

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held October 23, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement

M-2025-3042412

v.

Pocono Waterworks Company, Inc.

OPINION AND ORDER

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is a Joint Petition for Approval of Settlement (Settlement or Settlement Agreement), filed on January 22, 2025, by the Commission's Bureau of Investigation and Enforcement (I&E) and Pocono Waterworks Company, Inc. (Pocono Waterworks or Company) (collectively, the Parties), with respect to an informal investigation conducted by I&E. The Parties jointly submitted a Statement in Support of

the Settlement (Statement in Support).¹ The Parties submit that the proposed Settlement is in the public interest and is consistent with the Commission’s Policy Statement at 52 Pa. Code § 69.1201, *Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations* (Policy Statement). Settlement at 10.

For the reasons set forth below, we shall approve the Settlement as being in the public interest, consistent with the discussion in this Opinion and Order.

I. History of the Proceeding

On April 26, 2023, the Commission’s Bureau of Consumer Services (BCS) received a high billing dispute from a Pocono Waterworks customer. Settlement at ¶ 11. Based on its interaction with Pocono Waterworks, BCS became concerned that the Company was not in compliance with its meter testing and replacement responsibilities under the Commission’s Regulations at 52 Pa. Code §§ 65.8 and 65.9. *Id.* at ¶ 20. Therefore, on August 23, 2023, BCS determined that a referral to I&E was warranted. *Id.* at ¶ 21.

On October 23, 2023, I&E initiated an investigation into the matter, including one set of data requests (DR-Set I) to obtain more information regarding the Company’s testing and replacement of its water meters. Settlement at ¶ 22. After repeated attempts by I&E to obtain complete responses to DR-Set I, on May 30, 2024, Pocono Waterworks provided information that I&E deemed a sufficient response. *Id.* at ¶ 27.

¹ See Settlement at ¶ 39. Further, the Statement in Support notes that “Pocono Waterworks Company Inc. has authorized I&E to state that it joins the Statement in Support.” Statement in Support at 1.

On January 22, 2025, I&E and Pocono Waterworks filed a proposed Joint Petition for Approval of Settlement to terminate I&E's informal investigation of the matter and to settle the matter completely without litigation, even though the Parties' positions and claims are disputed, to resolve the proceeding in a manner that is fair and reasonable. The Parties request that the Commission issue an Opinion and Order approving the terms of the Settlement in its entirety without modification, arguing that the Settlement is in the public interest. Settlement at 1, 10, 12.

On May 8, 2025, the Commission adopted an Opinion and Order on the proposed Settlement (*May 2025 Order*). In the *May 2025 Order*, the Commission directed that the *May 2025 Order*, along with the proposed Settlement and Statement in Support, be published in the *Pennsylvania Bulletin*. The Commission also directed that public comment be sought within a twenty-five day comment period after publication in the *Pennsylvania Bulletin*.

On May 24, 2025, the *May 2025 Order*, along with the Settlement Agreement and Statement in Support, was published in the *Pennsylvania Bulletin* at 55 Pa.B. 3694 (May 24, 2025). In accordance with the *May 2025 Order*, comments on the proposed Joint Settlement were due on or before June 18, 2025 (*i.e.*, twenty-five days after the *May 2025 Order* was published). No comments were filed.

II. Background

If this matter had been fully litigated, I&E would have proffered evidence and legal arguments to demonstrate that Pocono Waterworks violated certain provisions of the Commission's Regulations in that:

- a. Pocono failed to test its meters in accordance with 52 Pa. Code § 65.8(b), as it stated to I&E that its meters are "on average" 23 years old and was unable to provide data on the age of each meter in its system, when each meter was last tested, the reason for the test, and the results of the test.
- b. Pocono failed to maintain records of water meter tests in accordance with 52 Pa. Code § 65.8(c), as the company was unable to provide records of any tests of any meters, including any records of when each meter was last tested, the reason for the test, and the results of the test.

Settlement at 6.

Had this matter been fully litigated, Pocono Waterworks would have contended that it did not violate such provisions of the Commission's Regulations. Settlement at 7.

III. Terms and Conditions of the Settlement

The Parties submit that the Settlement is a complete settlement related to I&E's informal investigation and represents a compromise by both I&E and Pocono Waterworks of their competing positions. The Parties further state that the Settlement constitutes a negotiated resolution of the issues addressed therein. The Parties urge the Commission to approve the Settlement in its entirety and without modification, as being

in the public interest and consistent with the Commission's Policy Statement.
Settlement at 10-12.

