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October 17, 2014

Served Via Electronic and First Class Mail

Honorable Darlene D. Heep
Administrative Law Judge
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
801 Market Street, Suite 4063
Philadelphia, PA 19107

Honorable Christopher P. Pell
Administrative Law Judge
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
801 Market Street, Suite 4063
Philadelphia, PA 19107

RE: Pennsylvania Public Utility Commission, *et al.* v. Pocono Waterworks Company, Inc. (Water Division); Docket Nos. R-2014-2420204, C-2014-2431197 and C-2014-2434257;
JOINT STIPULATION FOR ADMISSION OF TESTIMONY AND EXHIBITS INTO THE EVIDENTIARY RECORD

Dear Judges Heep and Pell,

In connection with the above-captioned matters, enclosed is a Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record (“Joint Stipulation”). The Joint Stipulation has been executed on behalf of the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Pennsylvania Office of Consumer Advocate (“OCA”), and Pocono Waterworks Company, Inc. (Water Division) (“Pocono Water” or “Company”). I&E, OCA and Pocono Water are the only active parties to this proceeding.

Copies of the enclosed Joint Stipulation are being filed with the Commission’s Secretary’s Bureau and provided to the parties as indicated on the attached Certificate of Service. In addition, Pocono Water is filing one (1) verified copy of the Company’s prepared testimony and exhibits that previously were served in connection with this proceeding.

Honorable Darlene D. Heep
Honorable Christopher P. Pell
Administrative Law Judges
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Thank you for your attention to this matter. If you have any questions, feel free to contact me.

Very truly yours,



Janet L. Miller
Attorney ID # 63491

Counsel for Pocono Waterworks Company, Inc.

JLM
Enclosure

cc: Per Certificate of Service
Rosemary Chiavetta, Secretary

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**HONORABLE DARLENE D. HEEP
HONORABLE CHRISTOPHER P. PELL**

Pennsylvania Public Utility Commission	:	Docket No. R-2014-2420204
Office of Consumer Advocate	:	Docket No. C-2014-2431197
Mr. and Mrs. Attilio Giannotti	:	Docket No. C-2014-2434257
	:	
v.	:	
	:	
Pocono Waterworks Company, Inc.	:	
(Water Division)	:	

**JOINT STIPULATION FOR ADMISSION
OF TESTIMONY AND EXHIBITS INTO THE EVIDENTIARY RECORD**

TO ADMINISTRATIVE LAW JUDGES HEEP AND PELL:

This Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record (“Joint Stipulation”) is entered into by the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Pennsylvania Office of Consumer Advocate (“OCA”) and Pocono Waterworks Company, Inc. (Water Division) (“Pocono Water” or “Company”) in connection with the above-captioned matter. I&E, OCA and Pocono Water are collectively referred to in this Joint Stipulation as the “Joint Petitioners.”¹ The Joint Petitioners respectfully request that the Administrative Law Judges admit into the evidentiary record of this proceeding the previously distributed written

¹ Although Mr. and Mrs. Giannotti filed a Formal Complaint opposing the amount of the rate increase sought by Pocono Water, they requested to be non-active participants in this proceeding and are not a party to this Joint Stipulation.

testimony and exhibits prepared by Pocono Water and identified below. In support of this request, the Joint Petitioners aver and state as follows:

1. On May 30, 2014, Pocono Water filed Supplement No. 1 to Tariff Water – PA P.U.C. No. 2 to become effective August 4, 2014, proposing (a) an annual increase in base rate revenues of \$60,456, or an increase of 52%; (b) elimination of the 14,000 gallon quarterly minimum water allowance for Pine Grove Area Customers; and (c) a change from quarterly to monthly billing for Pine Grove Area Customers so as to coincide with the billing of Pocono Waterworks Company, Inc. customers not located within the Pine Grove Estates Development.

2. By Order entered July 24, 2014, the Commission instituted an investigation to determine the lawfulness, justness and reasonableness of the proposed rates, rules and regulations contained in the Company’s rate increase request. Pursuant to Section 1308 of the Pennsylvania Public Utility Code (“Code”), 66 Pa.C.S. §1308(d), the Company’s rate increase request was suspended by operation of law until March 4, 2015, unless permitted by Commission Order to become effective at an earlier date.

