

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
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November 10, 2015

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Pa. Public Utility Commission
v.
Corner Water Supply & Service Corporation
Docket No. R-2015-2479962
C-2015-2491641
C-2015-2496760

Dear Secretary Chiavetta:

Please find attached for electronic filing the Joint Petition for Settlement of Rate Investigation in the above-referenced proceeding. This document is being filed on behalf of the Joint Petitioners and includes the Statements of Support of Corner Water Supply & Service Corporation, the Bureau of Investigation and Enforcement, the Office of Small Business Advocate and the Office of Consumer Advocate.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink that reads "Christine Maloni Hoover".

Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. #50026

Attachment

cc: Honorable Conrad A. Johnson
Certificate of Service

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
: Docket Nos. R-2015-2479962
: C-2015-2491641
: C-2015-2496760
Corner Water Supply & Service Corporation :

I hereby certify that I have this 10th day of November 2015, served a true and correct copy of the Joint Petition for Settlement of Rate Investigation in the above matter, upon the persons and in the manner indicated below:

EMAIL AND HAND DELIVERY

Tiffany A. Hunt, Mediator
Pennsylvania Public Utility Commission
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

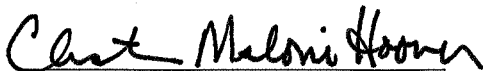
SERVICE BY E-MAIL AND INTER-OFFICE MAIL

Phillip C. Kirchner, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL AND FIRST CLASS MAIL, POSTAGE PREPAID

Steven Gray
Office of Small Business Advocate
Suite 202, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

Eric E. Cummings, Esquire
110 North Second Street
P.O. Box 1320
Clearfield, PA 16830



Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. #50026
Email: CHoover@paoca.org

Counsel for Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility	:	
Commission	:	
Office of Consumer Advocate	:	
Office of Small Business Advocate	:	Docket Nos. R-2015-2479962
v.	:	C-2015-2491641
	:	C-2015-2496760
Corner Water Supply and Service	:	
Corporation	:	

**JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

TO ADMINISTRATIVE LAW JUDGE CONRAD A. JOHNSON:

This Joint Petition for Settlement of Rate Investigation (“Joint Petition”) is made and entered into by, between and among the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Office of Small Business Advocate (“OSBA”), the Office of Consumer Advocate (“OCA”) and Corner Water Supply and Service Corporation (“Corner Water” or the “Company”), parties to the above captioned rate proceeding (hereinafter collectively referred to as “Joint Petitioners”), and is hereby submitted for consideration and recommended approval by the Administrative Law Judge (“ALJ”) for the purpose of settling the above captioned rate proceeding under the terms and conditions set forth below.

Background

1. Corner Water is a Pennsylvania public utility that provides water service to the public in a portion of Paint Township, Clarion County, Pennsylvania.

2. On May 27, 2015, Corner Water filed Supplement No. 63 to Tariff Water-Pa. P.U.C. No. 1 (“Supplement No. 63”) to be effective August 1, 2015. If approved, Supplement No. 63 would increase Corner Water’s annual water revenue by \$89,155 based on a test year ended December 31, 2014.

3. By Order entered July 30, 2015, at Docket No. R-2015-2479962, the Commission suspended Supplement No. 63 and instituted an investigation into the reasonableness of the proposed rates. Pursuant to the Commission’s July 30, 2015 Order, on August 7, 2015, Corner Water filed Supplement No. 64 to suspend the application of the proposed water rates until March 1, 2016.

4. A Formal Complaint against Supplement No. 63 was filed by the OCA at C-2015-2491641. OSBA filed a Formal Complaint on August 6, 2015 at Docket No. C-2015-2496760. A Notice of Appearance was filed by I&E on August 7, 2015.

5. Corner Water consented to use the mediation process to try to resolve the rate investigation. As required by 52 Pa. Code § 69.392, Corner Water filed Supplement No. 65 on August 20, 2015, voluntarily extending the effective date of Supplement No. 64 to May 1, 2016.

6. The case was assigned to Administrative Law Judge Conrad A. Johnson. Tiffany A. Hunt, Esquire was assigned as Mediator.

7. A Prehearing Conference was held on August 10, 2015. Counsel for I&E, OSBA, OCA and Corner Water attended the prehearing conference.

8. A mediation session was held on September 8, 2015 followed by a conference call on September 21, 2015. Corner Water, OCA, OSBA and I&E participated in the mediation sessions.

Terms and Conditions of Settlement

9. Joint Petitioners agree that this rate proceeding can be settled without the need for further formal litigation. The terms and conditions comprising this Joint Petition, to which Joint Petitioners agree, are as follows:

(a) Revenue Increase and Allocation

Joint Petitioners request that the Commission act as soon as possible to approve this Joint Petition and grant Corner Water's special permission to file a tariff supplement in the form attached hereto as Appendix A, to become effective for service on one day's notice, following the entry of a Commission Order approving this Settlement. The tariff supplement is designed to produce an increase in annual revenue of \$52,000, in lieu of the proposed \$89,155 increase contained in Supplement No. 63. A proof of revenue is attached hereto as Appendix B.

(b) Tariff

The Joint Petitioners also agree to the changes made to the Company's tariff, attached as Appendix A, including the following: the addition of a usage allowance for non-mobile home park customers, the addition of monthly rates for private fire customers, the addition of quarterly rates for public fire customers, and the expanded description of rates for mobile home park customers. The changes to tariff pages 3, 3A and 3B are intended to reflect the actual billing practices of Corner Water. Corner Water agrees to provide a copy of a bill sent to a customer in each customer class from the first billing period after the effective date of new rates to each signatory party.

(c) Affiliated Interest Agreement

Within 30 days of the issuance of a Final Order in this matter, Corner Water will file the Affiliated Interest Agreement (“AIA”), attached hereto as Appendix C. It is agreed that the filing will be submitted pursuant to Chapter 21 of the Public Utility Code and that, consistent with submissions under Chapter 21, the amended AIA is not being proposed as a determination that the associated costs or expenses are reasonable or prudent for the purposes of determining just and reasonable rates.

(d) Stay Out

Corner Water will not file a general rate increase, as that term is defined in Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d), prior to two (2) years after the entry date of the Commission’s Order approving this Joint Petition. Corner Water may, however, file for a change in rates under Sections 1308(a) and (b) of the Public Utility Code, 66 Pa. C.S. § 1308(a) and (b) (governing general rate relief), or Section 1308(e) of the Public Utility Code, 66 Pa. C.S. § 1308(e) (governing extraordinary rate relief), if a legislative body or administrative agency orders or enacts changes in policy, regulation or statutes which directly and substantially affect Corner Water’s rates. In addition, Corner Water may file for a change in rates if the Department of Environmental Protection directs it to make alterations to its plant in service. If Corner Water seeks to invoke any of these exceptions to the stay out, it agrees to notify the signatory parties.

(e) Corner Water's Next Rate Filing

Corner Water agrees to file direct testimony and a proof of revenues as part of its next general rate increase request filing.

(f) Other Commitments

Corner Water agrees that it will have its two storage tanks inspected by a non-affiliated tank inspection company. The Commodore tank will be inspected, inside and out, before Corner Water files its next general rate increase request. Corner Water agrees that it will provide a copy of the inspection report when completed to the signatory parties. Tank # 1 (or the Office tank) will be inspected, inside and out, before Corner Water files its second general rate increase request following this proceeding. Corner Water agrees that it will provide a copy of the inspection report when completed to the signatory parties.

Other Provisions

10. Under the presently suspended Supplement No. 63, the monthly cost of water service to a typical residential customer using 2,990 gallons of water per month would have increased by approximately \$9.27, or 27.2%, from \$34.05 to \$43.33. Under the Joint Petition, the monthly cost of water service to such residential customer would increase by approximately \$5.53, or 16.3%, from \$34.05 to \$39.58.

11. Under the presently suspended Supplement No. 63, the monthly cost of water service to a commercial customer with a 5/8 inch meter, using 9,000 gallons of water per month, would have increased by approximately \$25.51, or 27.3%, from \$93.55 to \$119.06. Under the Joint Petition, the monthly cost of water service to such a commercial customer would increase by approximately \$15.20, or 16.3%, from \$93.55 to \$108.75.

12. Although Joint Petitioners are not in agreement with respect to each claim in the ratemaking process and would not be able to agree upon the specific rate adjustments that may support their respective conclusions, their agreement as to the amount of increase in Corner's annual water revenue, coupled with the other provisions hereto, provides an appropriate basis for resolution of the instant rate litigation.

13. The Joint Petition is in the public interest because it (a) minimizes cost-prohibitive litigation and administrative burden; (b) recognizes ratepayers' concerns; and (c) provides Corner Water with additional and necessary cash flow. The statements of Corner Water, I&E, OSBA, and OCA supporting the Joint Petition are attached as Appendices D, E, F and G respectively.

