

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

CINDY PARKS,

Complainant,

PENNSYLVANIA-AMERICAN WATER
COMPANY,

Respondent

Docket No. C-00015377

NOTICE OF INTERVENTION

Pursuant to 52 Pa. Code Section 5.71(a) and 71 P.S. § 309-4, the Office of

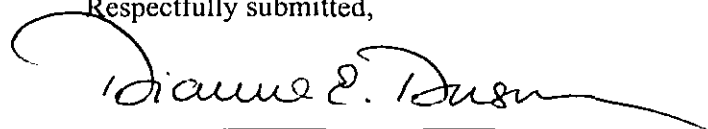
Consumer Advocate hereby gives Notice of Intervention in the above-captioned proceeding. A copy of all correspondence and notices, documents, orders, or other communications with respect to the above-captioned proceeding should be addressed to the following:

Dianne E. Dusman, Senior Assistant Consumer Advocate
Joel Cheskis, Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
(717) 783-7152

DOCKETED
JUN 18 2001

**DOCUMENT
FOLDER**

Respectfully submitted,



Dianne E. Dusman
Senior Assistant Consumer Advocate

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Dated: June 14, 2001

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SECRETARY'S BUREAU

PUBLIC STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 19, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission ("PUC" or "Commission"). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Notice of Intervention and to participate in the proceedings involving the Formal Complaint filed by Cindy Parks against Pennsylvania-American Water Company ("PAWC" or "Company").

Complainant Parks states that her community in McDonald, Washington County, Pennsylvania, is without a public water supply and has experienced well water contamination and other problems affecting the supply of potable water in McDonald. Ms. Parks and her fellow citizens have been attempting to obtain water utility service for over ten years. Complainant Parks is requesting that PAWC extend their water mains into her area to meet the need for public water service without further delay.

By intervening in this Complaint, the OCA seeks to assist the Complainant and the other residents of McDonald in need of service in obtaining that service at the lowest reasonable cost to them.

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CERTIFICATE OF SERVICE

Re: Cindy Parks
v.
Pennsylvania-American Water Company
Docket No. C-00015377


I hereby certify that I have this day served a true copy of the foregoing document, Office of Consumer Advocate's Notice of Intervention and Public Statement, 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 14th day of June, 2001.

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Robert M. Ross, President
Susan Simms Marsh, Esq.
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033

Cindy Parks
447 Fort Cherry Road
McDonald, PA 15057



Dianne E. Dusman
Senior Assistant Consumer Advocate
Joel H. Cheskis
Assistant Consumer Advocate

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



ORIGINAL

OFFICE OF CONSUMER ADVOCATE

555 Walnut Street 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048

IRWIN A. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
E-Mail: paoca@ptd.net

June 14, 2001

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

DOCUMENT
FOLDER

RECEIVED
01 JUN 14 PM 4:14
PA.P.U.C.
SECRETARY'S BUREAU

Re: Cindy Parks
v.
Pennsylvania-American Water Company
Docket No. C-00015377

Dear Secretary McNulty:

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

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

Sincerely,

Dianne E. Dusman
Senior Assistant Consumer Advocate

BTI

Enclosures

cc: All parties of record
64253.wpd; 1/DEE/smm

65

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1928
(717) 783-5048

IRWIN A. POPOWSKY
Consumer Advocate

ORIGINAL RECEIVED
01 JUN 19 PM 3:57
P.A.P.U.C.
SECRETARY'S BUREAU

Fax (717) 783-7152
E-Mail: paco@ptd.net

June 19, 2001

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

DOCUMENT
FOLDER

Re: Pennsylvania Public Utility Commission
v.
Pennsylvania American Water Company
Docket No. R-00016339

Re: Cindy Parks
v.
Pennsylvania American Water Company
Docket No. C-00015377

Dear Secretary McNulty:

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

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

Sincerely,

Joel H. Cheskis
Assistant Consumer Advocate

BTI

Enclosures

cc: Hon. Michael A. Nemeck, ALJ (via Facsimile and First Class Mail)
All parties of record

