



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
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February 15, 2006

SECRETARY'S BUREAU

2006 FEB 15 PM 4:01

RECEIVED

Honorable Angela T. Jones
Administrative Law Judge
PA Public Utility Commission
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130

DOCUMENT
FOLDER

Re: VINCENT V. HORVATH, Docket No. C-20055305; SANDY & VICTOR BERKEY, Docket No. C-20055316; RICHARD E. & JULIETTE A. LAURY, Docket No. C-20055317; PARVEEN & PRAMILA GUPTA, Docket No. C-20055318; ARMANDO VILLANI, Docket No. C-20055319; ANTHONY A. STROBEL, Docket No. C-20055320; ELAINE D. HOKENSON, Docket No. C-20055321; GEORGE J. RAYKOS, Docket No. C-20055324; MR. & MRS. JOHN HORVATH, Docket No. C-20055346; JEFFREY B. BENNER, Docket No. C-20055374; LISA & DAVID BALASH, Docket No. C-20055406; DONALD AND ROSALIE WERTMAN, Docket No. C-20055417; KRIS & JOE SAVERI, Docket No. C-20055470; REDERICK M. RONCA, Docket No. C-20055494, and OFFICE OF CONSUMER ADVOCATE, Docket No. C-20055509, *Complainants v. UTILITIES, INC. - WESTGATE, Respondent*

Dear Judge Jones:

Enclosed please find the Joint Petition For Approval Of Proposed Settlement and the Statements in Support of the Joint Petition for Settlement in the above-captioned proceeding.

Copies have been served upon all parties of record this date as evidenced by the attached Certificate of Service.

Very truly yours,

Dianne E. Dusman
Senior Assistant Consumer Advocate

Enclosure

cc: James J. McNulty, Secretary

All parties of record

87606.doc:1/DED/smn

BTL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VINCENT V. HORVATH;	:	Docket Nos.	C-20055305
SANDY & VICTOR BERKEY;	:		C-20055316
RICHARD E. & JULIETTE A. LAURY;	:		C-20055317
PARVEEN & PRAMILA GUPTA;	:		C-20055318
ARMANDO VILLANI;	:		C-20055319
ANTHONY A. STROBEL;	:		C-20055320
ELAINE D. HOKENSON;	:		C-20055321
GEORGE J. RAYKOS;	:		C-20055324
MR. & MRS. JOHN HORVATH;	:		C-20055346
JEFFREY B. BENNER;	:		C-20055374
LISA & DAVID BALASH;	:		C-20055406
DONALD AND ROSALIE WERTMAN;	:		C-20055417
KRIS & JOE SAVERI;	:		C-20055470
FREDERICK M. RONCA and	:		C-20055494
OFFICE OF CONSUMER ADVOCATE,	:		C-20055509

Complainants

v.

UTILITIES, INC. - WESTGATE,

Respondent

JOINT PETITION FOR APPROVAL OF PROPOSED SETTLEMENT

SECRETARY'S BUREAU

2006 FEB 15 PM 4:01

RECEIVED

TO THE HONORABLE, ADMINISTRATIVE LAW JUDGE (ALJ) ANGELA T. JONES:

Pursuant to Section 5.232 of the Pennsylvania Public Utility Commission's ("PUC" or ("Commission")) regulations, 52 Pa. Code § 5.232, the nineteen individual Formal Complainants named above, Complainant the Office of Consumer Advocate (OCA) and Utilities, Inc.-Westgate (Westgate or Company) (collectively "Joint Petitioners"), hereby submit this Joint Petition for Approval of Proposed Settlement ("Joint Petition") in this proceeding. The Joint Petitioners seek Commission approval of the terms set forth below and agree that it is in the public interest for entry of a PUC Final Order approving this Petition on or before the Commission's scheduled public

meeting of March 9, 2006. Joint Petitioners further aver, in support of this Joint Petition, the following:

A. BACKGROUND

1. The above-captioned proceeding was commenced by the twenty-one customer Formal Complainants who seek improvements in the quality of the water that Westgate, a regulated public utility, provides them and approximately 680 other residential customers in Bethlehem, PA.¹ The OCA moved to consolidate all of the Formal Complaints with its own and ALJ Jones granted the motion on November 15, 2005.