14. This Joint Petition is proposed to settle the instant matter and is made without any admission against or prejudice to any positions that any Joint Petitioner might adopt during subsequent litigation in any case, including further litigation in this case if this Joint Petition is rejected by the Commission or withdrawn by any one of the Joint Petitioners as provided below. This Joint Petition is conditioned upon the Commission's approval of all terms and conditions contained herein. Joint Petitioners agree that the Joint Petition does not expressly or implicitly represent approval of any specific claim or claims made in this proceeding and agree not to contend otherwise in any subsequent proceeding. If the Commission should fail to grant such approval or should modify the terms and conditions herein, this Joint Petition may be withdrawn by any Joint Petitioner upon written notice to the Commission and all parties within three business days by any of the Joint Petitioners. In such event, the Joint Petition shall be of no force and effect. In the event that the Commission does not approve the Joint Petition or any Joint Petitioner elects to withdraw as provided above and the proceeding continues to hearing,

the Joint Petitioners reserve their respective right to produce, distribute and offer into the record direct testimony as well as rebuttal and surrebuttal testimony and to conduct full cross-examination of other parties witnesses at hearing, briefing and argument in this rate proceeding.

15. If the Administrative Law Judge in his Recommended Decision recommends that the Commission adopt the Joint Petition without modification as herein proposed, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their right to file Exceptions with respect to any modifications to the terms and conditions of this Joint Petition, or any additional matters, proposed by Judge Johnson in his Recommended Decision. The Joint Petitioners reserve their rights to file Reply Exceptions to any Exceptions which may be filed.

16. In recognition of the foregoing, the Joint Petitioners respectfully request that:

- (a) Corner Water be granted special permission to file a tariff supplement in the form attached hereto as Appendix A to become effective for service on one day's notice, following entry of a Commission Order; and
- (b) The Commission's investigation at R-2015-2479962 be terminated and marked closed; and
- (c) The Complaint of the Office of Consumer Advocate at C-2015-2491641 and the Complaint of the Office of Small Business Advocate at C-2015-2496760 be marked closed consistent with this Joint Petition

IN WITNESS WHEREOF, the Joint Petitioners hereto have duly executed this Joint
Petition as of the date indicated herein.

**CORNER WATER SUPPLY AND
SERVICE CORPORATION**

By:  _____
Eric E. Cummings, Esquire

**OFFICE OF SMALL BUSINESS
ADVOCATE**

By: _____
Steven C. Gray, Esquire

**BUREAU OF INVESTIGATION AND
ENFORCEMENT**

By: _____
Phillip C. Kirchner
Prosecutor

OFFICE OF CONSUMER ADVOCATE

By: _____
Christine Maloni Hoover
Senior Assistant Consumer Advocate

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**CORNER WATER SUPPLY AND
SERVICE CORPORATION**

By: _____
Eric E. Cummings, Esquire

**OFFICE OF SMALL BUSINESS
ADVOCATE**

By:  11/10/15
Steven C. Gray, Esquire

**BUREAU OF INVESTIGATION AND
ENFORCEMENT**

By: _____
Phillip C. Kirchner, Esquire
Prosecutor

OFFICE OF CONSUMER ADVOCATE

By: _____
Christine Maloni Hoover, Esquire
Senior Assistant Consumer Advocate

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Petition as of the date indicated herein.

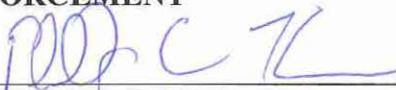
**CORNER WATER SUPPLY AND
SERVICE CORPORATION**

By: _____
Eric E. Cummings, Esquire

**OFFICE OF SMALL BUSINESS
ADVOCATE**

By: _____
Steven C. Gray, Esquire

**BUREAU OF INVESTIGATION AND
ENFORCEMENT**

By:  _____
Phillip C. Kirchner
Prosecutor

OFFICE OF CONSUMER ADVOCATE

By: _____
Christine Maloni Hoover
Senior Assistant Consumer Advocate

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**CORNER WATER SUPPLY AND
SERVICE CORPORATION**

By: _____
Eric E. Cummings, Esquire

**OFFICE OF SMALL BUSINESS
ADVOCATE**

By: _____
Steven C. Gray, Esquire

**BUREAU OF INVESTIGATION AND
ENFORCEMENT**

By: _____
Phillip C. Kirchner
Prosecutor

OFFICE OF CONSUMER ADVOCATE

By: Christine Maloni Hoover
Christine Maloni Hoover
Senior Assistant Consumer Advocate

Appendix A

A-87253

Supplement No. 63 to
Pa.P.U.C. No. 1

CORNER WATER SUPPLY & SERVICE CORP.

RATES AND RULES
GOVERNING THE FURNISHING OF WATER SERVICE
IN A PORTION OF
PAINT TOWNSHIP, CLARION COUNTY, PENNSYLVANIA

ISSUED:

EFFECTIVE:

This tariff supplement cancels and supersedes Supplement
No. 62 to Water-Pa.P.U.C. No. 1.

ISSUED BY:

Thomas Weaver, President
CORNER WATER SUPPLY & SERVICE CORPORATION
113 Oakwood Lane, Box 40
Shippenville, PA 16254

Corner Water Supply & Service Corp.
Box 40, Shippenville, PA 16254

Supplement No. 63 to
Water-Pa.P.U.C. No. 1
Forty-fifth Revised
Page No. 1A
Canceling
Forty-fourth Revised
Page No. 1A

List of changes made by this supplement

INCREASES:

Supplement No. 63 to Water-Pa. P.U.C. No. 1 increases the Company's overall annual revenues by \$52,000, or by 15.89%.

Rates for all customer classes, excluding Public Fire Protection, are increased by 16.25%.

CHANGES:

The following changes have been incorporated into Water-Pa. P.U.C. No. 1:

1. "Customer Charge" language for all metered classes, excluding Mobile Home Parks, has been revised to "Minimum Charges" to reflect the Company's monthly 1,000 gallon minimum water allowance.
2. To reflect the first 1,000 gallons being included in the Minimum Charge, the first usage block for all metered classes, excluding Mobile Home Parks, is revised to 1,001-10,000 gallons.
3. "Terms and Conditions" has been removed (Thirty-seventh Revised Page No. 3) and replaced with language developed to conform with how the Company bills each mobile home park.
4. In addition to quarterly and annual Private Fire Protection rates, the allowable monthly rates for Private Hydrants and Sprinkler Fire Service has been added.
5. In addition to the Annual Public Fire Protection rate, the allowable quarterly rate has been added.

ISSUED:

EFFECTIVE:

Corner Water Supply & Service Corp.
Box 40, Shippenville, PA 16254

Supplement No. 63 to
Water-Pa.P.U.C. No. 1
Forty-fourth Revised
Page No. 2
Canceling
Forty-third Revised Page
Page No. 2

INDEX

Title	Page No.
List of changes made by this tariff	Supplement No. 63
Index	1A Forty-fifth Revised
Schedule of Rates	
1. Meter Rates (Except Mobile Home Parks)	3 Thirty-eighth Revised
2. Private Fire Protection	3A Twenty-first Revised
3. Public Fire Hydrants	3A Twenty-first Revised
4. Mobile Home Parks	3B Original
5. Bills Due and Payable	4 First Revised
6. Bland for Future Use	4A Seventh Revised
Rules and Regulations	
1. Definitions	5 Second Revised
2. Application for Water Service	6 Original
3. Special Applications for Water Service	6 Original
4. Customers' Liability for Changes	6 Original
5. Customer Deposits	7 Third Revised
6. Street Service Connections	8 Original
7. Customers' Service Pipes	9 Original
8. Meters and Meter Installations	10 Original
9. Meter Tests and Test Fees	11 Original
10. Public Fire Hydrants	11 Original
11. Private Fire Service	12 Original
12. Discontinuance of Water Service	13 Original
13. Renewal of Water Service After Discontinuance	14 Original
14. Turn on Charge	14 Original
15. Bills for Water Service	15 Original
16. Terms of Payment	15 Original
17. Abatements and Refunds	16 Original
18. Boiler and Engine Water Supply	16 Original
19. Interruptions in Water Supply	17 Original
20. Liability of Company	17 Original
21. General	17 Original
22. Main Extensions	18-23 First Revised
23. Cross Connections and Interconnections	24-31 Original
24. Water Conservation Plan	32 Original
25. Collection of Excess-Use Charges	33 Original
26. Drought Emergency	34 Original
27. Extension of Service/CIAC	35-38 Second Revised

ISSUED:

EFFECTIVE:

Corner Water Supply & Service Corp.
Box 40, Shippenville, PA 16254

Supplement No. 63 to
Water-Pa.P.U.C. No. 1
Thirty-eighth Revised Page
No. 3
Canceling
Thirty-seventh Revised Page
No. 3