63662.wpd;1/JHC/smn

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

PENNSYLVANIA PUBLIC UTILITY :
COMMISSION :

Docket No. R-00016339

v. :

PENNSYLVANIA AMERICAN WATER :
COMPANY :

CINDY PARKS :

Docket No. C-00015377

v. :

PENNSYLVANIA AMERICA WATER :
COMPANY :

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SECRETARY'S BUREAU

MOTION TO CONSOLIDATE
OF THE
OFFICE OF CONSUMER ADVOCATE

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Pursuant to 52 Pa.Code §§5.81 and 5.103, the Office of Consumer Advocate ("OCA") hereby moves that the Presiding Officer, Administrative Law Judge Michael A. Nemec, consolidate the above-referenced Complaint filed by Cindy Parks with the above-referenced rate proceeding. In support of its Motion, the OCA submits as follows:

1. On April 27, 2001, Pennsylvania-American Water Company (hereinafter "PAWC" or "Company") filed Supplement No. 103 to Tariff Water-Pa. P.U.C. No. 4 seeking approval of the Public Utility Commission of rates and rate changes that would modify existing tariff provisions and would increase the level of rates that PAWC charges for providing water

service to its customers by an estimated annual increase in base rate revenues of \$38,706,315.

This represents an approximate increase of 12.4% to the Company's annual revenues at present rates.

2. The OCA filed a Complaint against the proposed rate increase on May 11, 2001.

3. On May 1, 2001, Cindy Parks filed a Formal Complaint with the Commission against PAWC indicating that her community in McDonald, Washington County, Pennsylvania, is without a public water supply and has experienced well water contamination and other problems affecting the supply of potable water in McDonald. Ms. Parks further stated that she and other McDonald residents have been attempting to obtain water utility service for over ten years and filed her Formal Complaint requesting that the Company extend their water mains into her area to meet the need for public water service without delay.

4. PAWC filed an Answer to Ms. Parks' Formal Complaint on May 24, 2001 admitting that there is no public water in Ms. Parks' community. PAWC also admitted that the Company serves customers in nearby Mt. Pleasant Township.

5. The OCA filed a Notice of Intervention in Ms. Parks' proceeding on June 14, 2001 seeking to assist Ms. Parks and the other residents of McDonald in need of service in obtaining that service at the lowest reasonable cost to them.

6. Both the base rate proceeding and Ms. Parks' Formal Complaint involve issues of whether PAWC's main extension and other quality of service rules and regulations are enforced and applied in a fair and equitable manner. Furthermore, both cases involve whether

PAWC is adequately protecting the interests of its current and future residential customers with adequate, efficient, safe and reasonable service and facilities for fire protection. Thus, common questions of law and fact exist and warrant consolidation of these proceedings.

7. Consolidation of this Formal Complaint with this rate proceeding will avoid unnecessary duplication of effort and reduce the costs associated with adjudicating Ms. Parks' Formal Complaint for all the parties and the Commission.

8. The OCA has consulted with Ms. Parks on this matter who stated she concurs with the Motion. Ms. Parks and the Company are being served with this Motion as indicated by the attached Certificate of Service.

WHEREFORE, the Pennsylvania Office of Consumer Advocate respectfully requests that the Honorable Michael A. Nemec consolidate the Formal Complaint filed by Cindy Parks with the base rate proceeding currently underway before the Commission.

Respectfully submitted,



Dianne E. Dusman
Senior Assistant Consumer Advocate
Joel H. Cheskis
Assistant Consumer Advocate

For: Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
Date: June 19, 2001
00064309.WPD

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission
v.
Pennsylvania American Water Company
Docket No. R-00016339

Re: Cindy Parks
v.
Pennsylvania American Water Company
Docket No. C-00015377

I hereby certify that I have this day served a true copy of the foregoing document, Motion To Consolidate of the Office of Consumer Advocate, 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 June, 2001.