The Settlement consists of the Joint Petition for Approval of Settlement containing the terms and conditions of the Settlement and Statement in Support of the Settlement (Appendix A to the Settlement), filed on January 22, 2025.

The essential terms of the Settlement are set forth in Paragraphs 36-39 of the Settlement. Settlement at 8-10. These terms and conditions are excerpted in relevant part, as follows:

36. I&E and Pocono, intending to be legally bound and for consideration given, desire to fully and finally conclude this informal investigation and agree to stipulate as to the following terms solely for the purposes of this Settlement Agreement:

- A. Pocono, or a third-party entity acting on Pocono's behalf, shall test and/or replace 15 percent of its meters (or approximately 45 meters) every year for the next seven years to ensure that all meters comply with the requirements of 52 Pa. Code § 65.8.
- B. Pocono shall maintain a log of the data collected during this process, including ascertaining the age of each meter tested (if it is possible to ascertain such information), the serial number of each meter tested (if available) or new meter installed, the address of the residence or commercial establishment where the meter was tested or new meter installed, the reading of the meter before installation, and the result of the test.

- C. While performing the tests, Pocono shall minimize service interruptions to the customer and shall follow the requirements for installing and removing water meters at 52 Pa. Code §65.8(d)(1 and (2).
- D. Pocono shall provide the data gathered from the meter testing and/or replacement described in Paragraph 36.B to the Commission's Bureau of Technical Utility Services [TUS] every six months so that the Commission may monitor Pocono's compliance with Chapter 65.
- E. Pocono shall, on a going-forward basis, become compliant with 52 Pa. Code § 65.8(c) by maintaining data gathered from the meter tests described in Paragraph 36.B.
- F. To ensure compliance with 52 Pa. Code § 65.8(e), Pocono shall either develop and maintain a standardizing laboratory to test water meters or, in the alternative, have its meters certified by a standardizing laboratory approved by the Commission. Should Pocono elect to employ a third-party standardizing laboratory, Pocono shall file a petition with the Commission for approval of its choice of standardizing laboratory within 30 (thirty) days of the entry of a final Commission Order approving this settlement.

37. In light of the extensive remedial measures to be undertaken by Pocono, including the testing and replacement of 45 meters per year for the next seven (7) years, the collection and maintenance of data gathered from the meter testing, and the fact that Pocono will either set up

its own standardizing laboratory to test its meters or petition the Commission for approval of a third-party standardizing laboratory to test its meters, as well as the cost to the utility to undertake the testing and replacement of its meters, the size of the utility, the limited staff available to the utility, and in consideration of the policy that securing compliance with the Public Utility Code and the Commission's regulations is the paramount objective of enforcement action, I&E will refrain from imposing a monetary civil penalty.

38. Upon Commission approval of the Settlement in its entirety without modification, I&E will not file any complaints or initiate other action against Pocono at the Commission with respect to the allegations which were the subject of I&E's instant investigation.

39. I&E and Pocono jointly acknowledge that approval of this Settlement Agreement is in the public interest and fully consistent with the Commission's Policy Statement regarding Factors and Standards for Evaluating Litigated and Settled Proceedings, 52 Pa. Code § 69.1201. The Parties submit that the Settlement Agreement is in the public interest because it effectively addresses I&E's allegations that are the subject of I&E's informal investigation and avoids the time and expense of litigation, which entails hearings, various expenses, and the preparation and filing of briefs, exceptions, and reply exceptions, as well as possible appeals. Attached as Appendix A is a Statement in Support jointly submitted by I&E and Pocono, setting forth the bases upon which the Parties believe the Settlement Agreement is in the public interest.

Settlement at 8-10.

The proposed Settlement is conditioned on the Commission's approval, without modification, of any of the terms or conditions contained therein. If the Commission does not approve the proposed Settlement or makes any change or modification to the proposed Settlement, either Party may elect to withdraw from the Settlement. Settlement at 10-11.

The Parties agree that the underlying allegations were not the subject of any hearing and that there has been no order, findings of fact, or conclusions of law rendered in this proceeding. Further, by entering into this Settlement Agreement, the Company has made no concession or admission of fact or law and may dispute all issues of fact and law for all purposes in any other proceeding. The Parties acknowledge that this Settlement Agreement reflects a compromise of competing positions, does not necessarily reflect any party's position with respect to any issues raised in this proceeding. Settlement at 11.