SCHEDULE OF RATES

MINIMUM CHARGES (ALL CLASSES EXCEPT MOBILE HOME PARKS): (C)
Minimum Charge Includes 1,000 gallons (C)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	(C)
5/8" and 3/4"	\$ 16.68	(I)
1"	\$ 24.47	(I)
1 1/2"	\$ 37.46	(I)
2"	\$ 53.01	(I)
3"	\$ 89.34	(I)

CONSUMPTION CHARGES (ALL CLASSES EXCEPT MOBILE HOME PARKS):

<u>Usage Block</u>	<u>Rate Per 1,000 Gallons</u>	
1,001-10,000 gallons	\$ 11.51	(C) (I)
10,001-120,000 gallons	\$ 9.87	(I)
Over 120,000 gallons	\$ 7.84	(I)

ISSUED:

EFFECTIVE:

Corner Water Supply & Service Corp.
Box 40, Shippenville, PA 16254

Supplement No. 63 to
Water-Pa.P.U.C. No. 1
Twenty-First Revised Page
No. 3A
Canceling
Twentieth Revised Page
No. 3A

PRIVATE FIRE PROTECTION:

	<u>Allowable Rate</u>		
	<u>Per Month</u>	<u>Per Quarter</u>	<u>Per Annum (C)</u>
For each private fire hydrant	\$22.44	\$67.32	\$269.28
 <u>Sprinkler Fire Service</u>			
<u>Size of Connection</u>			
2"	\$ 2.69	\$ 8.08	\$ 32.31
3"	\$ 5.68	\$ 17.04	\$ 68.17
4"	\$ 10.01	\$ 30.02	\$ 120.08
6"	\$ 22.44	\$ 67.32	\$ 269.28
8"	\$ 39.88	\$ 119.64	\$ 478.57

PUBLIC FIRE PROTECTION:

	<u>Allowable Rate</u>		
	<u>Per Quarter</u>	<u>Per Annum</u>	(C)
For each hydrant installed after April 24, 1961, on mains existing at that date or on mains 4" or larger in diameter laid after that date	\$ 97.41	\$ 389.65	

ISSUED:

EFFECTIVE:

Corner Water Supply & Service Corp.
Box 40, Shippenville, PA 16254

Supplement No. 63 to
Water-Pa.P.U.C. No. 1
Original Page No. 3B

CUSTOMER CHARGES (MOBILE HOME PARKS ONLY): (C)

Customer charge does not include a usage allowance. The customer charge will be computed as follows: The minimum charge for all classes except mobile home parks, minus the rate per 1,000 gallons for the first block usage that is specified above for all classes except mobile home parks. The monthly charge for each mobile home park will be calculated by multiplying the monthly customer charge for a 5/8" and 3/4" metered customer below by the total number of units. (C)

<u>Meter Size</u>	<u>Monthly Customer Charge</u>	
5/8" and 3/4"	\$ 5.17	(I)
1"	\$ 12.96	(I)
1 1/2"	\$ 25.95	(I)
2"	\$ 41.50	(I)
3"	\$ 77.83	(I)

CONSUMPTION CHARGES (MOBILE HOME PARKS ONLY): (C)

Single billing, regarding the consumption charge portion, to each mobile home park will be computed as follows: The total monthly consumption of the park divided by the number of units will be billed through the usage blocks below to develop the per unit consumption revenue. This per unit consumption revenue, less a 25% discount, shall be multiplied by the number of units and billed to the park.

(C)

<u>Usage Block</u>	<u>Rate Per 1,000 Gallons</u>	
0-10,000 gallons	\$ 8.63	(I)
10,001-120,000 gallons	\$ 7.40	(I)
Over 120,000 gallons	\$ 5.88	(I)

ISSUED:

EFFECTIVE:

Appendix B

Corner Water Supply and Service Corporation
Docket No. R-2015-2479962
Test Year Ending December 31, 2014

		<i>Number of Customers for the Test Year Ended 12/31/2014</i>	<i>Revenues Under Present Rates for the Year Ended 12/31/2014</i>	<i>Annualization Adjustment Under Present Rates</i>	<i>Company Present Rates Totals as Annualized</i>	<i>Revenues Under Settlement Rates for the Year Ended 12/31/2014</i>	<i>Annualization Adjustment Under Settlement Rates</i>	<i>Settlement Rates Totals as Annualized</i>	<i>Settlement Increase</i>	<i>Percent Increase</i>
		(A)	(B)	©	(D)	(E)	(F)	(G)	(H)	(I)
1	Residential	347	\$148,277	\$0	\$148,277	\$172,373	\$0	\$172,373	\$24,096	16.25%
2	Commercial	81	\$69,179	(\$35,033)	\$34,147	\$80,422	(\$40,726)	\$39,696	\$5,549	16.25%
3	Public	5	\$32,652	\$0	\$32,652	\$37,959	\$0	\$37,959	\$5,306	16.25%
4	Industrial	6	\$30,432	\$0	\$30,432	\$35,377	\$0	\$35,377	\$4,945	16.25%
5	Mobile Home Parks	3	\$51,426	\$0	\$51,426	\$59,783	\$0	\$59,783	\$8,357	16.25%
6	Total Metered	442	\$331,966	(\$35,033)	\$296,934	\$385,914	(\$40,726)	\$345,188	\$48,254	16.25%
Unmetered Sales:										
7	Residential (Bulk)	159	\$17,619	\$0	\$17,619	\$20,482	\$0	\$20,482	\$2,863	16.25%
8	Public Fire	2	\$6,234	\$0	\$6,234	\$6,234	\$0	\$6,234	\$0	0.00%
9	Private Fire	4	\$5,430	\$0	\$5,430	\$6,312	\$0	\$6,312	\$882	16.25%
10	Total Unmetered	165	\$29,283	\$0	\$29,283	\$33,029	\$0	\$33,029	\$3,746	12.79%
11	Penalties and Forfeitures:		\$888	\$0	\$888	\$888	\$0	\$888	\$0	0.03%
12	Other Revenue: (Residential Turn-On Fees)		\$110	\$0	\$110	\$110	\$0	\$110	\$0	
13	Total Revenues:		\$362,247	(\$35,033)	\$327,215	\$419,941	(\$40,726)	\$379,215	\$52,000	15.89%

*The Joint Petitioners do not necessarily agree to the Company's calculation of the Annualization Adjustment (Column C), but have agreed to use the Present Rates shown in Column D as the starting point in this case.

Corner Water Supply & Services Corporation
Water Revenues Under Present Rates
For the Year Ended December 31, 2014
R-2015-2479962

Residential:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	4,080	\$14.35	\$ 58,548.00
1"	-	\$21.05	\$ -
1 1/2"	-	\$32.22	\$ -
2"	-	\$45.60	\$ -
3"	-	\$76.85	\$ -
Total Minimum Charges			\$ 58,548.00
Volumetric Charges:			
<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	8,832	\$9.90	\$ 87,436.80
10,001 - 120,000	270	\$8.49	\$ 2,292.30
Over 120,000	-	\$6.74	\$ -
Total Volumetric Charges:			\$ 89,729.10
Total Residential:			\$ 148,277.10

Commercial:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	768	\$ 14.35	\$ 11,020.80
1"	-	\$ 21.05	\$ -
1 1/2"	29	\$ 32.22	\$ 934.38
2"	-	\$ 45.60	\$ -
3"	12	\$ 76.85	\$ 922.20
Total Minimum Charges			\$ 12,877.38
Volumetric Charges:			
<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	1,654	\$ 9.90	\$ 16,374.60
10,001 - 120,000	3,778	\$ 8.49	\$ 32,075.22
Over 120,000	1,165	\$ 6.74	\$ 7,852.10
Total Volumetric Charges:			\$ 56,301.92
Total Commercial:			\$ 69,179.30

Industrial:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	24	\$ 14.35	\$ 344.40
1"	-	\$ 21.05	\$ -
1 1/2"	24	\$ 32.22	\$ 773.28
2"	24	\$ 45.60	\$ 1,094.40
3"	-	\$ 76.85	\$ -
Total Minimum Charges			\$ 2,212.08
Volumetric Charges:			
<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	623	\$ 9.90	\$ 6,167.70
10,001 - 120,000	2,002	\$ 8.49	\$ 16,996.98
Over 120,000	750	\$ 6.74	\$ 5,055.00
Total Volumetric Charges:			\$ 28,219.68
Total Industrial:			\$ 30,431.76

Public:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	36	\$ 14.35	\$ 516.60
1"	24	\$ 21.05	\$ 505.20
1 1/2"	-	\$ 32.22	\$ -
2"	12	\$ 45.60	\$ 547.20
3"	-	\$ 76.85	\$ -
Total Minimum Charges			\$ 1,569.00
Volumetric Charges:			
<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	447	\$ 9.90	\$ 4,425.30
10,001 - 120,000	1,730	\$ 8.49	\$ 14,687.70
Over 120,000	1,776	\$ 6.74	\$ 11,970.24
Total Volumetric Charges:			\$ 31,083.24
Total Public:			\$ 32,652.24