SERVICE BY FACSIMILE AND INTER-OFFICE MAIL

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

SERVICE BY FACSIMILE AND FIRST CLASS MAIL, POSTAGE PREPAID

Robert M. Ross, President
Susan Simms Marsh, Esq.
Pennsylvania American Water Company
800 West Hershey Park Drive
P. O. Box 888
Hershey, PA 17033-0888

Paul T. Diskin
Pennsylvania American Water Company
800 West Hershey Park Drive
P. O. Box 888
Hershey, PA 17033-0888

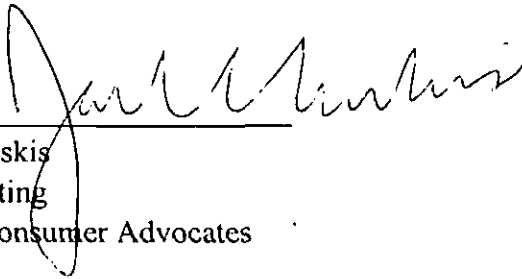
David F. Boehm, Esq.
Michael L. Kurtz, Esq.
Boehm Kurtz & Lowery
2110 Society Bank Center
36 East Seventh Street
Cincinnati, OH 45202

Thomas P. Gadsden, Esq.
Anthony Decusatis, Esq.
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

Bernard A. Ryan, Jr., Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Cindy Parks
447 Fort Cherry Road
McDonald, PA 15057



Joel H. Cheskis
Erin L. Horting
Assistant Consumer Advocates

Dianne E. Dusman
Senior Assistant Consumer Advocate

Counsel for
Office of Consumer Advocate
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(717) 783-5048
63661.wpd:1/JHC/smm

1701 Market Street
Philadelphia, PA 19103-2921
215-963-5000
Fax: 215-963-5299

**Morgan, Lewis
& Bockius LLP**
C O U N S E L O R S A T L A W

Anthony C. DeCusatis
215.963.5034
adecusatis@morganlewis.com

DOCUMENT
FOLDER

JUNE 28, 2001

VIA OVERNIGHT MAIL

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

Re: **Pennsylvania Public Utility Commission**
v.
Pennsylvania-American Water Company
Docket No. R-00016339

Cindy Parks
v.
Pennsylvania-American Water Company
Docket No. C-00015377

RECEIVED

JUN 28 2001
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary McNulty:

Enclosed for filing are the original and three copies of the Answer of Pennsylvania-American Water Company ("PAWC" or the "Company") to the Office of Consumer Advocate's ("OCA") Motion to Consolidate the Complaint of Cindy Parks with PAWC's pending base rate proceeding. In accordance with 52 Pa. Code § 1.11(a)(2), the Company's Answer should be deemed filed on the date shown on the express delivery receipt attached to the envelope containing this letter and enclosure.

Copies of the Answer have been served upon the OCA, Cindy Parks, the presiding Administrative Law Judge and other parties to PAWC's rate proceeding.

James J. McNulty, Secretary
June 28, 2001
Page 2

Morgan, Lewis
& Bockius LLP

We have also enclosed an additional copy of this letter and the Company's Answer, which we request be date stamped as of June 28, 2001 and returned to us in the enclosed stamped, self-addressed envelope.

Very truly yours,



Anthony C. DeCusatis
Counsel for Pennsylvania-American
Water Company

ACD:jod
Enclosure

cc: Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have, this 28th day of June, 2001, served a true and correct copy of Pennsylvania-American Water Company's Answer to the Office of Consumer Advocate's Motion to Consolidate upon the following persons and in the manner indicated below:

BY FACSIMILE AND OVERNIGHT MAIL

Honorable Michael A. Nemecek
Administrative Law Judge
Pennsylvania Public Utility Commission
1103 Pittsburgh State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222

Joel H. Cheskis, Esquire
Dianne E. Dusman, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

BY OVERNIGHT MAIL

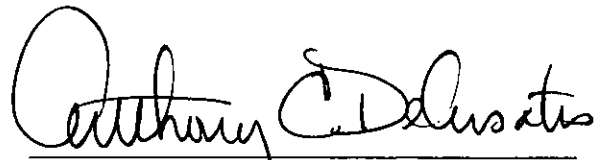
Charles Daniel Shields, Esquire
Richard Kanaskie, Esquire
Office of Trial Staff
P. O. Box 3265
Harrisburg, PA 17105-3265