2. The Formal Complaints allege, among other things, that customers in the Utilities, Inc. – Westgate territory receive water that is poor tasting, has an unpleasant odor and is "hard," in that it damaged the pipes, fixtures and appliances in customers' homes. The OCA's Formal Complaint alleges that the water does not meet the minimum standards of the Pennsylvania Safe Drinking Water Act, which are incorporated into Public Utility Commission regulations at 52 Pa.Code §§65.17-18, nor the US Environmental Protection Agency guideline for sodium levels; therefore, the OCA further alleges that the service provided by Westgate does not meet Section 1501 of the Public Utility Code, 66 Pa.C.S. §1501.

3. Since the commencement of this proceeding, the OCA and Westgate have engaged in productive exchanges of relevant information, obviating the need for extensive formal discovery.

4. In accordance with the Commission's Policy Statement encouraging negotiated settlement of contested proceedings, 52 Pa. Code §§ 5.231 and 69.391, Joint Petitioners OCA and Westgate engaged in negotiations to attempt to settle the dispute raised by the consolidated Formal

¹ Floyd and Dolores Kennedy also submitted a Formal Complaint, Docket No. C-20055392; however, by letter to ALJ Jones in October 2006, Mrs. Kennedy asked that the Formal Complaint be withdrawn and her name removed from the service list. By Order of January 24, 2006, ALJ Jones permitted the withdrawal of the Kennedy Complaint.

Complaints. These discussions resulted in this Joint Settlement Petition, which proposes a resolution of all outstanding issues in this proceeding, as set forth below.

5. The twenty-one individual Formal Complainants concur in the settlement and their signatures appear on this document.

B. SETTLEMENT TERMS

6. The terms and conditions comprising this Joint Petition are as follows:

a. Westgate, upon Commission approval of this Petition and as otherwise set forth below, will make the necessary engineering, technical and administrative improvements to allow full utilization of the City of Bethlehem interconnection to provide service to all current and prospective customers in the Westgate service territory.

b. Westgate and the OCA, after extensive review and analysis, represent that the total estimated additional revenue requirement to facilitate the Westgate/City of Bethlehem interconnection and the purchases of water to meet all customer needs will be no more than \$155,168 or an increase of no more than approximately 72.68% over current revenues.

c. The Company will submit within 60 days of all state regulatory approvals necessary to consummate the change in control of the parent, Utilities, Inc.², but no later than December 31, 2006, a short-form rate filing and prepare and send the statutory sixty-day notice to customers pursuant to Section 1308(d) of the Public Utility Code, 66 Pa.C.S. §1308(d). The notice will specify that the proposed rate change is needed to effect water purchases from the City of

² Through the Joint Application of Penn Estates, *et al.*, Docket Nos. A-210072F0003, A-230063F0003, A-230013F0004, and A-210093F0002, Westgate and its two sister subsidiaries, all owned by Utilities, Inc., seek PUC approval of a change in control through the transfer of stock from Nuon Global Solutions USA, Inc., to Hydro Star, a subsidiary of AIG. The provisions of this Joint Petition mirror the Joint Petition for Approval of Settlement submitted to ALJ Jones on January 24, 2006, in that docket. Both require the submission of the filing requisite to the relief agreed to (abandoning Westgate's current well sources in favor of purchased water from a neighboring jurisdictional utility, City of Bethlehem) within sixty days of the final state approval of the stock transfer, now pending in Florida, Illinois, Kentucky, Nevada, New Jersey, and North Carolina.