Fire Protection:

Private Fire Hydrant:

	<u># of Units</u>	<u>Quarterly Rate</u>	<u>Annual Rate</u>	<u>Revenue</u>
Commercial:				
Winscot Warehouse	2	\$ 57.91	\$231.64	\$ 463.28
Public:				
Clarion County Career Center	2	\$ 57.91	\$231.64	\$ 463.28
Industrial:				
Commodore Homes	4	\$ 57.91	\$231.64	\$ 926.56
Colony Homes	3	\$ 57.91	\$231.64	\$ 694.92
Total Private Fire Hydrant:	11			\$ 2,548.04

Fire Protection, continued:

Sprinkler, 2"	-	\$	6.95	\$27.79	\$	-
Sprinkler, 3"	-	\$	14.66	\$58.64	\$	-
Sprinkler, 4"	-	\$	25.82	\$103.29	\$	-
Sprinkler, 6"	-	\$	57.91	\$231.64	\$	-
Sprinkler, 8"	7	\$	102.92	\$411.67	\$	2,881.69

Public Fire Hydrant:

Paint Township	15			\$389.65	\$	5,844.75
Elk Township	1			\$389.65	\$	389.65

Total Public Fire Hydrant:	<u>16</u>				\$	6,234.40
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Total Fire Protection					\$	11,664.13
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Mobile Homes:

				\$51,426.00		\$51,426.00
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Bulk Sales:

<u>Meter Size</u>	<u># of Bills</u>		<u>Rate</u>	<u>Revenue</u>
5/8" & 3/4"	159	\$	14.35	\$ 2,281.65
1"	-	\$	21.05	\$ -
1 1/2"	-	\$	32.22	\$ -
2"	-	\$	45.60	\$ -
3"	-	\$	76.85	\$ -

Total Minimum Charges				\$	2,281.65
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Volumetric Charges:

<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>		<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	692.45	\$	9.90	\$ 6,855.26
10,001 - 120,000	797.05	\$	8.49	\$ 6,766.95
Over 120,000	254.50	\$	6.74	\$ 1,715.33

Total Volumetric Charges:				\$	15,337.54
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Total Bulk Sales:				\$	17,619.19
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Customers' Penalties:

Residential		\$	750.74
Commercial		\$	136.95
Total Customer Penalties		\$	887.69

Miscellaneous Service Revenue:

Residential Turn-on Fees		\$	110.00
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Total Water Revenue		\$	362,247.41
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Corner Water Supply & Services Corporation
Water Revenues Under Proposed Rates
For the Year Ended December 31, 2014
R-2015-2479962

Residential:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	4,080	\$16.68	\$ 68,062.58
1"	-	\$24.47	\$ -
1 1/2"	-	\$37.46	\$ -
2"	-	\$53.01	\$ -
3"	-	\$89.34	\$ -
Total Minimum Charges			\$ 68,062.58
Volumetric Charges:			
<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	8,832	\$11.51	\$ 101,646.07
10,001 - 120,000	270	\$9.87	\$ 2,664.82
Over 120,000	-	\$7.84	\$ -
Total Volumetric Charges:			\$ 104,310.89
Total Residential:			\$ 172,373.46

Commercial:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	768	\$ 16.68	\$ 12,811.78
1"	-	\$ 24.47	\$ -
1 1/2"	29	\$ 37.46	\$ 1,086.23
2"	-	\$ 53.01	\$ -
3"	12	\$ 89.34	\$ 1,072.07
Total Minimum Charges			\$ 14,970.07
Volumetric Charges:			
<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	1,654	\$ 11.51	\$ 19,035.62
10,001 - 120,000	3,778	\$ 9.87	\$ 37,287.73
Over 120,000	1,165	\$ 7.84	\$ 9,128.14
Total Volumetric Charges:			\$ 65,451.49
Total Commercial:			\$ 80,421.56

Industrial:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	24	\$ 16.68	\$ 400.37
1"	-	\$ 24.47	\$ -
1 1/2"	24	\$ 37.46	\$ 898.94
2"	24	\$ 53.01	\$ 1,272.25
3"	-	\$ 89.34	\$ -
Total Minimum Charges			\$ 2,571.56

Volumetric Charges:

<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	623	\$ 11.51	\$ 7,170.01
10,001 - 120,000	2,002	\$ 9.87	\$ 19,759.14
Over 120,000	750	\$ 7.84	\$ 5,876.48

Total Volumetric Charges:

\$ 32,805.63

Total Industrial:

\$ 35,377.19

Public:

<u>Meter Size</u>	<u># of Bills</u>	<u>Minimum Charge</u>	<u>Revenue</u>
5/8" & 3/4"	36	\$ 16.68	\$ 600.55
1"	24	\$ 24.47	\$ 587.30
1 1/2"	-	\$ 37.46	\$ -
2"	12	\$ 53.01	\$ 636.12
3"	-	\$ 89.34	\$ -
Total Minimum Charges			\$ 1,823.98

Volumetric Charges:

<u>Usage Block (Gallons)</u>	<u>Gallons (1000's)</u>	<u>Rate</u>	<u>Revenue</u>
1,001 - 10,000	447	\$ 11.51	\$ 5,144.45
10,001 - 120,000	1,730	\$ 9.87	\$ 17,074.58
Over 120,000	1,776	\$ 7.84	\$ 13,915.51

Total Volumetric Charges:

\$ 36,134.55

Total Public:

\$ 37,958.52

Fire Protection:

	<u># of Units</u>	<u>Quarterly Rate</u>	<u>Annual Rate</u>	<u>Revenue</u>
Private Fire Hydrant:				
Commercial:				
Winscot Warehouse	2	\$ 67.32	\$269.28	\$ 538.57
Public:				
Clarion County Career Center	2	\$ 67.32	\$269.28	\$ 538.57
Industrial:				
Commodore Homes	4	\$ 67.32	\$269.28	\$ 1,077.13
Colony Homes	3	\$ 67.32	\$269.28	\$ 807.85
Total Private Fire Hydrant:	11			\$ 2,962.12

Fire Protection, continued:

Sprinkler, 2"	-	\$	8.08	\$32.31	\$	-
Sprinkler, 3"	-	\$	17.04	\$68.17	\$	-
Sprinkler, 4"	-	\$	30.02	\$120.08	\$	-
Sprinkler, 6"	-	\$	67.32	\$269.28	\$	-
Sprinkler, 8"	7	\$	119.64	\$478.57	\$	3,349.99

Public Fire Hydrant:

Paint Township	15			\$389.65	\$	5,844.75
Elk Township	1			\$389.65	\$	389.65

Total Public Fire Hydrant: 16 \$ 6,234.40

Total Fire Protection \$ 12,546.51

Mobile Homes:

\$59,783.19 **\$59,783.19**

Bulk Sales:

Meter Size	# of Bills		Rate	Revenue
5/8" & 3/4"	159	\$	16.68	\$ 2,652.44
1"	-	\$	24.47	\$ -
1 1/2"	-	\$	37.46	\$ -
2"	-	\$	53.01	\$ -
3"	-	\$	89.34	\$ -

Total Minimum Charges \$ 2,652.44

Volumetric Charges:

Usage Block (Gallons)	Gallons (1000's)		Rate	Revenue
1,001 - 10,000	692.45	\$	11.51	\$ 7,969.30
10,001 - 120,000	797.05	\$	9.87	\$ 7,866.65
Over 120,000	254.50	\$	7.84	\$ 1,994.09

Total Volumetric Charges: \$ 17,830.03

Total Bulk Sales: \$ 20,482.47

Customers' Penalties:

Residential	\$	750.74
Commercial	\$	136.95
Total Customer Penalties	\$	887.69

Miscellaneous Service Revenue \$ -

Total Water Revenue \$ 419,830.59

Corner Water Supply and Service Corporation
Docket No. R-2015-2479962

ALL CLASSES EXCEPT MOBILE HOME PARKS

Line No.	Meter Size	Company			Settlement			
		Present Monthly	Variance Amount	Percent	Proposed Monthly	Settlement Monthly	Variance Amount	Percent
Minimum Charges: (All Classes Except Mobile Home Parks)								
1	5/8" & 3/4"	\$14.35	\$3.91	27.25%	\$18.26	\$16.68	\$2.33	16.2509%
2	1"	\$21.05	\$5.74	27.27%	\$26.79	\$24.47	\$3.42	16.2509%
3	1 1/2"	\$32.22	\$8.78	27.25%	\$41.00	\$37.46	\$5.24	16.2509%
4	2"	\$45.60	\$12.43	27.26%	\$58.03	\$53.01	\$7.41	16.2509%
5	3"	\$76.85	\$20.94	27.25%	\$97.79	\$89.34	\$12.49	16.2509%
Consumption Charges: (All Classes Except Mobile Home Parks)								
Usage Block		Company			Settlement			
		Rate Per 1,000 Gallons	Variance Amount	Percent	Rate Per 1,000 Gallons	Rate Per 1,000 Gallons	Variance Amount	Percent
6	1,001 - 10,000 Gallons	\$9.90	\$2.70	27.27%	\$12.60	\$11.51	\$1.61	16.2509%
7	10,001 - 120,000 Gallons	\$8.49	\$2.31	27.21%	\$10.80	\$9.87	\$1.38	16.2509%
8	Over 120,000 Gallons	\$6.74	\$1.84	27.30%	\$8.58	\$7.84	\$1.10	16.2509%