Carol F. Pennington, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

James P. Dougherty, Esquire
Charis M. Burak, Esquire
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108-1166

David F. Boehm, Esquire
Boehm, Kurtz & Lowry
2210 CBLD Center
36 Seventh Street
Cincinnati, OH 45202

Cindy Parks
447 Fort Cherry Road
McDonald, PA 15057



Anthony C. DeCusatis, Esquire
Counsel for Pennsylvania-American
Water Company

Dated: June 28, 2001

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JUN 28 2001
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PENNSYLVANIA-AMERICAN
WATER COMPANY

DOCKET NO. R-00016339

DOCKETED
JUL 10 2001

CINDY PARKS

v.

PENNSYLVANIA-AMERICAN
WATER COMPANY

DOCKET NO. C-00015377

DOCUMENT
FOLDER

PENNSYLVANIA-AMERICAN WATER COMPANY'S
ANSWER TO THE
OFFICE OF CONSUMER ADVOCATE'S
MOTION TO CONSOLIDATE

Pursuant to 52 Pa. Code §5.103(c), Pennsylvania-American Water Company ("PAWC" or the "Company"), by its attorneys, hereby submits its answer in opposition to the Office of Consumer Advocate's ("OCA") Motion to Consolidate the Complaint of Cindy Parks with PAWC's pending base rate proceeding and, in support thereof, states as follows:

1. Admitted.
2. Admitted.

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JUN 28 2001
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

3. Denied as stated. Cindy Parks filed a Complaint with the Pennsylvania Public Utility Commission ("PUC" or the "Commission") alleging that her well is "contaminated" and requesting that the Commission investigate whether "public water" could be provided to her and other residents of the community of Hickory, located in Mt. Pleasant Township.. A copy of the Ms. Parks' Complaint is attached as Appendix A.

4. Admitted. A copy of the Company's Answer is attached as Appendix B. Attachment "A" to the Company's Answer to the Parks Complaint is a copy of an article from the *Washington Observer-Reporter* dated March 8, 2001, which explains that the introduction of "public water" to Mt. Pleasant Township is opposed by a large segment of that community's residents and, for that reason, the Township relinquished over \$2 million in loans and grants it had been awarded to construct a public water system.

5. Admitted.

6. Denied. Ms. Parks' Complaint and the Company's base rate proceeding do not present "a common question of law or fact" as required under 52 Pa. Code §5.81 for the consolidation of separate proceedings. To the contrary, as explained in the Company's New Matter, Ms. Parks' Complaint presents a discrete, fact-sensitive issue that is not even remotely connected to the determination of the Company's revenue requirement and the allocation of any allowed revenue increase among customer classes, which are the primary and overarching issues in a base rate case.

It is also denied that the Parks' Complaint raises issues as to whether PAWC's "rules and regulations are being enforced and applied in a fair and equitable manner" or that such issues are implicated in the base rate proceeding. In fact, Ms. Parks did not even apply for service or request a main extension from PAWC before filing her Complaint. In any event, PAWC is ready, willing and able to extend its facilities and

provide service to Ms. Parks in accordance with the terms of its tariff which, in turn, are in strict accordance with the Commission's regulation at 52 Pa. Code §65.21 (Duty of Public Utility to Make Line Extensions).

Moreover, if the test for determining a common issue of law or fact existed at the level of generality expressed in the OCA's Motion, then any customer complaint would be fair game for consolidation with a utility's then-pending rate proceeding. Obviously, that is not what the Commission had in mind when it adopted 52 Pa. Code §5.81, which requires a more substantial and specific nexus between the issues raised in two otherwise separate proceedings before they may be consolidated. Furthermore, even if the test of a "common issue of law or fact" could be satisfied (and it cannot), the Administrative Law Judge ("ALJ") has discretion to determine whether consolidation makes sense given the nature of the two proceedings that would be combined. Given the facts presented here, the ALJ should exercise that discretion to deny consolidation.