Bethlehem to meet Westgate customers' domestic and fire protection needs in lieu of Westgate's existing sources.

d. Upon Commission approval of a Utilities, Inc.-Westgate short form rate filing (*i.e.*, without testimony) consistent with PUC regulations, that seeks a rate adjustment of no more than 72.68% for Utilities, Inc.-Westgate to furnish this service, the City of Bethlehem interconnection will be fully activated simultaneous with the approval of the compliance tariff. Through this interconnection, all Westgate customers will receive water for all domestic and fire protection purposes from the City of Bethlehem. Westgate will not permanently abandon its current sources of supply unless and until a backup interconnection with the City is in place for system reliability purposes. The Company will thereafter charge all customers for the cost of water purchased from the City of Bethlehem in accordance with Commission-approved tariffs. Consistent with discussions prior to this Joint Petition, the short-form rate filing will reflect, *inter alia*, the following:

- Amortization periods for abandoned plant associated with use of existing sources of no less than fifteen (15) years;
- Elimination of purchased power, chemical, transportation, operator salary, taxes and benefit expense currently associated with use of existing sources.

e. OCA agrees to review the short-form rate filing in advance of submission to the PUC and to raise any issues informally with Westgate in hopes of resolving them promptly in order to avoid the delay associated with the filing of a formal complaint and an on-the-record contested proceeding.

f. Westgate agrees to establish a Customer Advisory Board ("CAB"). The proposed CAB will meet at least quarterly, or more frequently if necessary, to facilitate better and more timely communication between Westgate and its customers.

g. Westgate agrees to reformat its bills in order to provide a more clear and concise presentation of water service and supply charges within thirty days of PUC approval of a new tariff. The bill format change is to coincide as closely as possible in time with the change to using City of Bethlehem purchased water in lieu of existing sources.

h. Westgate agrees to issue bills on a monthly rather than quarterly basis within thirty days of Commission approval of a new rate tariff.

i. Westgate agrees to provide conservation information through bill inserts to all customers within sixty days following PUC approval of the new tariff.

j. Westgate agrees to complete the remediation of the property owned by Formal Complainants Richard & Juliette Laury at 1250 Wynnewood Drive, Bethlehem PA 18017 at the earliest possible time subsequent to the approval of this Joint Petition.

k. Upon PUC approval of this Joint Petition without modification, the Formal Complaints alleging water quality issues in the Westgate service territory may be deemed to be withdrawn.

C. RESOLUTION OF PROCEEDING

7. This Settlement is proposed by the Joint Petitioners to settle the above-captioned consolidated complaint dockets and is made without any admission against or prejudice to any positions that any Joint Petitioners might adopt during subsequent litigation, including further litigation in this case, if this Settlement is rejected by the Commission or withdrawn by any of the Joint Petitioners as provided below.

8. 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 by any of the Joint Petitioners upon written notice to the Commission and all parties within five (5) business days, and in such event, this settlement shall be of no force and effect. In the event that the Commission does not

approve the Settlement or any Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective rights to request that the proceeding be resumed for the submission of briefs, reply briefs and updating or supplementing the record, as needed.

9. If the Presiding Administrative Law Judge, in the Initial Decision, recommends that the Commission adopt the Settlement as herein proposed, the Joint Petitioners agree to waive the filing of exceptions. However, the Joint Petitioners do not waive their rights to file exceptions with respect to any modifications to the terms and conditions of this Joint Petition, or any additional matters, proposed by the Administrative Law Judge in the Initial Decision. The Joint Petitioners also reserve the right to file reply exceptions.

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

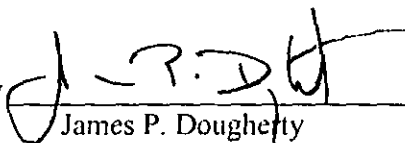
11. The Joint Petitioners agree that this Joint Settlement shall not constitute or be cited as controlling precedent in this or any other jurisdiction.

12. The Joint Petitioners submit that approval of this Joint Petition is in the public interest. In recognition of the Commission's policy in favor of seeking negotiated settlements to contested proceedings, the Joint Petitioners have reached an amicable resolution to this dispute as embodied in this Joint Petition. Approval of this Joint Petition will permit the Commission and the parties to avoid incurring the time, expense and uncertainty of further litigation. See 52 Pa. Code § 69.391.