The Settlement is being presented only in the context of this proceeding to resolve the proceeding in a manner that is fair and reasonable. The Settlement Agreement is presented without prejudice to any position that any of the Parties may have advanced and without prejudice to the position any of the Parties may advance in the future on the merits of the issues in future proceedings, except to the extent necessary to effectuate the terms and conditions of the Settlement Agreement. The Settlement does not preclude the Parties from taking other positions in any other proceeding but is conclusive in this proceeding and may not be reasserted in any other proceeding or forum except for the limited purpose of enforcing the Settlement by a Party. Settlement at 11-12.

IV. Discussion

A. Due Process Opportunity to Comment

Pursuant to our Regulations at 52 Pa. Code § 5.231, it is the Commission's policy to promote settlements. The Commission must, however, review proposed settlements to determine whether the terms are in the public interest. *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered January 7, 2004).

In reviewing settlements that resolve informal investigations, the Commission will provide other potentially affected parties with the opportunity to file comments regarding a proposed settlement prior to issuing a decision. The Commission's Regulations at 52 Pa. Code § 3.113(b) provide as follows:

§ 3.113. Resolution of informal investigations.

* * *

(b) Under 65 Pa.C.S. Chapter 7 (relating to Sunshine Act), the Commission's official actions resolving informal investigations will be as follows:

* * *

(3) When the utility, or other person subject to the Commission's jurisdiction, has committed to undertake action to address or remedy a violation or potential violation of the act or to resolve another perceived deficiency at the utility, in the form of a settlement with the Commission staff or other resolution of the matter, the Commission's consideration of the settlement or approval of the utility's action will occur at public meeting. Except for staff reports and other documents covered by a specific legal privilege, documents relied upon by the Commission in reaching its determination shall be made part of the public record. **Before the Commission makes a final decision to adopt the settlement or to approve the utility's action, the Commission will provide other potentially affected persons with the opportunity to submit exceptions thereon or to take other action provided for under law.**

52 Pa. Code § 3.113(b) (emphasis added). *See also Pa. PUC, Bureau of Investigation and Enforcement v. PPL Electric Utilities Corporation*, Docket No. M-2012-2264635 (Order entered September 13, 2012); *Pa. PUC, Bureau of Investigation and Enforcement*

v. Liberty Power Holdings, LLC, Docket No. M-2019-2568471 (Order entered August 8, 2019).

As noted above, publication of the *May 2025 Order* in the Pennsylvania Bulletin provided other potentially affected persons such an opportunity to file comments at this docket. A review of the docket in this proceeding indicates that no Comments were filed. We proceed now to evaluate whether the Settlement terms are in the public interest.

B. Legal Standards Governing Review of Settlements

Pursuant to the Commission's Regulations at 52 Pa. Code § 5.231, it is the Commission's policy to promote settlements. The Commission has stated that settlement terms are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code §§ 5.231. A full settlement of all the issues in a proceeding eliminates the time, effort, and expense that would otherwise have been used in litigating the proceeding, while a partial settlement may significantly reduce the time, effort and expense of litigating a case. A settlement, whether whole or partial, benefits not only the named parties directly, but, indirectly, all customers of the public utility involved in the case.

The focus of inquiry for determining whether a proposed settlement should be recommended for approval is not a "burden of proof" standard, as is utilized for contested matters. *Pa. PUC, et al. v. City of Lancaster - Bureau of Water*, Docket Nos. R-2010-2179103, *et al.* (Opinion and Order entered July 14, 2011). Rather, the benchmark for determining the acceptability of the proposed Settlement is whether the proposed terms and conditions are in the public interest. *Id.* (citing *Warner v. GTE North, Inc.*, Docket No. C-00902815 (Opinion and Order entered April 1, 1996); *Pa. PUC v. C.S. Water and Sewer Associates*, 74 Pa. PUC 767 (1991); *Pa. PUC v.*

Philadelphia Gas Works, Docket No. M-00031768 (Opinion and Order entered January 7, 2004)); 52 Pa. Code § 69.1201. Our assessment of the benefits of the terms and conditions meeting the criteria of what is in the public interest need not be quantifiable. *Popowsky v. Pa. PUC*, 594 Pa. 583, 937 A.2d 1040 (2007) (“substantial” public interest standard discussed in the context of a merger reviewed under Section 1103(a) of the Public Utility Code (Code), 66 Pa.C.S. § 1103(a)). We must, as the circumstances dictate, exercise our informed judgment, and evaluate the public interest so as to take into consideration the various interests and concerns of the stakeholders involved. *Id.*