It is also denied that Ms. Parks' Complaint raises the issue of whether PAWC is providing "adequate, efficient, safe and reasonable service and facilities for fire protection." Ms. Parks' Complaint expresses a desire for domestic water service only and does not even mention fire protection. Public fire protection service is provided at the request of a municipality, which also pays the charges for such service. Mt. Pleasant Township has not applied for fire protection service from PAWC.

7. Denied. Consolidation of the Parks' Complaint would introduce an extraneous issue and would needlessly complicate both this proceeding and the proceeding on Ms. Parks' Complaint, which are progressing on separate tracks. In fact, the Commission has already started the process of addressing and attempting to resolve the Parks Complaint. Specifically, on June 6, 2001, the Chief Administrative Law Judge

issued an Interim Order at C-00015377 directing the parties to initiate settlement discussions and referring the matter to a mediator (a copy of the Chief ALJ's Interim Order is attached hereto as Appendix C). Subsequently, the Office of Administrative Law Judge decided to hold that process in abeyance pending a decision on the OCA's Motion to Consolidate.

Consolidation of the Parks Complaint would create procedural problems as well. For example, hearings on customer complaints are typically held at the PUC's office nearest to the Complainant, i.e., Pittsburgh, in Ms. Parks' case. However, rate case evidentiary hearings are held in Harrisburg. Consequently, either Ms. Parks would be required to come to Harrisburg or separate evidentiary hearings would have to be scheduled in Pittsburgh.

Also, it is unlikely that any parties to this proceeding other than the Company and the OCA have an interest in the issues presented by the Parks' Complaint. As a consequence, a large number of parties as well as their counsel and witnesses would be needlessly burdened if the scope of this proceeding were expanded to encompass the Parks Complaint. Clearly, this would result in unnecessary costs and delay for everyone involved.

8. The Company lacks knowledge or information sufficient to form a belief as to the accuracy of the OCA's averments, which are, therefore, denied and proof thereof demanded.

NEW MATTER

9. Rule 27 of PAWC's tariff provides that the Company will make a per-customer investment of \$5655 to extend water mains to bona fide applicants for service. Rule 27 conforms to the Commission's regulation at 52 Pa. Code §65.21, which prescribes the obligation of a water or wastewater utility to extend its lines.

10. Ms. Parks' residence is located in a semi-rural area approximately 2.5 miles from the Company's nearest water main. The Company estimates that the cost of constructing the facilities needed to serve Ms. Parks' home would be approximately \$622,850.

11. The Company has not received an application for service from Ms. Parks nor has it received applications for service from any of Ms. Parks' neighbors.

12. The portion of Mt. Pleasant Township comprising the community of Hickory is located in an area between approximately 2.5 miles and 5 miles from the Company's existing water main that would be tapped to provide water service to that area. The Company estimates that the cost of constructing facilities to provide water service to Hickory, which include a booster pumping station and storage tank, would approximate \$4.8 million. Based on information provided by the Township, approximately 300 homes would take water service from these facilities.

13. Mt. Pleasant Township and the Mt. Pleasant Township Municipal Authority recently contacted PAWC to determine the feasibility of having the Company provide water service in a portion of Mt. Pleasant Township that includes the community of Hickory. PAWC has agreed to work with the Township and the Authority to determine the most cost effective way to provide water service and to try to obtain alternative funding sources to cover the costs in excess of the Company's prescribed

investment of \$5655 per customer. These funding sources could include a PennVest loan.

14. PAWC is fully committed to working cooperatively with Mt. Pleasant Township and the Mt. Pleasant Township Municipal Authority to provide water service to Hickory and adjacent areas in a manner that minimizes or eliminates the need for individual homeowners to advance the portion of the costs of constructing the necessary facilities that exceeds the Company's per customer investment specified in Rule 27 of its tariff. It is unlikely that the efforts of the Company, the Township and the Authority will be enhanced by requiring the Company to litigate Ms. Parks' Complaint in the context of the pending rate proceeding.