WHEREFORE, the Joint Petitioners respectfully request that the Commission approve the Settlement Terms proposed herein in their entirety.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 
James P. Dougherty
Susan E. Bruce
100 Pine Street
P. O. Box 1166
Harrisburg, PA 17108-1166
Tel. (717) 232-8000
Fax (717) 237-5300
jdougher@mwn.com
sbruce@mwn.com

Counsel to Utilities, Inc.-Westgate

Dated 2/11/06

OFFICE OF CONSUMER ADVOCATE

By 
Dianne E. Dusman
Christine Maloni Hoover
Senior Assistant Consumer Advocates
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
Tel. (717) 783-5048
Fax (717) 783-7152

Counsel for Irwin A. Popowsky, Consumer Advocate

Dated 2/8/2006

WHEREFORE, the Joint Petitioners respectfully request that the Commission approve the Settlement Terms proposed herein in their entirety.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By _____

James P. Dougherty
Susan E. Bruce
100 Pine Street
P. O. Box 1166
Harrisburg, PA 17108-1166
Tel. (717) 232-8000
Fax (717) 237-5300
jdougher@mwn.com
sbruce@mwn.com

Counsel to Utilities, Inc.-Westgate

Dated _____

OFFICE OF CONSUMER ADVOCATE

By  _____

Dianne E. Dusman
Christine Maloni Hoover
Senior Assistant Consumer Advocates
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
Tel. (717) 783-5048
Fax (717) 783-7152

Counsel for Irwin A. Popowsky, Consumer Advocate

Dated 2/3/2006

FORMAL COMPLAINANTS' SIGNATURE PAGE
Horvath, et al. v. Utilities, Inc.-Westgate, Docket Nos. C-20055305, et al.

Vincent V. Horvath - REL
Vincent V. Horvath

Dated: 2/2/06

Richard E. Laury
Richard E. Laury

Dated: 2/1/06

Juliette A. Laury
Juliette A. Laury

Dated: 2/1/06

Sandy Berkey
Sandy Berkey

Dated: 2-1-06

Victor Berkey
Victor Berkey

Dated: 2/1/06

Anthony Strobel
Anthony Strobel

Dated: 2/3/06

George J. Raykos
George J. Raykos

Dated: 2-1-06

Mary Raykos
Mary Raykos

Dated: 2-1-06

Kris Saveri
Kris Saveri

Dated: 2-1-06

Joe Saveri
Joe Saveri

Dated: 2-1-06

FORMAL COMPLAINANTS' SIGNATURE PAGE
Horvath, et al. v. Utilities, Inc.-Westgate, Docket Nos. C-20055305, et al.

Lisa Balash
Lisa Balash

Dated: 2-2-06

David Balash
David Balash

Dated: 2/2/06

Frederick M. Ronca
Frederick M. Ronca

Dated: 2/4/06

Elaine D. Hokenson
Elaine D. Hokenson

Dated: 2/2/06

John Horvath
John Horvath

Dated: 2/2/06

Carol Horvath
Carol Horvath

Dated: 2/2/06

Pramila Gupta
Pramila Gupta

Dated: 2/2/06

Parveen Gupta
Parveen Gupta

Dated: 2/3/06

Jeffrey B. Benner
Jeffrey B. Benner

Dated: 02 Feb 2006

Armando Villani
Armando Villani

Dated: 2-2-06

FORMAL COMPLAINANTS' SIGNATURE PAGE
Horvath, et al. v. Utilities, Inc.-Westgate, Docket Nos. C-20055305, et al.