Consistent with the Commission’s policy to promote settlements and as noted, *supra*, we have promulgated a Policy Statement that sets forth ten factors that we may consider in evaluating whether a civil penalty for violating a Commission Order, Regulation, or statute is appropriate, as well as if a proposed settlement for an alleged violation is reasonable and approval of a proposed settlement is in the public interest.²

The factors to be considered pursuant to 52 Pa. Code § 69.1201(c), are as follows:

- (1) Whether the conduct at issue was of a serious nature. When conduct of a serious nature is involved, such as willful fraud or misrepresentation, the conduct may warrant a higher penalty. When the conduct is less egregious, such as administrative filing or technical errors, it may warrant a lower penalty.
- (2) Whether the resulting consequences of the conduct at issue were of a serious nature. When consequences of a serious nature are involved, such as personal injury or

² *Factors and standards for evaluating litigated and settled proceedings involving violations of the Public Utility Code and Commission regulations—statement of policy* (Policy Statement). See also *Joseph A. Rosi v. Bell-Atlantic-Pennsylvania, Inc.*, Docket No. C-00992409 (Opinion and Order entered March 16, 2000).

property damage, the consequences may warrant a higher penalty.

(3) Whether the conduct at issue was deemed intentional or negligent. This factor may only be considered in evaluating litigated cases. When conduct has been deemed intentional, the conduct may result in a higher penalty.

(4) Whether the regulated entity made efforts to modify internal practices and procedures to address the conduct at issue and prevent similar conduct in the future. These modifications may include activities such as training and improving company techniques and supervision. The amount of time it took the utility to correct the conduct once it was discovered and the involvement of top-level management in correcting the conduct may be considered.

(5) The number of customers affected and the duration of the violation.

(6) The compliance history of the regulated entity which committed the violation. An isolated incident from an otherwise compliant utility may result in a lower penalty, whereas frequent, recurrent violations by a utility may result in a higher penalty.

(7) Whether the regulated entity cooperated with the Commission's investigation. Facts establishing bad faith, active concealment of violations, or attempts to interfere with Commission investigations may result in a higher penalty.

(8) The amount of the civil penalty or fine necessary to deter future violations. The size of the utility may be considered to determine an appropriate penalty amount.

(9) Past Commission decisions in similar situations.

(10) Other relevant factors.

52 Pa. Code § 69.1201(c).

The Commission will not apply the factors as strictly in settled cases as in litigated cases. 52 Pa. Code § 69.1201(b). While many of the same factors may still be considered, in settled cases, the parties “will be afforded flexibility in reaching amicable resolutions to complaints and other matters as long as the settlement is in the public interest.” *Id.* The Policy Statement sets forth the guidelines we use when determining whether, and to what extent, a civil penalty is warranted.

C. Disposition

Initially, we note that any issue or argument that we do not specifically address shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the Parties. *Consolidated Rail Corp. v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally, University of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

The Commission’s Policy Statement sets forth ten factors, outlined, *supra*, that the Commission may consider in evaluating whether a civil penalty for violating a Commission order, Regulation, or statute is appropriate, as well as whether a proposed settlement for a violation is reasonable and in the public interest. 52 Pa. Code § 69.1201. As previously noted, the Commission will not apply the factors as strictly in settled cases as in litigated cases. 52 Pa. Code § 69.1201(b). While many of the same factors may still be considered, in settled cases, the parties “will be afforded flexibility in reaching amicable resolutions to complaints and other matters as long as the settlement is in the public interest.” *Id.*

Based upon our analysis of the ten factors set forth in the guidelines, we conclude that application of these guidelines to the Settlement Agreement establishes a record that supports approval of the Settlement as being in the public interest.

