should be served with the Protest.

7. See #2 and #3

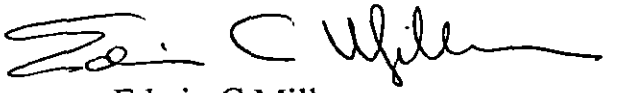
8. See #2

9. Edwin C. Miller *et al* requests that their Complaint not be Dismissed.

The second part of the Motion to Dismiss seems to be advice to the Administrative Law Judge on points of law. We have no comments on this section.

Dated: July 1, 2004

Respectfully submitted,



Edwin C Miller

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pa.	Application Docket No. A-230101
In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply water service to the public in Hidden Valley, Pa.	Application Docket No. A-210117

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the Answer to Hidden Valley Utility Services, L.P.'s Motion to Dismiss the Complaint of Edwin C. Miller *et al* in the above-captioned matters upon the individuals listed below. in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

Service by First Class Mail, postage prepaid, as follows

Angie and David Boyter
3914 MacAlpine Road
Ellicott City, Md. 21042

Charles David Shields
Office of Trial Staff
P.O. Box 3265
Harrisburg, Pa. 17105-3265

James F. Beener, Esquire
Barbera, Clapper, Beener, Rullo, and Melvin
146 West Main Street
P.O. Box 775
Somerset, Pa 11501-0775

Hidden Valley Resort
1 Craighead Drive Suite 300
Hidden Valley, Pa 15502

Christine Maloni Hoover
Office of Consumer Advocate
555 Walnut Street
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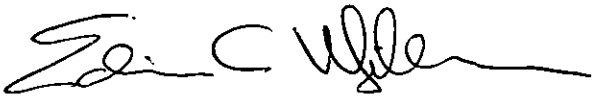
Dated: July 1, 2004



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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

July 9, 2004

VIA UPS OVERNIGHT
James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Answer and New Matter of Hidden Valley Utility Services, L.P. to the Complaint of Susan Ardisson and Joseph Decker
Docket Nos. A-230101 and A-210117

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of the Answer and New Matter of Hidden Valley Utility Services, L.P. to the Complaint of Susan Ardisson and Joseph Decker. Copies of each of these documents have been served upon all parties of record as evidenced in the attached Certificate of Service.

If you have any questions, please feel free to contact us at any time.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

Carl J. Engleman, Jr.
Counsel for Hidden Valley Utility Services, L.P.

CJE:jag
Enclosures

c: As per Certificate of Service

DOCUMENT
FOLDER

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SUSAN ARDISSON & JOSEPH DECKER :

v. :

HIDDEN VALLEY RESORT, L.P. :

A-210117

Docket Nos. ~~A-210117~~ ~~A-230101~~ A-230101

DOCKETED AUG 12 2004

ANSWER AND NEW MATTER OF HIDDEN VALLEY RESORT TO THE COMPLAINT OF SUSAN ARDISSON & JOSEPH DECKER

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

AND NOW, Hidden Valley Resort. ("HVR"), by and through its counsel, Jeffrey A. Franklin, Carl J. Engleman, Jr. and Ryan, Russell, Ogden & Seltzer LLP, answers the above Complaint of Susan Ardisson & Joseph Decker ("Complainants") pursuant to Section 5.61 of this Commission's regulations, 52 Pa. Code § 5.61, as follows:

1. Admitted in part and denied in part. It is admitted that Susan Ardisson and Joseph Decker have an address 76 Sunnyhill Drive, Mt. Lebanon, Pennsylvania. It is denied that this address is part of HVR.

2. Denied. HVR does not provide water service directly to the Complainants. Rather, the Hidden Valley Foundation, a bona fide homeowners association, provides water service to the Complainants. HVR merely provides water to Hidden Valey Foundation.

3. For purposes of this Answer, the several sentences of this paragraph have been restated and answered as they appear as follows:

1) **My complaint is about repeated occasions where my drinking water is brown—the color of tea.**

DOCUMENT
FOLDER

Denied. After reasonable investigation, HVR lacks knowledge necessary to form a belief as to the truth or falsity of the averments above, if any, and demands strict proof, if relevant, at hearing.