Donald Wertman
Donald Wertman

Dated: 2-9-06

Rosalie Wertman
Rosalie Wertman

Dated: 2/9/06

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VINCENT V. HORVATH;	:	Docket Nos.	C-20055305
SANDY & VICTOR BERKEY;	:		C-20055316
RICHARD E. & JULIETTE A. LAURY;	:		C-20055317
PARVEEN & PRAMILA GUPTA;	:		C-20055318
ARMANDO VILLANI;	:		C-20055319
ANTHONY A. STROBEL;	:		C-20055320
ELAINE D. HOKENSON;	:		C-20055321
GEORGE J. RAYKOS;	:		C-20055324
MR. & MRS. JOHN HORVATH;	:		C-20055346
JEFFREY B. BENNER;	:		C-20055374
LISA & DAVID BALASH;	:		C-20055406
DONALD AND ROSALIE WERTMAN;	:		C-20055417
KRIS & JOE SAVERI;	:		C-20055470
FREDERICK M. RONCA and	:		C-20055494
OFFICE OF CONSUMER ADVOCATE,	:		C-20055509
	:		
<i>Complainants</i>	:		
v.	:		
	:		
UTILITIES, INC. - WESTGATE,	:		
	:		
<i>Respondent</i>	:		

**The Office of Consumer Advocate
Statement in Support of Joint Petition for Approval of Proposed Settlement**

The Office of Consumer Advocate ("OCA"), a signatory party to the Joint Petition for Approval of Proposed Settlement (Joint Petition) in the above-captioned proceeding respectfully requests that the Administrative Law Judge (ALJ) and the Public Utility Commission (PUC) approve the terms and conditions set forth therein. The Joint Petition resolves all issues regarding the consolidated Formal Complaints, including the Formal Complaint filed by the Office of Consumer Advocate, which sought a Commission Order requiring the least-cost remedy to the ongoing water quality concerns on behalf of all Westgate customers.

The OCA submits that the proposed settlement is in the public interest. The OCA's Formal Complaint alleged that Utilities, Inc.-Westgate customers complained of substandard water quality. In that service territory, DEP-certified laboratory tests of the water supplied to customers in the Westgate community revealed that the Pennsylvania Safe Drinking Water secondary standard for Total Dissolved Solids was exceeded. The Public Utility Commission has incorporated by reference all DEP standards into its own regulations. 52 Pa. Code §65.17-18. Failing to meet SDWA standards, therefore, is also a violation of Section 1501 of the Public Utility Code, 66 Pa.C.S. §1501 and pertinent PUC regulations.

Laboratory tests of water samples from the Westgate system also revealed that they exceeded the Environmental Protection Agency guideline for sodium of no more than 20 milligrams per liter by a substantial margin. In its Formal Complaint, the OCA requested the PUC to require Utilities, Inc. - Westgate to cure these water quality problems within a reasonable time.

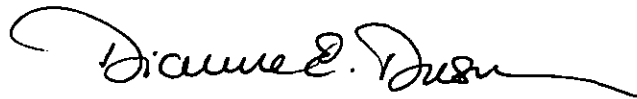
Under the terms of the Proposed Settlement, Utilities, Inc.-Westgate has agreed to abandon its current sources and to purchase 100% of its customers' needs from a neighboring utility, City of Bethlehem (City). The City has an excess supply of water that meets all legal requirements and is willing to sell water to Westgate under its current resale tariff. The OCA and the Company calculated that water purchases to meet all customer needs should result in no more than an approximate 72% increase in revenues, considering elimination of expenses associated with the use of current sources, such as chemicals, operator salaries and benefits and a portion of purchased power. Utilities, Inc. - Westgate has agreed that within sixty days of the final state regulatory approval of the stock transfer now pending at Application of Penn Estates Utilities, Inc., Utilities, Inc. of Pennsylvania, and Utilities, Inc. - Westgate for Approval of Stock

Transfer leading to a Change in Control of their Parent Corporation, Utilities, Inc., Docket Nos. A-210072F0003, *et al.*,¹ the Company will submit to the PUC a short-form rate filing requisite to completing the change from its current sources to purchased water.

The Company has agreed to several other terms which will mitigate the effects of increased bills due to the change to purchased water. The Company will use a new bill format that will provide a more clear presentation of the monthly customer charges and the customers' usage. The Company will also issue bills monthly rather than quarterly, providing more frequent usage level signals. Conservation information will also be distributed through bill inserts within sixty days following the PUC approval of the new tariff.

The OCA submits, therefore, that the ALJ and the Commission should adopt the terms of the Joint Petition for Settlement as in the public interest.