MOBILE HOME PARKS ONLY

Line No.	Meter Size	Company			Settlement			
		Present Monthly	Variance Amount	Percent	Proposed Monthly	Settlement Monthly	Variance Amount	Percent
Customer Charges: (Mobile Home Parks Only)								
9	5/8" & 3/4"	\$4.45	\$1.21	27.19%	\$5.66	\$5.17	\$0.72	16.2509%
10	1"	\$11.15	\$3.04	27.26%	\$14.19	\$12.96	\$1.81	16.2509%
11	1 1/2"	\$22.32	\$6.08	27.24%	\$28.40	\$25.95	\$3.63	16.2509%
12	2"	\$35.70	\$9.73	27.25%	\$45.43	\$41.50	\$5.80	16.2509%
13	3"	\$66.95	\$18.24	27.24%	\$85.19	\$77.83	\$10.88	16.2509%
Consumption Charges: (Mobile Home Parks Only)								
Usage Block		Company			Settlement			
		Rate Per 1,000 Gallons	Variance Amount	Percent	Rate Per 1,000 Gallons	Rate Per 1,000 Gallons	Variance Amount	Percent
14	0 - 10,000 Gallons	\$7.43	\$2.03	27.27%	\$9.45	\$8.63	\$1.21	16.2509%
15	10,001 - 120,000 Gallons	\$6.37	\$1.73	27.21%	\$8.10	\$7.40	\$1.03	16.2509%
16	Over 120,000 Gallons	\$5.06	\$1.38	27.30%	\$6.44	\$5.88	\$0.82	16.2509%

Settlement Revenues Check

	Percent Increase
Metered Sales	
Residential	16.3%
Commercial	16.3%
Public	16.3%
Industrial	16.3%
Mobile Home Parks	16.3%
Total Metered	16.3%
Unmetered Sales:	
Residential (Bulk)	16.3%
Public Fire	0.0%
Private Fire	16.3%
Total Unmetered	12.8%
Total Revenues:	15.9%

Settlement Increase \$52,000

16.25%

Fire Protection	Company			Settlement			
	Present Annual	Variance Amount	Percent	Proposed Annual	Settlement Annual	Variance Amount	Percent
17 Public Per Hydrant	\$389.65	\$106.18	27.25%	\$495.83	\$389.65	\$0.00	0.00%
18 Private Per Hydrant	\$231.64	\$63.12	27.25%	\$294.76	\$269.28	\$37.64	16.2509%
Sprinkler and Standby							
19 2"	\$27.79	\$7.57	27.24%	\$35.36	\$32.31	\$4.52	16.2509%
20 3"	\$58.64	\$15.98	27.25%	\$74.62	\$68.17	\$9.53	16.2509%
21 4"	\$103.29	\$28.15	27.25%	\$131.44	\$120.08	\$16.79	16.2509%
22 6"	\$231.64	\$63.12	27.25%	\$294.76	\$269.28	\$37.64	16.2509%
23 8"	\$411.67	\$112.18	27.25%	\$523.85	\$478.57	\$66.90	16.2509%

Corner Water Supply and Service Corporation
Docket No. R-2015-2479962

Test Year Ending December 31, 2014
Mobile Homes Revenue

Present Rate Revenue

	<u>Number of Customers</u>	<u>Gallons (1000s)</u>	<u>Customer Charge Revenue</u>	<u>Total Volumetric Charge Revenue (with 25% Discount)</u>	<u>Total Revenue</u>
January	163	622	\$725.35	\$ 4,618.35	\$ 5,343.70
February	163	539	\$725.35	\$ 4,002.08	\$ 4,727.43
March	163	592	\$725.35	\$ 4,395.60	\$ 5,120.95
April	163	555	\$725.35	\$ 4,120.88	\$ 4,846.23
May	164	431	\$729.80	\$ 3,200.18	\$ 3,929.98
June	165	388	\$734.25	\$ 2,880.90	\$ 3,615.15
July	166	419	\$738.70	\$ 3,111.08	\$ 3,849.78
August	166	380	\$738.70	\$ 2,821.50	\$ 3,560.20
September	167	432	\$743.15	\$ 3,207.60	\$ 3,950.75
October	167	446	\$743.15	\$ 3,311.55	\$ 4,054.70
November	168	444	\$747.60	\$ 3,296.70	\$ 4,044.30
December	174	486	\$774.30	\$ 3,608.55	\$ 4,382.85
		<u>5,734</u>	<u>\$8,851</u>	<u>\$42,575</u>	<u>\$51,426.00</u>

\$51,424.11 Company Filing Ex. B-1
\$1.89

Settlement Rate Revenue

	<u>Number of Customers</u>	<u>Gallons (1000s)</u>	<u>Customer Charge Revenue</u>	<u>Total Volumetric Charge Revenue (with 25% Discount)</u>	<u>Total Revenue</u>
January	163	622	\$843.23	\$ 5,368.87	\$ 6,212.10
February	163	539	\$843.23	\$ 4,652.45	\$ 5,495.67
March	163	592	\$843.23	\$ 5,109.92	\$ 5,953.15
April	163	555	\$843.23	\$ 4,790.55	\$ 5,633.78
May	164	431	\$848.40	\$ 3,720.23	\$ 4,568.63
June	165	388	\$853.57	\$ 3,349.07	\$ 4,202.64
July	166	419	\$858.75	\$ 3,616.65	\$ 4,475.40
August	166	380	\$858.75	\$ 3,280.02	\$ 4,138.76
September	167	432	\$863.92	\$ 3,728.86	\$ 4,592.78
October	167	446	\$863.92	\$ 3,849.71	\$ 4,713.63
November	168	444	\$869.09	\$ 3,832.44	\$ 4,701.54
December	174	486	\$900.13	\$ 4,194.97	\$ 5,095.10
		<u>5,734</u>	<u>\$10,289</u>	<u>\$49,494</u>	<u>\$59,783.19</u>

Appendix C

AFFILIATED INTEREST AGREEMENT

THIS ACKNOWLEDGEMENT, dated this _____ day of _____ 2015, is by and between Corner Water Supply & Service Corporation (Corner Water), a Pennsylvania Corporation and Baupat Enterprises, Inc. (Baupat), a Pennsylvania Corporation acknowledging the working relationship between these separate and distinct private entities, the parties hereto set forth as follows:

WHEREAS, Corner Water is engaged in water utility operations serving a portion of Paint and Elk Townships located in Clarion County, Pennsylvania.

WHEREAS, Baupat is a real estate and eight and equipment holding company located in Clarion County, Pennsylvania.

WHEREAS, in an effort to successfully operate each companies separate client – base pursuant to each companies respective services to be rendered, the parties exchange services for payment from time to time.

NOWTHEREFORE, the parties wish to explain the relationship the extent of the relationship the individual companies maintained between each other and furtherance of the same. The companies set forth the following:

1. **Parties** – the parties hereto are represented by the following characteristics:
 - a. **Corner Water** – Corner Water is a Pennsylvania Corporation, duly registered with the Pennsylvania Department of State. Corner Water maintains its own EIN Number. Corner Water maintains an individual set of shareholders, Board of Directors and executive officers. Corner Water engages in Water utility operations serving a portion of paint and Elk Townships, Clarion County, Pennsylvania. Corner Water provides minimal accounting services to Baupat.

Corner Water shall provide an invoice for services rendered, if any. Baupat shall treat Corner Water as an independent contractor for any and all purposes whatsoever. Attached hereto as Exhibit "A" is the Service Agreement to be utilized between the parties.

b. Baupat – Baupat is a Pennsylvania Corporation, duly registered with the Pennsylvania Department of State. Baupat maintains its own EIN Number. Baupat maintains an individual set of shareholders, Board of Directors and executive officers. Baupat is in the equipment and real estate holding business. Baupat owns the subject real estate which Corner Water operates upon and from. Corner Water pays a monthly rental rate of \$400.00 and pays for the utilities of the subject premises. Attached hereto as Exhibit "B" is the commercial lease to be utilized between the parties. Moreover, on very limited occasion, Baupat either rents out equipment or maintenance services to Corner Water. Baupat shall provide an invoice for equipment rented, or for maintenance services provided. Corner Water shall treat Baupat as an independent contractor as set forth in Exhibit "A".

