



August 26, 2013

Joshua L. Belcher

Direct Phone 202-912-4826

Direct Fax 202-618-4860

jbelcher@cozen.com

VIA eFile

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

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

Dear Secretary Chiavetta:

Attached for filing in the above-captioned docket, please find a *Joint Petition for Settlement*.

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

Sincerely,

COZEN O'CONNOR

A handwritten signature in black ink, appearing to read "Joshua L. Belcher".

Joshua L. Belcher

Attachment

cc: Certificate of Service

Courtesy copy to the Honorable Dennis J. Buckley

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

GSP MANAGEMENT CO.	:	
	:	
Complainant	:	
	:	
v.	:	Docket No. C-2012-2336436
	:	
PENNSYLVANIA AMERICAN	:	
WATER COMPANY	:	
	:	
Respondent	:	

JOINT PETITION FOR SETTLEMENT

This Joint Petition for Settlement (“Settlement”) is submitted by Pennsylvania American Water Company (“PAWC”) and GSP Management Co. (“GSP”) (collectively herein “Joint Petitioners”).

The terms and conditions set forth in this Settlement present a comprehensive plan for what the Joint Petitioners deem to be a satisfactory resolution of all issues in this proceeding. The Joint Petitioners aver that this comprehensive plan is in the public interest and, therefore, request that the Pennsylvania Public Utility Commission (“Commission”) approve it without modification. In support of their request, the Joint Petitioners state as follows:

I. BACKGROUND

1. On November 26, 2012, GSP filed a formal Complaint with the Secretary of the Commission against PAWC. In its Complaint, GSP sought a partial refund for the wastewater portions of its invoices from PAWC dated August 28, September 28, and October 29, 2012. GSP also sought to have the Commission direct PAWC to bill GSP for wastewater services at Interstate Village, a mobile home park in Claysville, Pennsylvania, which GSP owns and

manages, based upon metered wastewater flows unless the metered wastewater flows exceed the metered water flows.

II. SETTLEMENT AGREEMENT

2. PAWC and GSP agree as follows:

A. Sewer Bills. PAWC will base sewer bills for Interstate Village upon sewer flows measured by the sewer meter at the Interstate Village property (the "Sewer Meter") beginning with the first day of the September 2013 billing cycle.

B. Requests for Adjustment. GSP may request an adjustment to sewer bills for Interstate Village any time the Sewer Meter exhibits abnormally high sewer flows.

C. Daily Monitoring/Maintenance Log. GSP will maintain a daily maintenance log which will contain (i) the date the Sewer Meter was checked, (ii) whether a blockage was present and subsequently cleared and (iii) the name of the person who checked the Sewer Meter. GSP will provide a copy of this daily maintenance log to PAWC on a monthly basis.

D. Clearing & Recording Obstructions. GSP will (i) monitor sewage flows from Interstate Village on a daily basis; (ii) clear any blockages observed at the point where the Interstate Village onsite sewage collection system discharges to PAWC's facilities; (iii) photographically record blockages and material removed; (iv) report to PAWC when blockages are discovered and cleared and provide the associated photographs; and (v) continue to have the Sewer Meter annually tested and calibrated by a third-party.

E. Adjustment Prerequisite. GSP shall not be entitled to an adjustment to any sewer bill unless GSP can properly document (1) that it has complied with the

requirements of Paragraphs C & D above; and (2) that the abnormally high sewer flow was due to an obstruction.

F. Increased Testing & Calibration. PAWC will have the right to perform increased testing and calibration of the Sewer Meter, at PAWC's expense.

G. Option to Replace Meter. PAWC will have the right to replace the Sewer Meter, at PAWC's expense, with one to be owned and maintained by PAWC and located at approximately the same location.

H. Adjustment Method. Any adjustments to be made to GSP's sewer bill for Interstate Village that is due to properly documented blockages will be based on the daily average metered sewage flow (and not the water meter) for the first preceding month in which an adjustment was not made.

I. One-time Adjustment to Sewer Bills. PAWC agrees to reduce GSP's monthly sewer bills for Interstate Village by \$1,000.00 per month for the period beginning with the wastewater invoice for August 2012 (July 25 to August 23) through the wastewater invoice for August 2013. For the months for which GSP has already paid its sewer bills in full, this reduction will be in the form of a credit against future payments and for the months for which GSP has not yet paid its bills in full, this reduction will be in the form of a billing adjustment.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

3. The Settlement is in the public interest because it promotes the maintenance of safe and adequate service and minimizes cost-prohibitive litigation and administrative burden. The statements of PAWC and GSP in support of the Settlement are attached as Attachment A and Attachment B, respectively.