WHEREFORE, for the reasons set forth above, the Office of Consumer Advocate's Motion to Consolidate the Complaint of Cindy Parks with this proceeding does not satisfy the criteria for consolidation set forth in 52 Pa. Code §5.81 and, therefore, should be denied.

Respectfully submitted,



Susan Simms Marsh
Associate Corporate Counsel
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033-0888
717.533.5000

Thomas P. Gadsden
Anthony C. DeCusatis
Morgan Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
215.963.5234

Counsel for Pennsylvania-American Water
Company

June 28, 2001

ATTACHMENT A

C - 00015377

RECEIVED

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COPY

Formal Complaint Form
Pennsylvania Public Utility Commission

2001 MAY

PA P.U.C.
SECRETARY'S BUREAU

Please Print: (you may also type your answers directly onto the form as it appears on your screen)

1. Your name, mailing address and telephone number:

Name Cindy Parks

Street/P.O.Box 447 Fort Cherry Road Apt # _____

City McDonald State PA Zip 15057

County Washington Area Code/Home Phone 724-356-6240

Area Code/Work Phone 724-746-4850

2. Name of company your complaint concerns: PA-American Water Co.

3. What is your complaint? (Use additional paper if need more space).

I live in the community of Hickory. We do not have public water and most of the residents want it. This issue has been tied up for over 10 years. My well is, and stays contaminated. I have to buy bottled water for my family. There is public water in every area surrounding Hickory, why were we excluded. There is a housing development going in by Cherry Valley dam in Hickory and they are bringing public water to them. Why not to all the residents?

4. What do you want the Public Utility Commission to do about your complaint? (Use additional paper if need more space).

I want the PUC to give us residents answers on why this is such a complicated issue. Tell us what we need to do to get public water. We pay very high taxes here. Public water is a necessity to us. Please help us get it.

5. You must sign and date your complaint below.

The information I have placed on this form is true and correct to the best of my knowledge. I understand that I could be punished under Pennsylvania State Law if I purposely give false information.

Cindy L. Parks
Signature

5-1-01
Date

Continued on next page

ATTACHMENT B

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

CINDY PARKS
Complainant

v.

PENNSYLVANIA-AMERICAN WATER
COMPANY,
Respondent

Docket No. C-00015377

ANSWER TO FORMAL COMPLAINT OF CINDY PARKS

NOW COMES the Respondent, Pennsylvania-American Water Company ("PAWC" or the "Company"), by its attorney, and answers the Formal Complaint of Cindy Parks ("Complainant") as follows:

1. Admitted in part and denied in part. Based upon information and belief, it is admitted that the Complainant's name is Cindy Parks. PAWC is without sufficient knowledge or information to form a belief as to the truth and/or accuracy of the Complainant's statement relative to her address and telephone number.

2. Admitted.

3. The averments of Paragraph No. 3 are answered as follows:

a. Admitted.

b. Admitted in part and denied in part. It is admitted that to the best of PAWC's knowledge, there is no public water in the Hickory community. PAWC is without knowledge and information to form a belief as to the Complainant's statement that most of the residents of the Hickory community want public water. Proof, thereof, is demanded at any hearing held herein.

c. Denied. PAWC is without sufficient knowledge and information to form a belief as to the Complainant's statement regarding the issue being "... tied up for 10 years." By way of further answer, it is PAWC's understanding that the Mt. Pleasant Municipal Authority and/or the Mount Pleasant Township secured a \$1.9 million low interest loan from the Commonwealth to construct a water system; however, the project did not commence. A copy of a recent newspaper article is included as Attachment A.

d. Denied. PAWC is without sufficient knowledge and information to form a belief as to the statement regarding the quality of the Complainant's water supply. Proof, thereof, is demanded at any hearing held herein.

e. Denied. PAWC is without sufficient knowledge and information to form a belief as to the Complainant's statement that she buys bottled water.

f. Admitted in part and denied in part. PAWC admits that the Company serves a few customers in Mt. Pleasant Township. PAWC is without sufficient knowledge and information to know the areas that are included within the Complainant's statement "every area surrounding Hickory."