2. Effective Date - This acknowledgment shall take effect contemporaneously with signage by the party. Second, in time to sign.

3. Document Usage - This acknowledgment shall be incorporated by reference as though set forth in full to the attached to the Joint Settlement Petition before the Pennsylvania Utility Commission, R-2015-2479962 and C-2015-2491641, involving Corner Water.

4. Corporate Formalities – The parties acknowledge their obligations to comply with corporate formalities and each therefore shall maintain separate shareholders, maintain separate corporate officers, maintain separate bylaws, maintain separate bookkeeping and payroll, maintain

separate assets, maintain separate debts, file separate tax documents, maintain separate EIN

Numbers all continuing from this day forward until either or both entities cease to exist.

5. **Amendment** – The parties herein reserve the right to amend this acknowledgment through mutual signatures, recognizing that business operations are not stagnant in nature, but instead are ever – progressing and subject to changes from time to time.

6. **Relationship** – Nothing contained in this Acknowledgement shall be construed as creating a partnership or joint venture of or between the parties, or to create any other relationship between the parties hereto other than that of Landlord and Tenant (where applicable) and Independent Contractor (where applicable).

7. **Counterparts** – This Acknowledgement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

The parties hereto execute this acknowledgment, representing all of the statements set forth herein are true and correct, to the best of their knowledge. In furtherance of the same, the parties set forth their hands and seals below:

Corner Water Supply & Service Corporation

Baupat Enterprises, Inc.

Date: _____

Date: _____

Date: _____

Date: _____

Appendix D

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2015-2479962
	:	C-2015-2491641
Corner Water Supply and Service Corporation	:	

**THE CORNER WATER SUPPLY AND SERVICE CORPORATION'S
STATEMENT OF SUPPORT OF
JOINT PETITION FOR SETTLEMENT OF RATE PROCEEDING**

**TO THE HONORABLE CONRAD A. JOHNSON,
ADMINISTRATIVE LAW JUDGE**

COMES NOW, Corner Water Supply and Service Corporation, ("Corner Water"), by and through its attorney, and respectfully submits the within Statement in Support of the Joint Petition for Settlement of Rate Investigation ("Joint Settlement") filed in the above-captioned rate investigation proceeding between and among the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), the Office of Small Business Advocate ("OSBA"), the Office of Consumer Advocate ("OCA") and Corner Water Supply and Service Corporation ("Corner Water"), parties to the above captioned rate proceeding (hereinafter collectively referred to as "Joint Petitioners"), and is hereby submitted for consideration and recommended approval by the Administrative Law Judge for the purpose of settling the above captioned rate proceeding under the terms and conditions set forth below.

I. INTRODUCTION

1. Corner Water is a Pennsylvania public utility that provides water service to the public, principally in Paint Township, with 11 units in Elk Township, all of which are in Clarion County, Pennsylvania.

2. On May 27, 2015, Corner Water filed Supplement No. 63 to Tariff Water-Pa. P.U.C. No. 1 ("Supplement No. 63") to be effective August 1, 2015. If approved, Supplement No. 63 would increase Corner Water's annual water revenue by \$89,155 based on a test year ended December 31, 2014.

3. By Order entered July 30, 2015, at Docket No. R-2015-2479962, the Commission suspended Supplement No. 63 and instituted an investigation into the reasonableness of the proposed rates. Pursuant to the Commission's July 30, 2015 Order, on August 7, 2015, Corner Water filed Supplement No. 64 to suspend the application of the proposed water rates until March 1, 2016.

4. A Formal Complaint against Supplement No. 63 was filed by the OCA at C-2015-2491641. OSBA filed a Formal Complaint on August 6, 2015 at Docket No. C-2015-2496760. A Notice of Appearance was filed by I&E on August 7, 2015.

5. Corner Water consented to use the mediation process to try to resolve the rate investigation. As required by 52 Pa. Code § 69.392, Corner Water filed Supplement No. 65 on August 20, 2015, voluntarily extending the effective date of Supplement No. 64 to May 1, 2016.

6. The case was assigned to Administrative Law Judge Conrad A. Johnson. Tiffany A. Hunt, Esquire was assigned as Mediator.

7. A Prehearing Conference was held on August 10, 2015. Counsel for I&E, OSBA, OCA and Corner Water attended the prehearing conference.

8. A mediation session was held on September 8, 2015 followed by a conference call on September 21, 2015. Corner Water, OCA, OSBA and I&E participated in the mediation sessions.

9. Joint Petitioners now agree that this rate proceeding can be settled without further litigation under the terms set forth in the Joint Settlement Petition.

10. The proposed Settlement Agreement calls for a rate increase of \$52,000.00 in annual revenues, and Joint Petitioners have agreed that an increase of this amount is a reasonable and appropriate resolution of this rate proceeding. Included in the Settlement Agreement is a stay out provision extending for 2 years following the entry date of the Commission's Order; a requirement that Corner Water have its Commodore Tank inspected prior to submission of its next rate increase application; a requirement that Corner Water file an Affiliated Interest Agreement; a requirement that Corner Water will file a version of its Direct Testimony contemporaneously with its next rate increase application while reserving the right to later supplement the same.

II. FACTORS IN SUPPORT OF PROPOSED INCREASE

11. Through the mediation process, Corner Water has presented a detailed and meaningful explanation of the procedures it followed in an effort to reduce and minimize its healthcare insurance expenses, these explanations establishing that the substantial increases that have occurred are above and beyond the control of Corner Water and as such are reasonable and necessary.

12. Through the Mediation process, Corner Water would argue that its request is validated by:

- a. the loss of significant commercial and industrial client usages;
- b. rising costs of maintenance and of doing business;
- c. matching competitive rates within the industry;
- d. the need to remain compliant with the needs of the Pennsylvania Department of Environmental Protection;
- e. the absence of any client-based complaint despite receiving due and proper notice;
- f. the parties jointly responding to encouragement by the Commission's policy that they enter into settlements. 52 Pa. Code § 5.231 (a). The proposed settlement herein is in harmony with that policy, and if approved would produce a benefit for all parties concerned.

13. In summary, it is the position of Corner Water that in view of the resolution achieved between the Joint Petitioners that the public interest will be promoted by approving the Joint Settlement Petition and the implementation of the specified rate increase.

14. It is the position of Corner Water that it is contrary to the public interest to have continued litigation, when Joint Petitioners have reached a settlement agreement, because these added expenses would be factored into the rate base and would serve to demonstrate a basis for a higher rate level to the public.

WHEREFORE, Corner Water Supply and Service Corporation respectfully requests that Administrative Law Judge Conrad A. Johnson and the Pennsylvania Public Utility Commission to accept the foregoing Statement in Support of the Joint Petition for Settlement.

Respectfully submitted,

CORNER WATER SUPPLY
AND SERVICE CORPORATION

By:


Eric E. Cummings, Esquire

KOERBER & CUMMINGS, LLC
110 North Second Street
P.O. Box 1320
Clearfield, PA 16830

DATED: November 7, 2015

Appendix E

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC
UTILITY COMMISSION**

v.

**CORNER WATER SUPPLY
AND SERVICE CORP.**

:
:
:
:
:
:
:

**DOCKET NO.
R-2015-2479962**

**THE BUREAU OF INVESTIGATION AND ENFORCEMENT'S
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

TO ADMINISTRATIVE LAW JUDGE CONRAD A. JOHNSON:

The Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), by and through its Prosecutor, Phillip C. Kirchner, hereby respectfully submit that the terms and conditions of the foregoing *Joint Petition For Settlement Of Rate Investigation* ("Joint Petition" or "Settlement Agreement") are in the public interest and represent a fair, just, reasonable and equitable balance of the interests of the Corner Water Supply and Service Corporation ("Corner Water") and its customers. The parties to this Settlement Agreement have conducted extensive Formal and Informal Discovery and have participated in numerous Settlement Conferences and Discussions. The

extensive discussions and sharing of information has culminated in the submission of the attached Settlement Agreement. The request for approval of the *Joint Petition For Settlement Of Rate Investigation* is based on I&E's conclusion that the Settlement Agreement meets all the legal and regulatory standards necessary for approval. "The prime determinant in the consideration of a proposed Settlement is whether or not it is in the public interest."¹ The Commission has recognized that a settlement "reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest."² The Settlement Agreement in the instant proceeding protects the public interest in that a comparison of the original filing submitted by the Company and the negotiated agreement reflects the compromises throughout the Joint Petition. In support of this position, I&E respectfully avers the following:

I. INTRODUCTION

1. On May 27, 2015, Corner Water filed Supplement No. 63 to Tariff Water-Pa. P.U.C. No. 1 ("Supplement No. 63") to be effective August 1, 2015. If approved as filed, Supplement No. 63 would have increased Corner Water's annual water revenue by \$89,155 based on a test year that ended December 31, 2014.