3. The Commission assigned Administrative Law Judges Darlene D. Heep and Christopher P. Pell (“ALJs”) as the presiding officers in this case.

4. During an Initial Prehearing Conference held on August 7, 2014, the ALJs and the Joint Petitioners mutually agreed upon a procedural schedule for, *inter alia*, the submission of prepared testimony and the holding of evidentiary hearings. The procedural schedule was set forth in the ALJs’ Prehearing Conference Order #1 dated August 12, 2014.

5. On August 25, 2014, in accordance with the established procedural schedule and in preparation for the evidentiary hearings to be held in this matter, Pocono Water served the ALJs, I&E and OCA with copies of the Direct Testimony and Exhibits of Dennis M. Kalbarczyk

(Pocono Water Statement DMK-1, Pocono Water Exhibit No. 1W and Pocono Water Exhibit No. 2W).

6. On September 12, 2014, the Joint Petitioners were able to reach a comprehensive settlement of all issues raised in connection with Pocono Water's rate increase request ("Settlement"). On the basis of the Settlement, the balance of the procedural schedule has been suspended pursuant to the ALJs September 29, 2014 Order Suspending Schedule.

7. The Joint Petitioners have entered into a "Joint Petition for Full Settlement of Rate Proceeding" ("Joint Petition") setting forth the terms and conditions of their agreements. A copy of this Joint Stipulation will be attached to and will be incorporated into the Joint Petition.

8. In support of the Settlement, each Joint Petitioner will submit, as an appendix to the Joint Petition, individual Statements in Support of the Settlement. If the ALJs and the Commission approve the terms and conditions set forth in the Joint Petition without modification, this matter will be deemed to be fully resolved and no hearings will be held in connection with Pocono Water's rate increase request.

9. In order to further support the Settlement, the Joint Petitioners stipulate to the admission of the written Direct Testimony and Exhibits prepared and submitted by Pocono Water into the record of this proceeding. For this purpose, the Company will file one (1) verified copy of Pocono Water Statement DMK-1, Pocono Water Exhibit No. 1W and Pocono Water Exhibit No. 2W with the Commission's Secretary's Bureau.

10. This Joint Stipulation may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

NOW, THEREFORE, desiring to enter into this Joint Stipulation and intending to be bound hereby, the Joint Petitioners agree and stipulate to the following with respect to this proceeding:

- A. That, upon the issuance of an Order or the inclusion of a provision in the Recommended Decision to be issued by Administrative Law Judges Darlene D. Heep and Christopher P. Pell in the above-captioned matter, the written testimony statement and the exhibits of Pocono Water referenced in Paragraph 5 of this Joint Stipulation shall be deemed to be made a part of the official record of this proceeding and may be used for all proper and legal purposes permitted; and
- B. By entering into this Joint Stipulation, no Joint Petitioner makes any precedential concession or admission as to the sufficiency of the law, facts, positions or assumptions upon which the written testimony and exhibits referenced in Paragraph 5 of this Joint Stipulation are based; and
- C. In the event the terms of the Settlement set forth in the Joint Petition are not approved or are modified by the ALJs or the Commission and this proceeding continues to hearing, the Joint Petitioners reserve their respective rights to submit additional testimony and exhibits as appropriate and in accordance with any revised procedural schedule established by the ALJs; and
- D. The Joint Petitioners agree that this Joint Stipulation may not be cited as precedent in the continuation of this or in any future proceeding, except to the extent required to implement and enforce the Joint Stipulation.

Pennsylvania Public Utility Commission, *et al.*
v.
Pocono Waterworks Company, Inc. (Water Division)
Docket Nos. R-2014-2420204, C-2014-2431197 and C-2014-2434257

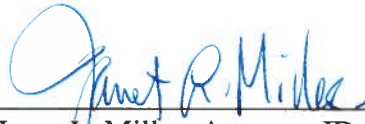
CERTIFICATE OF SERVICE

I hereby certify that I have this day served true copies of the foregoing document upon the parties listed below, in accordance with the requirements of §1.54 (relating to service by a party):

Service Via Electronic and First Class Mail:

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Office of Consumer Advocate
555 Walnut Street
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Janet L. Miller, Attorney ID # 63491
Counsel for Pocono Waterworks Company, Inc.

DATED: October 17, 2014