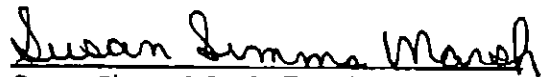
g. Denied. PAWC is without sufficient knowledge and information to form a belief as to the Complainant's statement. By way of further answer, PAWC understands that there are preliminarily conceptual plans to construct a housing development.

h. This is a statement to which no response is required. To the extent that any of the averments are construed as allegations for which a response may be required, PAWC denies any and all such allegations

4. Paragraph No. 4 of the Complaint is a prayer for relief to which no response is required. To the extent that any of the remaining averments in Paragraph No. 4 are construed as allegations for which a response may be required, PAWC denies any and all such allegations. By way of further answer, PAWC is willing to provide water service to Bona Fide Service Applicants in accordance with the Company's duly filed and approved tariff.

WHEREFORE, Pennsylvania-American Water Company requests Your Honorable Commission to dismiss the Formal Complaint of Cindy Parks at Docket No. C-00015377.

Respectfully submitted,


Susan Simms Marsh, Esquire
Pennsylvania-American Water Company
800 West Hershey Park Drive, P.O. Box 888
Hershey, Pennsylvania 17033-0888

Dated: May 24, 2001

All's not well with Hickory water issue

Survey shows residents still divided

BY HEIDI PRICE
THE OBSERVER-REPORTER
hprice@observer-reporter.com

For decades, dating back to when bell bottoms were popular the first time, opportunities for public water in Hickory have come and gone.

Each time an initiative has come close to fruition, it has been thwarted. Municipal authorities have formed and disintegrated, board members have been appointed and just as quickly resigned, sometimes en masse. Lawsuits also have been filed.

In light of water's volatile history in the municipality, it's understandable that the issue raises hackles.

"It's a very divisive issue in the township," said Eric Betmer, an attorney who represents the township's municipal authority. "It's an issue that a lot of people feel strongly about in that particular township."

The results of a public survey conducted by the township municipal authority were presented at the Feb. 28 meeting of township supervisors. However, a reporter's request to confirm the results was volleyed between supervisors and the municipal authority for nearly a week.

So touchy is this topic that Art Mueller of the municipal authority declined to comment until the authority could meet to discuss how to respond to media inquiries.

Until this point, there hasn't been much to handle. The municipal authority is only trying to determine public interest in the issue.

But some naysayers still take issue with the idea of a mandatory tap-in for residents.

"I like my well," Pat Territo of Hickory said Wednesday. "I understand they have a need, but they better not try to force it again so everyone can get it at a cheap price." Ferrito said there are many senior citizens in Hickory who would be unable to afford an additional monthly fee.

Those who support the initiative maintain that poor water quality in Hickory, Mt. Pleasant's largest community, has made it a necessity.

A water quality test performed several years ago by the state Department of Environmental Protection revealed that "at least half the wells and cisterns in that area were found to have higher than standard levels of bacteria, which would make that area a good candidate for public water," according to DEP spokesman Patrick Shuster.

Don MacArthur was a chairman of the township municipal authority in the early 1990s. Now the Hickory resident has "nothing whatsoever" to do with water. MacArthur reluctantly offered his views on the topic when contacted Wednesday.

"From my experience in the past, the Hickory area desperately needs water, if only by reviewing tests conducted by the DEP, the well water in this area is most certainly suspect," MacArthur said.

In December 1989, the township had secured a \$1.9 million, 1 percent interest loan and a \$250,000 grant from the state to install a water system. When property owners pulled their support, the township walked away from the funds.

Less than a year later, a citizens group opposed to the water initiative tried unsuccessfully to have supervisors removed through the courts. Among their initial claims was that supervisors were so fixated on water that they had ignored township roads.

Recently, the municipal authority mailed 1,300 surveys and received 690 responses. The mailing posed three questions, including: "Assuming the authority is able to obtain water from a public utility at a reasonable rate, would you be interested in purchasing water sources?"

In Hickory, 200 residents responded "yes" and 107 residents said "no."