Turning to the ten factors, the first factor we may consider is whether the conduct at issue is of a serious nature. 52 Pa. Code § 69.1201(c)(1). “When conduct of a serious nature is involved, such as willful fraud or misrepresentation, the conduct may warrant a higher penalty. When the conduct is less egregious, such as administrative filing or technical errors, it may warrant a lower penalty.” *Id.*

In this case, the Parties characterize the alleged conduct (lack of record retention of meter data and the failure to test meters every 20 years) as “in the nature of a technical error,” explaining that such conduct was inadvertent or negligent. Statement in Support at 5. Upon review, while we agree that the alleged conduct is less egregious, as it does not rise to the level of willful fraud or misrepresentation, we emphasize that meter accuracy (and replacement) is a matter of importance to the Commission as it is the bedrock of utility billing. Further, it is important to recognize that our evaluation as to whether to impose a civil penalty in this matter is narrowly tailored to the unique circumstances of this case. As explained in more detail, *infra*, we do not believe that the alleged conduct is of such a serious nature to require the imposition of a civil penalty.

The second factor we may consider is whether the resulting consequences of the conduct at issue were of a serious nature. 52 Pa. Code § 69.1201(c)(2). “When consequences of a serious nature are involved, such as personal injury or property damage, the consequences may warrant a higher penalty.” *Id.*

In this case, the Parties submit that there was no personal injury or property damage, nor the risk of such consequences. Statement in Support at 6. We note the genesis of this matter, which was a high billing dispute of a Pocono Waterworks customer received by BCS in April of 2023. While the results of the customer’s meter testing and any other details as to the resolution of such dispute (other than that the customer’s meter was replaced) were not provided by the Parties in the Settlement or Statement in Support, the Parties allege that there is no indication that any of

Pocono Waterworks' meters were inaccurate or led to incorrect charges for any customer. Statement in Support at 6.

The third factor we may consider is whether the conduct at issue was deemed intentional or negligent. 52 Pa. Code § 69.1201(c)(3). “When conduct has been deemed intentional, the conduct may result in a higher penalty.” *Id.* The third factor pertains to litigated cases only. *Id.* Whether Pocono Waterworks' alleged conduct was intentional or negligent does not apply because this matter is being resolved via settlement of the Parties. Statement in Support at 6. Therefore, this factor does not need to be considered in this proceeding.

The fourth factor we may consider is whether the regulated entity made efforts to modify internal practices and procedures to address the conduct at issue and prevent similar conduct in the future. The amount of time it took the utility to correct the conduct once it was discovered and the involvement of top-level management in correcting the conduct may also be considered. 52 Pa. Code § 69.1201(c)(4).

In this case, there is information to indicate that Pocono Waterworks is engaging in appropriate measures to correct the conduct at issue and prevent similar future conduct. We also note the involvement of the Company's President, Mr. Joseph Bonamico, Sr., in working with I&E to address the conduct at issue, culminating in the instant Settlement. A comprehensive list of the remedial actions that Pocono Waterworks has taken and agreed to undertake is outlined in the Settlement Agreement at Paragraph 36. The Parties highlight several of the more significant remedial actions as follows:

As detailed in the Settlement, Pocono shall, within 30 days of the entry date of the Commission's Final Order approving the Settlement, begin testing and replacing meters in accordance with 52 Pa. Code § 65.8, collect and maintain data collected

during the meter removal, testing, and replacement, and provide such data to the Commission's Bureau of Technical Utility Services every six (6) months.

Statement in Support at 6.

We agree that the remedial actions demonstrate that Pocono Waterworks is taking appropriate actions to enhance meter accuracy and replacement and record retention, improve the reliability of its operations, and prevent similar occurrences in the future. As described in the Statement in Support, Pocono Waterworks will take corrective actions that will safeguard against similar conduct occurring in the future. The efforts made by Pocono Waterworks support a finding that the Settlement is in the public interest.

The fifth factor to be considered relates to the number of customers affected by the Company's actions and the duration of the violations. 52 Pa. Code § 69.1201(c)(5). The Parties agree that, in this matter, there is no evidence that customers were affected. Specifically, the Parties state that the failure to collect and maintain data related to meters did not directly affect customers. In addition, the Parties assert that the failure to test or replace meters every 20 years, as required by Commission regulation, could affect customers if the equipment fails or is faulty, but there is no indication here that any customer had a faulty meter or received an incorrect bill as a result. Statement in Support at 6. The Parties did not provide information as to the duration of the alleged violations, as it appears such information is unknown.

The sixth factor we may consider is the compliance history of the regulated entity that committed the violation. 52 Pa. Code § 69.1201(c)(6). "An isolated incident from an otherwise compliant utility may result in a lower penalty, whereas frequent, recurrent violations by a utility may result in a higher penalty." *Id.* As for compliance history, the Parties submit that Pocono has a satisfactory record of compliance with the

Commission, noting that aside from the violation at issue in the Settlement, Pocono Waterworks has not been the subject of any I&E complaint or formal customer complaints within the past three years. Statement in Support at 7.