2. This filing was suspended by order on July 30, 2015 by the Commission to determine if the proposed modifications are just, reasonable, lawful, and in accordance with the public interest. A subsequent filing indicating consent to mediation was filed by Corner Water on August 20, 2015, which extended the effective date until May 1, 2016.

¹ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

² *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

3. The Commission assigned the Company's filing to the Office of Administrative Law Judge ("OALJ") for the development of an evidentiary record culminating in a Recommended Decision ("RD"). The OALJ subsequently assigned the suspended proceeding to Administrative Law Judge Conrad A. Johnson for investigation and scheduling of hearings as well as to Tiffany A Hunt, Esq. for mediation.

4. Pursuant to its charge to represent the public interest in matters impacting rates, I&E filed its initial Notice of Appearance in this matter. In addition to I&E, complaints were filed by Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA").

II. DISCUSSION

5. In accordance with the Commission's policy at 52 Pa. Code §5.231 that encourages settlements over costly and time-consuming litigation, I&E, OCA, OSBA, and Corner Water ("Joint Petitioners") were successful in achieving a Settlement Agreement of all issues through comprehensive Discovery and several Settlement Conferences.

6. The Settlement Agreement provides for a revenue increase of \$52,000 as opposed to the initial filing of \$89,155. The additional revenue in this proceeding is base rate revenue and has been agreed to in the context of a "Black Box" settlement. A "Black Box" agreement does not specifically identify the resolution of any disputed issues. Instead, an overall increase to base rates is agreed to and parties retain all rights to further challenge all issues in subsequent proceedings. A "Black Box" settlement benefits ratepayers as it allows for the resolution of a proceeding in a timely manner while avoiding significant

additional expenses. I&E maintains that an agreement as to the resolution of each and every disputed issue in this proceeding between all the parties would have been highly unlikely. The involvement of the ALJ would have added time and expense to a proceeding that is already burdensome. Avoiding this will benefit ratepayers by minimizing the expenses associated with this filing. Commissioner Powelson has commented on “Black Box” settlements in his statement that the “[d]etermination of a company’s revenue requirement is a calculation that involves many complex and interrelated adjustments affecting revenue, expenses, rate base and the company’s cost of capital. To reach an agreement on each component of a rate increase is an undertaking that in many cases would be difficult, time-consuming, expensive and perhaps impossible. Black box settlements are an integral component of the process of delivering timely and cost-effective regulation.”³

This increased level of “Black Box” revenue adequately balances the interests of ratepayers and the Company. The distribution of this increase between classes of customers is fleshed out in the proof of revenues in Appendix B to this *Joint Petition*. Corner Water shall receive sufficient operating funds in order to provide safe and adequate service while ratepayers are protected as the resulting increase minimizes the impact of the initial proposal. The negotiated compromise represents approximately 58% of the filed request. Mitigation of the level of the rate increase benefits ratepayers and results in rates that satisfy the regulatory standard. As such, this element supports the standard for approval of a

³ See, Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Wellsboro Electric Company*, Docket No. R-2010-2172662. See also, Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Citizens’ Electric Company of Lewisburg, PA*, Docket No. R-2010-2172665.

settlement as the resulting rates can be deemed just and reasonable and in accordance with the Public Utility Code and all pertinent case law.

7. This settlement makes significant progress in updating Corner Water's tariff to accurately codify the practices and billing currently taking place and ensuring compliance with the tariff as modified through this settlement by requiring Corner Water to provide the advocates with copies of a bill from each customer class after the rates go into effect. This will allow the advocates to verify the accuracy of the billing practices and confirm their compliance with Corner Water's tariff as filed.

8. Through this settlement, Corner Water agrees to file an Affiliated Interest Agreement. This will ensure that the relationship between affiliated parties and interests in this proceeding will be documented and publicly available for scrutiny and monitoring, thereby protecting the public interest.

9. The Settlement Agreement provides that Corner Water will file direct testimony and a proof of revenues when it files for its next base rate case. This will ensure a more efficient and streamlined process for all parties involved and will allow a more fruitful and complete analysis of future issues immediately.

10. Corner Water also agrees that it will not file a base rate case, as defined in 66 Pa. C.S. §1308, for at least two years from the entry date of the rates being approved in this case. This provision, however, may be circumvented if necessary due to drastic changes in regulatory or federal policies that may impact the Company.

This “stay-out” provision will benefit ratepayers by providing a level of stability in their rates, which is a benefit to all impacted parties. Corner Water can make operational plans based on certain rates while customers can budget their activities knowing that the cost of their services will not fluctuate until years in the future.

11. The remaining issues raised in I&E’s Prehearing Memorandum have been satisfactorily resolved through Discovery and discussions with Corner Water and are incorporated into the “Black Box” resolution of the revenue requirement in this proceeding. The very nature of a settlement agreement incorporates compromise on the part of all parties. This particular Settlement Agreement exemplifies this principle. In addition, a “Black Box” settlement makes the specific identification of the resolution of disputed issues impossible. Each signatory acknowledges the ultimate revenue allowance but makes no representation as to how this addition to base rate revenue was achieved. Because of the characteristics of “Black Box” settlements, no representation of the resolution of any issue not specifically identified is possible in future proceedings.

III. CONCLUSION

12. Based on I&E’s analysis of the base rate revenue increase requested by Corner Water, acceptance of this proposed Joint Petition is in the public interest. Resolution of these provisions by settlement rather than continued litigation will avoid the additional time and expense involved in formally pursuing all issues in this proceeding. Pursuing litigation through to its conclusion would have driven expenses even higher which may have impacted the agreed upon increase in revenue. As litigation

of this rate case is a recoverable expense, curtailment of these charges is in the public interest.

13. I&E further submits that acceptance of the foregoing Settlement Agreement will negate the need to engage in additional litigation including the preparation of multiple levels of testimony as well as Main Briefs, Reply Briefs, Exceptions and Reply Exception. The avoidance of further rate case expense by settlement of these provisions in this Base Rate Investigation proceeding best serves the interests of the Company and its customers.

14. The Settlement Agreement is conditioned upon the Commission's approval of all terms and conditions contained therein and should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by I&E, or any of the signatories.

15. I&E agrees to settle the disputed issue as to the proper level of additional base rate revenue through a "Black Box" agreement with limited exceptions. I&E's agreement to settle this case is respectfully made without any admission or prejudice to any position that I&E might adopt during subsequent litigation or the continuation of this litigation in the event the Settlement is rejected by the Commission or otherwise properly withdrawn by any of the Joint Petitioners.

16. If the ALJ recommends that the Commission adopt the Settlement Agreement as proposed, I&E has agreed to waive the right to file Exceptions. However, I&E has not waived its rights to file Exceptions with respect to any modifications to the

terms and conditions of the Settlement Agreement, or any additional matters, that may be proposed by the ALJ in her Recommended Decision. I&E also reserves the right to file Reply Exceptions to any Exceptions that may be filed by any active party to this proceeding.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement avers that it supports the *Joint Petition For Settlement Of Rate Investigation* as being in the public interest and respectfully requests that Administrative Law Judge Conrad A. Johnson recommend, and the Commission subsequently approve, the foregoing Settlement Agreement, including all terms and conditions contained therein.

Respectfully submitted,



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Prosecutor
Bureau of Investigation and Enforcement

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Dated: November 9, 2015

Appendix F

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	Docket No. R-2015-2479962
	:	
CORNER WATER SUPPLY AND SERVICE CORPORATION	:	
	:	

**STATEMENT OF
THE OFFICE OF SMALL BUSINESS ADVOCATE
IN SUPPORT OF THE
JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

Introduction

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a complaint in the above-captioned proceeding, which was initiated by Corner Water Supply and Service Corporation (“Corner Water” or the “Company”) on May 27, 2015.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Settlement of Rate Investigation (“*Joint Petition*”). The OSBA submits this statement in support of the *Joint Petition*.

The Joint Petition

The *Joint Petition* sets forth a comprehensive list of issues that were resolved through the negotiation process. The following issue was of particular significance to the OSBA when it concluded that the *Joint Petition* was in the best interests of Corner Water's small business customers.

1. Rate Increase

In the Company's May 2015 filing, Corner Water requested an overall increase in revenue of \$89,155. Although that dollar figure may be small compared to the amount requested by the larger utilities across the Commonwealth, the Company's request would have resulted in 27.25% increase in the water rates charged to the Company's small business customers.