IV. ADDITIONAL TERMS & CONDITIONS

4. This Settlement is conditioned upon the Commission's approval of all terms and conditions contained herein. If the Commission should fail to grant such approval or should modify the terms and conditions herein, this Settlement may be withdrawn upon written notice to the Commission and all parties within three (3) business days by either of the Joint Petitioners and, in such event, shall be of no force and effect. Joint Petitioners further reserve the right to file Exceptions with respect to any modification to the terms and conditions of this Settlement, as well as the right to file Replies to any Exceptions that may be filed. This Settlement reflects compromises on all sides and is entered into by Joint Petitioners without any admission against, or prejudice to, positions initially advanced by Joint Petitioners or any position which any Joint Petitioner might adopt during subsequent litigation, including further litigation of this case if this Settlement is rejected by the Commission or withdrawn by any one of the Joint Petitioners as provided above. Regardless of whether this Settlement is approved or not, no adverse inference shall be drawn to any party in this or any other proceeding as a consequence of this Settlement. Joint Petitioners agree that this Settlement shall not constitute or be cited as controlling precedent in this or any other jurisdiction.

5. The Joint Petitioners agree that this Settlement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.

6. This Settlement shall become effective immediately upon the entry of a Final Order by the Commission ratifying and accepting this Settlement in its entirety without modification.

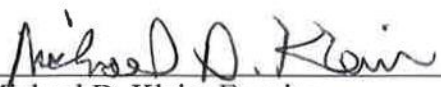
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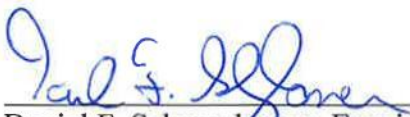
WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request (1) that Administrative Law Judge Dennis J. Buckley and the Commission approve this Settlement, including all terms and conditions contained herein; and (2) that the proceedings in the above-captioned docket be marked closed.

Respectfully submitted,

Pennsylvania-American Water Company

GSP Management Company


Michael D. Klein, Esquire
Attorney I.D. No. 23854
Phone: (717) 703-5903
Joshua L. Belcher
Attorney I.D. No. 313129
Phone: (202) 912-4826
Cozen O'Connor
305 North Front Street, Suite 400
Harrisburg, PA 17101
*Counsel for Pennsylvania-American
Water Company*


Daniel F. Schranhamer, Esquire
Attorney I.D. No. 67311
800 West Fourth Street, Suite 200
Williamsport, PA 17701
Phone: (570) 567-7261
Counsel for GSP Management Company

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Attachment A

Statement of Pennsylvania American Water Company
Supporting Joint Petition for Settlement

manages, based upon metered wastewater flows unless the metered wastewater flows exceed the metered water flows.

II. SETTLEMENT AGREEMENT

The principal terms and conditions of the Settlement are explained below:

Paragraph 2(A) provides that PAWC will base the sewer bills for Interstate Village upon wastewater flows measured by the sewer meter at the Interstate Village property (the “Sewer Meter”). In August 2012, PAWC had begun to bill GSP for wastewater service at Interstate Village based on metered water usage. Based on the historic difference between the average metered water and wastewater flows, this should result in a lower average sewer bill to GSP.

Paragraph 2(B) provides that GSP may seek adjustments to its sewer bill any time the metered wastewater flows are abnormally high. However, consistent with Paragraph 2(E), GSP will not be entitled to an adjustment of any sewer bill unless GSP is compliance with the requirements of Paragraph 2(C) and Paragraph 2(D). Specifically, GSP must monitor the metered sewer flows on a daily basis, check for and clear any blockages in the Interstate Village wastewater collection system, photographically record any blockages and the material removed, and report this information to PAWC. GSP will also maintain a daily maintenance log and provide a copy to PAWC on a monthly basis. This will ensure that any obstructions that may accumulate in the GSP wastewater collection system and which could interfere with the ability of GSP’s sewer meter to accurately record the sewer flows will be identified and cleared as promptly as possible. This should eliminate or reduce the occurrence of abnormally high metered sewer flows.

Paragraph 2(F) and Paragraph 2(G) provide that PAWC, at its expense, may perform increased testing and calibration of GSP’s sewer meter and replace the sewer meter with one to

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be owned and maintained by PAWC. This will allow PAWC to ensure that the sewer meter is properly recording wastewater flows from the Interstate Village property.

Paragraph 2(H) provides that when an adjustment is made for a particular day or days, PAWC will substitute the daily average metered wastewater flow from the first preceding month in which an adjustment was not made. This ensures that the substitute figure approximates wastewater flows from the Interstate Village property under normal conditions when a blockage is not present.

Paragraph 2(I) provides that PAWC will reduce GSP's monthly sewer bills for Interstate Village by \$1,000.00 per month for the period during which the wastewater invoice was based on metered water usage through either a credit against future payments or a billing adjustment. This will ensure that for the aforesaid period the sewer bills for Interstate Village will be consistent with GSP's historic sewer bills prior to the time PAWC began to base the bills on metered water usage.

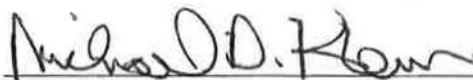
III. CONCLUSION

Acceptance and performance of the Settlement terms will result in what the Joint Petitioners deem to be a satisfactory resolution of all the issues raised in this proceeding. As demonstrated by the forgoing explanation of the principal Settlement terms, the Settlement is in the public interest because it promotes the maintenance of safe and adequate service, promotes customer confidence in the quality of service to be provided by PAWC, reduces the cost of service to GSP, and minimizes cost-prohibitive litigation and administrative burden. Accordingly, the Settlement should be approved.