The seventh factor to be considered relates to whether the Company cooperated with the Commission's investigation. 52 Pa. Code § 69.1201(c)(7). The Parties submit that Pocono Waterworks cooperated with I&E during its investigation. Statement in Support at 7. Therefore, we conclude that the Company's cooperation with the Commission in this matter supports the conclusion that the Settlement is in the public interest.

The eighth factor we may consider is the amount of the civil penalty necessary to deter future violations. 52 Pa. Code § 69.1202(c)(8). "The size of the company may be considered to determine an appropriate penalty amount." *Id.*

Here, in the Parties' view, a civil penalty is unnecessary to deter future violations of the subject Commission regulations by Pocono Waterworks. The Parties note that Pocono Waterworks is a small private water company serving primarily rural areas of the Commonwealth. According to the Parties, the primary course of action for the Company to achieve compliance with the applicable Commission regulations is to test and replace its meters that are more than 20 years old, to collect data on its existing meters and any new meters that will be installed, and to provide that data to TUS every six months while the meter testing and replacement project is ongoing. The Parties assert that this is a time-consuming process, and the imposition of a civil penalty will not function to encourage future compliance, nor will it punish the failure to test meters and collect data. Statement in Support at 7.

Upon review, we acknowledge that Pocono Waterworks is a small, private, water utility that has agreed to undertake the improvement of its water metering system

by testing or replacing its meters for the next seven years with limited staff available to the Company. *See* Settlement at ¶ 37. We further note that during I&E's investigation in this matter, the Company requested assistance from the Commission on testing its meters. *See* Settlement at ¶ 23. We understand that the commitments that the Company has made in the Settlement may necessitate external financing and assistance. As such, we encourage the Company to avail itself of all financial offerings and opportunities of which it may qualify to assist the Company in ensuring the provision of safe, reliable, and reasonable water utility service to its customers.

While not addressed by the Parties, we also acknowledge the mandate under Section 65.8(f) of our Regulations that requires a public utility to immediately remove from service a water meter that does not meet the requirements with respect to tests and records of tests. 52 Pa. Code § 65.8(f). It is implicit from Pocono Waterworks' agreement to test or replace its water meters over a seven-year period that the Company has not *immediately* removed its water meters from service. Such mandate, however, must be reconciled with the fact that this proceeding was settled without formal proceedings, the reality of which leaves critical facts subject to dispute. Moreover, while the proposed Settlement contains a series of material terms summarized in this Opinion and Order, those terms do not constitute an admission, a finding of any fact, or a finding of culpability on the part of Pocono Waterworks in this proceeding or any other proceeding. *See* Settlement at ¶ 42.

In addition, we recognize that Pocono Waterworks, while making no admission of wrongdoing, has agreed to test or replace its water meters over a seven-year period, consistent with Section 65.8 of our Regulations, and in an economically feasible way that the Company can bear. Therefore, we are of the opinion that Pocono Waterworks has demonstrated a willingness to improve its metering system such that the imposition of a civil penalty is not necessary at this time to induce future compliance. Accordingly, we will not second-guess the lack of a monetary fine in this proceeding, but

we caution that, in the future, similar circumstances may suggest that a civil penalty should be imposed.

The ninth factor examines whether the results of a proposed settlement are consistent with past Commission decisions in similar situations. 52 Pa. Code § 69.1201(c)(9). The Parties submit that they are unaware of, and therefore cannot compare this case to, any other cases involving violations of 52 Pa. Code §§ 65.8(b) and (c). Statement in Support at 7.