Respectfully submitted,



Dianne E. Dusman
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: February 15, 2006
87598.doc

¹ This Joint Petition mirrors the provisions set forth in the Joint Petition for Approval of Proposed Settlement that was submitted to ALJ Jones in that Docket on January 26, 2006.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VINCENT V. HORVATH;	:	Docket Nos.	C-20055305
SANDY & VICTOR BERKEY;	:		C-20055316
RICHARD E. & JULIETTE A. LAURY;	:		C-20055317
PARVEEN & PRAMILA GUPTA;	:		C-20055318
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FREDERICK M. RONCA; and,	:		C-20055494
OFFICE OF CONSUMER ADVOCATE,	:		C-20055509

Complainants,

v.

UTILITIES, INC. - WESTGATE,

Respondent.

STATEMENT IN SUPPORT OF JOINT PETITION FOR SETTLEMENT

On February 15, 2006, Utilities, Inc.-Westgate ("Westgate"), and the Office of Consumer Advocate ("OCA") ("collectively, "Joint Petitioners") submitted to the Pennsylvania Public Utility Commission ("PUC" or "Commission") a Joint Petition for Approval of Proposed Settlement ("Joint Settlement") proposing a negotiated resolution of all outstanding issues in the above-captioned proceeding. Utilities, Inc.-Westgate hereby provides this Statement in Support, which explains the background and provisions of the Joint Settlement, and sets forth the reasons that approval, without modification, of the Joint Settlement promotes the public interest.

BACKGROUND

1. This proceeding was initiated by the filing of 15 customer Formal Complaints that alleged, among other things, the customers in the Westgate service territory experienced various water quality concerns.¹

2. The OCA filed a Formal Complaint on November 1, 2005. In its Formal Complaint, the OCA alleges, among other things, that customers in the Westgate service territory experienced various water quality concerns. The OCA moved to consolidate all the Formal Complaints with its own, and the presiding Administrative Law Judge granted the OCA's motion on November 15, 2005.

3. Since commencement of the proceeding, the OCA and Westgate have engaged in productive exchanges of relevant information obviating the need for extensive formal discovery.

4. In accordance with the Commission's policy statement encouraging negotiated settlement of contested proceedings, the Joint Petitioners engaged in negotiations to resolve the issues raised by the consolidated Formal Complaints. These discussions resulted in the Joint Settlement, which proposes a resolution of all outstanding issues in this proceeding as set forth below. All Formal Complainants concur in the settlement.

¹ Sixteen (16) Formal Complaints were filed against the Respondent at the Commission: Vincent V. Horvath, Docket No. C-20055305; Sandy and Victor Berkey, Docket No. C-20055316; Richard E. and Juliette A. Laury, Docket No. C-20055317; Parveen and Pramila Gupta, Docket No. C-20055318; Armando Villani, Docket No. C-20055319; Anthony A. Strobel, Docket No. C-20055320; Elaine D. Hokenson, Docket No. C-20055321; George J. Raykos, Docket No. C-20055324; Mr. and Mrs. John Horvath, Docket No. C-20055346; Jeffrey B. Benner, Docket No. C-20055374; Lisa and David Balash, Docket No. C-20055406; Donald and Rosalie Wertman, Docket No. C-20055417; Kris and Joe Saveri, Docket No. C-20055470; Frederick M. Ronca, Docket No. C-20055494; Floyd and Dolores Kennedy, Docket No. C-20055392; and Irwin A. Popowsky, Consumer Advocate, Docket No. C-20055509 (collectively, "Complainants"). By letter to ALJ Jones in October 2006, Mrs. Dolores Kennedy asked that the Formal Complaint of Floyd and Dolores Kennedy at Docket No. C-20055392 be withdrawn and her name removed from the service list. By Order of January 25, 2006, ALJ Jones permitted the withdrawal of the Kennedy Complaint.