2) This can last for days.

Denied. After reasonable investigation, HVR lacks knowledge necessary to form a belief as to the truth or falsity of the averments above, if any, and demands strict proof, if relevant, at hearing.

3) It is not drinkable or usable.

Denied. After reasonable investigation, HVR lacks knowledge necessary to form a belief as to the truth or falsity of the averments above, if any, and demands strict proof, if relevant, at hearing. By way of further answer, all drinking water HVR provides to the Hidden Valley Foundation meets all applicable Federal and Commonwealth safe drinking water standards and guidelines at the point of connection to the Hidden Valley Foundation's system. Any change in the quality of water provided to the Hidden Valley Foundation is a result of activities of the Hidden Valley Foundation, not HVR.

4) I have also been repeatedly overbilled.

Denied. After reasonable investigation, HVR lacks knowledge necessary to form a belief as to the truth or falsity of the averments above, if any, and demands strict proof, if relevant, at hearing. By way of further answer, The Hidden Valley Foundation, not HVR is responsible for billing the Complainants.

5) For example, this past quarter I used approximately 200 gallons and was billed for 2000 gallons.

Denied. After reasonable investigation, HVR lacks knowledge necessary to form a belief as to the truth or falsity of the averments above, if any, and demands strict proof, if relevant, at hearing. By way of further answer, The Hidden Valley Foundation, not HVR is responsible for billing the Complainants.

4. The allegations in this paragraph constitute a prayer for relief to which no responsive pleading is required.

NEW MATTER

5. Susan Ardisson and Joseph Decker own property located at 2212 South Ridge Terrace, Hidden Valley, Somerset County, Pennsylvania.

6. HVR was served with the Complaint on June 17, 2004.

7. HVR provides bulk water service to the Hidden Valley Foundation, a bona fide homeowners association.

8. The Complainants' Formal Complaint alleges specific conduct by HVR that is more properly attributable to the Hidden Valley Foundation.

WHEREFORE, Hidden Valley Resort hereby requests that the Complaint of Susan Ardisson and Joseph Decker be dismissed with prejudice.

Respectfully submitted,

Dated: July 8, 2004

Carl J. Engleman, Jr.
Attorney I.D. 82070
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Attorneys for
Hidden Valley Resort, L.P.

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

July 12, 2004

In Re: A-00210117
A-00230101

(SEE LETTER OF 6-15-04)

DOCUMENT
FOLDER

Application of Hidden Valley Utility Services, LP
A-00210117 - Water Application
A-00230101 - Wastewater Application

For approval to offer, render, furnish, or supply water and wastewater services to the public in Hidden Valley, PA

Hearing Cancellation/Reschedule Notice

This is to inform you that the initial pre-hearing conference on the above-captioned case previously scheduled for August 9, 2004 has been canceled.

The hearing has been **rescheduled** as follows:

Type: **Initial Telephonic Pre-hearing Conference**

Date: **Thursday, August 5, 2004**

Time: **10:00 a. m.**

Presiding: **Administrative Law Judge John H. Corbett, Jr.**
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, Pennsylvania 15222
Telephone (412) 565-3550
Fax: (412) 565-5692

DOCKETED
SEP 08 2004

Call in instructions will be provided by separate letter.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission:

- Scheduling Office: (717) 787-1399.
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988.

pc: Judge Corbett
Ona Lester
Beth Plantz
Docket Section
Calendar File

A-210117 & A-230101
HIDDEN VALLEY UTILITY SERVICES LP

FOR APPROVAL TO OFFER, RENDER, FURNISH, OR SUPPLY WATER AND WASTEWATER SERVICES TO THE PUBLIC IN HIDDEN VALLEY, PA

8 HIDDEN VALLEY UTILITY SERVICES LP
1 CRAIGHEAD DRIVE SUITE 300
HIDDEN VALLEY PA 15502

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