The study also revealed that among the residents who responded, 207 had well water, 21 had cisterns and nine had springs.

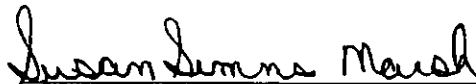
COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In the matter of:

Re: Cindy Parks. v. Pennsylvania-American Water Company
Docket No. C-00015377

NOTICE OF APPEARANCE

Please enter my appearance in the above-designated matter on behalf of Respondent, Pennsylvania-American Water Company. I am authorized to accept service on behalf of said participant in this matter. I am already receiving or have access to a copy of each document issued by the Pennsylvania Public Utility Commission in this matter and do not on the basis of this notice require an additional copy.



Susan Simms Marsh, Esquire
800 West Hershey Park Drive
P.O. Box 888
Hershey, Pennsylvania 17033-0888
(717) 533-5000

Dated: May 24, 2001

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

CINDY PARKS
Complainant

v.

PENNSYLVANIA-AMERICAN WATER
COMPANY,
Respondent

Docket No. C-00015377

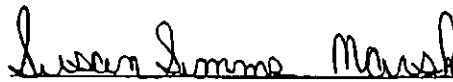
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participant, listed below, in accordance with the requirements of 52 Pa. Code §1.54:

First Class Mail

Cindy Parks
447 Fort Cherry Road
McDonald, PA 15057

Dated this 24th day of May, 2001.



Susan Simms Marsh, Esquire
Pennsylvania-American Water Company
800 West Hershey Park Drive, P.O. Box 888
Hershey, Pennsylvania 17033-0888
(717) 533-5000

ATTACHMENT C

JUN 11 2001

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Cindy Parks :
 :
 v. : Docket No. C-00015377
 :
 Pennsylvania-American Water :
 Company :

INTERIM ORDER
SETTING SETTLEMENT CONFERENCE

On or about May 3, 2001, Cindy Parks ("Complainant") filed a complaint against Pennsylvania-American Water Company ("Respondent"), at the above-captioned Docket Number. On or about May 24, 2001, Respondent filed an answer to the complaint.

Based upon a review of the pleadings, the parties are hereby directed to attempt to settle this matter. Respondent shall contact Complainant, on or before June 22, 2001, concerning a time, date and place for Respondent and Complainant to hold a conference. The conference shall take place on or before July 6, 2001, unless this is not possible.

Within ten (10) days following the conference, Respondent shall file a short report with Bruce Bigelow, Mediator ("Mediator"), setting forth:

(a) The time, date and place of the settlement conference;

(b) Who participated for each party;

(c) A statement whether a full settlement, including withdrawal of complaint, was achieved, and, if not, whether the parties consent to have this case set for mediation by the mediation staff of the Commission; and

(d) A statement of any issues which have been resolved, if a full settlement was not achieved.

If an agreement has not been reached, and the parties do not consent to mediate, the parties are entitled to have a hearing. A hearing is a formal procedure in which an administrative law judge will make a decision to resolve the case. Mediation is an informal procedure in which the parties themselves attempt to resolve the case through a voluntary agreement. The mediator is a neutral person who helps the parties in their efforts to come to an agreement. The Commission encourages mediation.

If it is not possible to have the conference by the date set for that purpose, Respondent shall file a report with the Mediator, on or before ten (10) days following the conference due date, giving the reason(s) why the due date could not be met.

In either situation, a report must be filed with the Mediator by the applicable due date set forth above.

If you have any questions, you should contact the Mediator. His address and phone number are:

Mediator Bruce Bigelow
P. O. Box 3265
Harrisburg, PA 17105-3265
(717) 783-5413
Email: bigelow@puc.state.pa.us

Robert A. Christianson

ROBERT A. CHRISTIANSON
Chief Administrative Law Judge

Date: 6/6/01

PARTIES OF RECORD

CINDY PARKS V. PENNSYLVANIA-AMERICAN WATER COMPANY
DOCKET NO. C-00015377

CINDY PARKS
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Norma Lewis
Bruce Bigelow
Elizabeth Plantz
Docket Section