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Respectfully submitted,

PENNSYLVANIA AMERICAN WATER
COMPANY

A handwritten signature in black ink that reads "Michael D. Klein". The signature is written in a cursive style and is positioned above a horizontal line.

Michael D. Klein, Esquire

Attorney I.D. No. 23854

Phone: (717) 703-5903

Joshua L. Belcher

Attorney I.D. No. 313129

Phone: (202) 912-4826

Cozen O'Connor

305 North Front Street, Suite 400

Harrisburg, PA 17101

*Counsel for Pennsylvania American
Water Company*

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Attachment B

Statement of GSP Management Company
Supporting Joint Petition for Settlement

II. SETTLEMENT AGREEMENT

The principal terms and conditions of the Settlement are explained below:

Paragraph 2(A) provides that PAWC will base the sewer bills for Interstate Village upon wastewater flows measured by the sewer meter at the Interstate Village property (the “Sewer Meter”). In August 2012, PAWC had begun to bill GSP for wastewater service at Interstate Village based on metered water usage. Based on the historic difference between the average metered water and wastewater flows, this should result in a lower average sewer bill to GSP.

Paragraph 2(B) provides that GSP may seek adjustments to its sewer bill any time the metered wastewater flows are abnormally high. However, consistent with Paragraph 2(E), GSP will not be entitled to an adjustment of any sewer bill unless GSP is compliance with the requirements of Paragraph 2(C) and Paragraph 2(D). Specifically, GSP must monitor the metered sewer flows on a daily basis, check for and clear any blockages in the Interstate Village wastewater collection system, photographically record any blockages and the material removed, and report this information to PAWC. GSP will also maintain a daily maintenance log and provide a copy to PAWC on a monthly basis. This will ensure that any obstructions that may accumulate in the GSP wastewater collection system and which could interfere with the ability of GSP’s sewer meter to accurately record the sewer flows will be identified and cleared as promptly as possible. This should eliminate or reduce the occurrence of abnormally high metered sewer flows.

Paragraph 2(F) and Paragraph 2(G) provide that PAWC, at its expense, may perform increased testing and calibration of GSP’s sewer meter and replace the sewer meter with one to be owned and maintained by PAWC. This will allow PAWC to ensure that the sewer meter is properly recording wastewater flows from the Interstate Village property.

Paragraph 2(H) provides that when an adjustment is made for a particular day or days, PAWC will substitute the daily average metered wastewater flow from the first preceding month in which an adjustment was not made. This ensures that the substitute figure approximates wastewater flows from the Interstate Village property under normal conditions when a blockage is not present.

Paragraph 2(I) provides that PAWC will reduce GSP's monthly sewer bills for Interstate Village by \$1,000.00 per month for the period during which the wastewater invoice was based on metered water usage through either a credit against future payments or a billing adjustment. This will ensure that for the aforesaid period the sewer bills for Interstate Village will be consistent with GSP's historic sewer bills prior to the time PAWC began to base the bills on metered water usage.

III. CONCLUSION

Acceptance and performance of the Settlement terms will result in what the Joint Petitioners deem to be a satisfactory resolution of all the issues raised in this proceeding. As demonstrated by the forgoing explanation of the principal Settlement terms, the Settlement is in the public interest because it promotes the maintenance of safe and adequate service, promotes customer confidence in the quality of service to be provided by PAWC, reduces the cost of service to GSP, and minimizes cost-prohibitive litigation and administrative burden. Accordingly, the Settlement should be approved.

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Respectfully submitted,

GSP Management Co.



Daniel F. Schranghamer
Attorney I.D. No. 67311
800 West Fourth Street, Suite 200
Williamsport, PA 17701
Phone: (570) 567-7261
Counsel for Complainant

Dated: 8/19/2013

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

GSP MANAGEMENT CO.

v.

PENNSYLVANIA AMERICAN
WATER COMPANY

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:
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Docket No. C-2012-2336436

CERTIFICATE OF SERVICE

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

Via Electronic and First Class Mail:

Daniel F. Schranghamer, General Counsel
GSP Management Co.
800 W. Fourth Street, Suite 200
Williamsport, PA 17701
Tel: (570) 567-7261
dschranghamer@gmail.com
Counsel for Complainant

Honorable Dennis J. Buckley
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Front Street, 2 West
P.O. Box 3265
Harrisburg, PA 17105-3265
debuckley@pa.gov



Joshua L. Belcher, Esq. (ID No. 313129)
Tel: (202) 912-4826
jbelcher@cozen.com

Cozen O'Connor
305 North Front Street, Suite 400
Harrisburg, Pennsylvania 17101

*Counsel for Pennsylvania-American Water
Company*

DATED: August 26, 2013