In *Pa. PUC v. City of Bethlehem-Water Department*, Docket Nos. R-2020-3020256, C-2020-3021583, C-2020-3021576 (Opinion and Order entered April 15, 2021) (*City of Bethlehem*), a water rate case, the Commission adopted the terms of a stipulation entered between the City of Bethlehem (the City) and the Office of Consumer Advocate (OCA). The stipulation addressed certain quality of service issues that were a concern of the OCA, including customer complaints and customer meter age. Specifically, in the stipulation the City agreed to, *inter alia*, submit a schedule to the Commission and OCA indicating the number and size of meters that needed to be replaced or tested in order to comply with the requirements of 52 Pa. Code § 65.8 within seven years. *Id.*³

³ In its order adopting the stipulation, the Commission stated the following:

Any plan to come into compliance with Section 65.8 of our Regulations should be provided as part of a petition for waiver of Commission Regulations. This petition should detail the waivers requested, the requested length of time for the waiver, and how the City will prioritize meter replacement and/or testing activities on an interim basis until it is able to comply with 52 Pa. Code § 65.8 (*i.e.*, similar to Pittsburgh Water Authority's Compliance Plan filed in accordance with the Commission's *Final Implementation*

Upon review, we find that the remedial measures presented in this Settlement are consistent with those approved by the Commission in the *City of Bethlehem* case. The Parties have provided information in the Settlement indicating the number of meters to be tested or replaced in order to comply with the requirements of 52 Pa. Code § 65.8. within seven years.⁴ Therefore, we find that the ninth factor weighs in favor of finding that the Settlement is in the public interest.

The tenth and final factor is the consideration of any “other relevant factors.” 52 Pa. Code § 69.1201(c)(10). In this regard, we find that this Settlement avoids a more protracted litigation. The fines and penalties, and other remedial actions resulting from a fully litigated proceeding are difficult to predict and can differ from those that result from a settlement. Thus, we find that the Settlement produces concrete results while conserving scarce administrative and judicial resources.

Also relevant to our consideration of the Settlement, we note that among other terms, the Parties have agreed to the following condition:

Pocono shall provide the data gathered from the meter testing and/or replacement described in Paragraph 36.B [requiring the Company to maintain a log of the data collected during this process, including ascertaining the age of each meter tested (if it is possible to ascertain such information), the serial number of each meter tested (if available) or new meter

Order, at Docket Nos. M-2018-2640802 and M-2018-2640803 (Order entered March 15, 2018)).

Id. We note that, in accordance with the Commission’s Opinion and Order entered in *City of Bethlehem*, the City submitted its schedule to the Commission and the OCA indicating the number and size of meters that needed to be replaced or tested. We further note, however, that it does not appear that the City filed a petition for waiver of any Commission Regulations. *Id.*

⁴ In addition, Pocono Waterworks provided information, via its responses to I&E’s DR-Set I, regarding the number and size of its meters.

installed, the address of the residence or commercial establishment where the meter was tested or new meter installed, the reading of the meter before installation, and the result of the test] to the Commission's Bureau of Technical Utility Services every six months so that the Commission may monitor Pocono's compliance with Chapter 65 [of the Commission's Regulations].

Settlement at ¶ 36(D).

As such, we weigh Pocono Waterworks' voluntary reporting to TUS as a relevant factor in favor of our adoption of the Settlement. Our decision to adopt the proposed Settlement is made in view of the Company's voluntary agreement to both rectify the alleged conduct and report to TUS on its compliance with the terms of the Settlement within the time period proscribed. We emphasize that if the Company fails to comply with the express terms of the Settlement, including the voluntary reporting to TUS for monitoring, such failure will be viewed as egregious conduct warranting enforcement action.

Most importantly, the Settlement is in the public interest because it ensures that Pocono Waterworks' customers will have their meters tested or replaced, in accordance with Section 65.8 of the Commission's Regulations, and puts future compliance efforts at the heart of the Settlement Agreement.

Accordingly, we find that the facts in this proceeding support adoption of the Settlement as consistent with the public interest under these factors.

V. Conclusion

For the reasons set forth above, after reviewing the terms of the Settlement, we find that approval of the Joint Petition for Approval of Settlement is in the public

interest and is consistent with the terms of our Policy Statement and our past decisions.
THEREFORE,


IT IS ORDERED:

1. That the Joint Petition for Approval of Settlement filed on January 22, 2025, between the Commission's Bureau of Investigation and Enforcement and Pocono Waterworks Company, Inc. is approved in its entirety without modification.

2. That, in accordance with Paragraph 36 of the Joint Petition for Approval of Settlement, Pocono Waterworks Company, Inc. shall provide the data gathered from the meter testing and/or replacement to the Commission's Bureau of Technical Utility Services every six months for a period of seven years so that the Commission may monitor compliance with Chapter 65 of the Commission's Regulations.

3. That upon compliance with the directive in Ordering Paragraph No. 2, the above-captioned matter shall be marked closed.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: October 23, 2025

ORDER ENTERED: October 23, 2025