The *Joint Petition* proposes to reduce the Company's requested increase of \$89,155 to \$52,000. This will result in a 16.25% increase in the water rates paid by Corner Water's small business customers. Furthermore, this is an "across the board increase," so that all customer classes receive the same percentage increase. This is a fair result, as no customer class will receive preferential treatment by the *Joint Petition*.

Furthermore, the OSBA submits that the increase proposed by the *Joint Petition*, while not *de minimis*, fairly balances the financial needs of Corner Water while significantly reducing the rate impact upon the small business customers served by the Company. Therefore, the OSBA supports the overall revenue increase proposed by the *Joint Petition*.

2. Direct Testimony

In the Company's May 2015 rate filing, Corner Water did not include the direct testimony of any of the Company's witnesses. In fact, the Administrative Law Judge ("ALJ") did not schedule the filing of Company direct testimony until early October 2015.

The *Joint Petition* requires Corner Water to file direct testimony when the Company makes its next rate filing. The OSBA fully supports this requirement since direct testimony, when served by any utility across the Commonwealth, helps the OSBA and its witnesses to understand the issues underlying a rate filing.

Consequently, the OSBA strongly supports the *Joint Petition* on this issue.

3. Proof of Revenue

Corner Water also did not file a proof of revenue with the Company's May 2015 rate filing. The OSBA witness, Mr. Brian Kalcic, was particularly disappointed with this lack of documentation. Simply put, a proof of revenue provides a fundamental starting point from which an expert witness can begin his or her analysis.

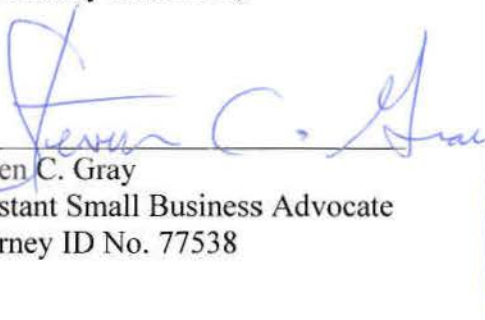
Similar to the issue of direct testimony, the *Joint Petition* requires Corner Water to file a proof of revenue at the time of its next rate filing.

The OSBA also strongly supports the *Joint Petition* on this issue.

Conclusion

For the reasons set forth in the *Joint Petition*, as well as the additional factors that are enumerated in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,



Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Dated: November 10, 2015

Appendix G

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY	:		
COMMISSION	:		
	:	Docket No.	R-2015-2479962
	:		C-2015-2491641
CORNER WATER SUPPLY &	:		C-2015-2496760
SERVICE CORPORATION	:		

STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT OF RATE INVESTIGATION

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Settlement of Rate Investigation (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

Corner Water Supply & Service Corporation (Corner Water or Company) provides water service to approximately 607 customers, of which 520 are residential, within a portion of Paint Township, Clarion County, Pennsylvania. On May 27, 2015, the Company filed Supplement No. 63 to Tariff Water – Pa. P.U.C. No. 1 with the Pennsylvania Public Utility Commission (Commission), to become effective August 1, 2015. In its filing, Corner Water requested an annual increase in base rate revenues of \$89,155 per year, or an approximate 27.25% increase. Under the Company’s filing, a typical residential customer, using 2,990 gallons of water per month, would see a total increase from \$34.05 to \$43.32 per month, or 27.25%.

On July 8, 2015, the OCA filed a Formal Complaint and Public Statement. The Office of Small Business Advocate filed a Formal Complaint and Public Statement on August 6, 2015.

The Commission's Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance on April 7, 2015.

By Order entered July 30, 2015, the Commission initiated an investigation into the lawfulness, justness and reasonableness of the proposed rate increase and suspended the effective date of Supplement No. 63 to Tariff Water – Pa. P.U.C. No. 1 until March 1, 2016, by operation of law. The Commission assigned the case to Administrative Law Judge Conrad A. Johnson (ALJ Johnson).

The Company chose to participate in the Commission's mediation process. On August 10, 2015, a prehearing conference was held before ALJ Johnson, at which time a procedural schedule was established. A mediation session was held on September 8, 2015, followed by a number of conference calls.

As a result of the discussions, the parties were able to reach an agreement in principle to resolve all issues, resulting in the comprehensive settlement terms and conditions set forth herein. As discussed below, the OCA submits that the Settlement is in the public interest and should be adopted.

II. REVENUES

A. Revenue Increase and Allocation

The proposed Settlement provides for an overall annual revenue increase of \$52,000, or 15.89%, in lieu of the proposed \$89,155 increase contained in Supplement No. 63. See Settlement ¶ 9(a); see also Appendix B. This compromise represents a 42% reduction from Corner Water's original rate increase request. Based on the OCA's analysis of the Company's filing, and discovery responses, the rate increase under the proposed Settlement represents a result that would be within the range of likely outcomes in the event of full litigation of the case.

This increase is appropriate when accompanied by other important conditions contained in the Settlement and yields a result that is just and reasonable.

B. Tariff

Under the proposed Settlement, the Office of Consumer Advocate supports the proposed changes made to the Company’s tariff, attached as Appendix A, including the following: the addition of a usage allowance for non-mobile home park customers, the addition of monthly rates for private fire customers, the addition of quarterly rates for public fire customers, and the expanded description of rates for mobile home park customers. Settlement ¶ 9(b). The changes to tariff pages 3, 3A and 3B are intended to reflect the actual billing practices of Corner Water. Corner Water agrees to provide a copy of a bill sent to a customer in each customer class from the first billing period after the effective date of new rates to the Office of Consumer Advocate and other signatory parties. Settlement ¶ 9(b). This provision will allow the OCA to confirm that the billing is in conformance with the tariff approved as part of the settlement.

C. Affiliated Interest Agreement

The proposed settlement requires the Company to file the Affiliated Interest Agreement (“AIA”), attached hereto as Appendix C. It is agreed that the filing will be submitted within 30 days of a final order in this proceeding, pursuant to Chapter 21 of the Public Utility Code. Settlement ¶ 9(c). Additionally, consistent with submissions under Chapter 21, the amended AIA is not being proposed as a determination that the associated costs or expenses are reasonable or prudent for the purposes of determining just and reasonable rates. Id.

D. Stay Out

Under the proposed settlement the Company has agreed not to file a general rate increase, as that term is defined in Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d), prior to two (2) years after the entry date of the Commission’s Order approving this Joint Petition for

Settlement. Settlement ¶ 9(d). Corner Water may, however, file for a change in rates under Sections 1308(a) and (b) of the Public Utility Code, 66 Pa. C.S. § 1308(a) and (b) (governing general rate relief), or Section 1308(e) of the Public Utility Code, 66 Pa. C.S. § 1308(e) (governing extraordinary rate relief), if a legislative body or administrative agency orders or enacts changes in policy, regulation or statutes which directly and substantially affect Corner Water's rates. In addition, Corner Water may file for a change in rates if the Department of Environmental Protection directs it to make alterations to its plant in service. If Corner Water seeks to invoke any of these exceptions to the stay out, it agrees to notify the Office of Consumer Advocate and other signatory parties.

E. Company's Next Rate Filing

Corner Water agrees to file direct testimony in support of its next general rate filing, at the same time that it files the general rate increase request. In addition, Corner Water agrees that it will provide a proof of revenues as part of its next general rate increase request filing. This additional information will assist the OCA in reviewing the Company's filing by providing information that is an integral part of the review.

F. Other Commitments

Corner Water agrees that it will have its two storage tanks (Commodore Tank and Tank #1, or Office Tank) inspected by a non-affiliated tank inspection company. Settlement ¶ 9(f). The Commodore tank will be inspected, inside and out, before Corner Water files its next general rate increase request. Corner Water agrees that it will provide a copy of the inspection report when completed to the signatory parties. Tank # 1 (or the Office tank) will be inspected, inside and out, before Corner Water files its second general rate increase request following this proceeding. Corner Water agrees that it will provide a copy of the inspection report when completed to the Office of Consumer Advocate and other signatory parties. These inspections

are important to ensure that the tanks are operating properly and can be used to determine what maintenance, if any is necessary for each tank.

III. CONCLUSION

The terms and conditions of the proposed Settlement of this rate proceeding represent a fair and reasonable resolution of the issues and claims arising in this proceeding. If approved, the proposed Settlement would provide for an increase of approximately \$52,000 from customers in annual revenues. This amount is reduced from the \$89,155 annual increase from customers proposed in Corner Water's filing. In addition, the ratepayers will benefit from the stay-out and other provisions addressing ratemaking and operational issues. Finally, the Commission and all parties would benefit from the reduction in rate case expense and the conservation of resources made possible by adoption of the Settlement in lieu of full litigation.

WHEREFORE, for the foregoing reasons, the Office of Consumer Advocate submits that the proposed Settlement is in the public interest.

Respectfully Submitted,



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November 10, 2015
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