STATEMENT OF SUPPORT

5. The Commission has a strong policy favoring settlements. As set forth in the Commission's regulations, "[t]he Commission encourages parties to seek negotiated settlements of contested proceedings in lieu of incurring the time, expense and uncertainty of litigation." 52 Pa. Code § 69.391; *see also* 52 Pa. Code § 5.231. Consistent with the Commission's policy, Joint Petitioners engaged in negotiations in an effort to settle the issues raised by the complainants. These ongoing discussions produced the Joint Settlement submitted on February 15, 2006.

6. Joint Petitioners' settlement recognizes that approval of the proposed settlement is overwhelmingly in the best interest of all parties involved.

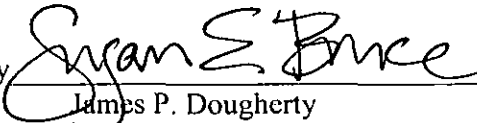
7. The Joint Settlement reconciles the concerns expressed by the OCA regarding water quality issues in the Westgate service territory. The agreed-upon Westgate/City of Bethlehem interconnection provides a satisfactory resolution to this matter. The Commission's approval of the Joint Settlement without modification will ease Westgate customers' apprehensions regarding water quality.

8. As set forth above, Joint Applicants submit that the Joint Settlement is in the public interest and adheres to the Commission policies promoting negotiated settlements. The Joint Settlement was achieved after numerous settlement discussions. While Joint Petitioners have invested time and resources in the negotiation of the Joint Settlement, this process has allowed the parties, and the Commission, to avoid expending the substantial resources that would have been required to fully litigate this proceeding while still reaching a just, reasonable, and non-discriminatory result. Joint Petitioners have thus reached an amicable resolution to this dispute as embodied in the Joint Settlement. Approval of the Joint Settlement will permit the Commission and Joint Petitioners to avoid incurring the additional time, expense and uncertainty of further litigation. *See* 52 Pa. Code § 69.391.

WHEREFORE, for the public interest considerations set forth herein, Utilities, Inc.-
Westgate respectfully requests that the Commission adopt the Joint Petition for Approval of
Proposed Settlement without modification as soon as reasonably possible.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

James P. Dougherty
Susan E. Bruce
Adam L. Benshoff
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Ph. (717) 232-8000
Fax (717) 237-5300

Counsel to Utilities, Inc.-Westgate

Dated: February 15, 2006

CERTIFICATE OF SERVICE

Re: Vincent V. Horvath, Docket No. C-20055305; Sandy & Victor Berkey, Docket No. C-20055316; Richard E. & Juliette A. Laury, Docket No. C-20055317; Parveen & Pramila Gupta, Docket No. C-20055318; Armando Villani, Docket No. C-20055319; Anthony A. Strobel, Docket No. C-20055320; Elaine D. Hokenson, Docket No. C-20055321; George J. Raykos, Docket No. C-20055324; Mr. & Mrs. John Horvath, Docket No. C-20055346; Jeffrey B. Benner, Docket No. C-20055374;; and Floyd & Dolores Kennedy, Docket No. C-20055392, *Complainants v. Utilities, Inc.-Westgate, Respondent*

I hereby certify that I have this day served a true copy of the Joint Petition For Approval of Proposed Settlement and Statements In Support of Joint Petition For Approval of Proposed Settlement , 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 15th day of February, 2006.

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

James P. Dougherty, Esq.
Susan E. Bruce, Esq.
100 Pine Street
P. O. Box 1166
Harrisburg, PA 17108-1166

Vincent V. Horvath
2738 Whitewood Road
Bethlehem, PA 18017

Sandy & Victor Berkey
2625 Jacksonville Road
Bethlehem, PA 18017

Richard E. & Juliette A. Laury
1250 Wynnewood Drive
Bethlehem, PA 18017

Parveen & Pramila Gupta
122 Wedgewood Road
Bethlehem, PA 18017

Armando Villani
122 Cross Creek Court
Bethlehem, PA 18017

Anthony Strobel
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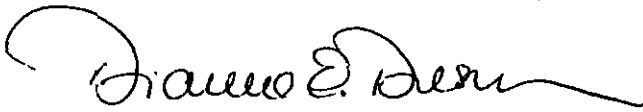
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