

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2024-3049248
Office of Consumer Advocate	:	C-2024-3049646
Office of Small Business Advocate	:	C-2024-3049713
	:	
v.	:	
	:	
City of Lock Haven Water Department	:	
Petition of the City of Lock Haven Water	:	P-2024-3049249
Department for Authorization to	:	
Implement a PENNVEST Surcharge	:	

RECOMMENDED DECISION

Before
John M. Coogan
Administrative Law Judge

INTRODUCTION

The City of Lock Haven Water Department (Lock Haven) filed a request for an increase in the water rates it charges its customers residing outside of the City of Lock Haven. Additionally, Lock Haven filed a petition for authorization to implement a PENNVEST Surcharge (PVS). Lock Haven, the Commission’s Bureau of Investigation and Enforcement (I&E), the Pennsylvania Office of Consumer Advocate (OCA), and the Pennsylvania Office of Small Business Advocate (OSBA) (together, Joint Petitioners) filed a Joint Petition for Settlement (Joint Petition or Settlement) by which they reached a settlement of all issues in the case. This decision recommends, with two modifications,

approval of the Joint Petition. The first modification is that, instead of permitting Lock Haven to file tariff supplements to become effective March 2, 2025, I recommend that the Commission act at the earliest possible public meeting so that Lock Haven may file a tariff supplement to become effective upon at least one day's notice after entry of a final Commission Order in this proceeding. The second modification includes recommended corrections to the proposed compliance tariff attached to the Joint Petition as Appendix "E."

In its original base rate filing to the Commission, submitted on May 24, 2024, Lock Haven proposed rates designed to result in an increase in annual customer and usage charge operating revenues from its PUC-jurisdictional customers of approximately \$377,823.00. Under the settlement of the base rate proceeding, the increase in Lock Haven's rates to its PUC-jurisdictional customers will result in additional annual customer and usage charge operating revenues of \$210,000.00. For an average customer of each customer class other than fire protection customers, this represents a 10.0% decrease in quarterly bills for residential customers, a 19.7% increase in quarterly bills for commercial & industrial customers, a 56.6% increase for educational customers, and a 27.9% increase for public health customers.¹

However, these decreases or increases are offset because the Settlement also includes agreement on the proposed PVS so that PVS revenue from PUC-jurisdictional customers is expected to be \$48,130, which includes \$36,107 from residential customers, \$8,698 from commercial & industrial customers, and \$3,325 from public health customers.² Resultingly, for PUC-jurisdictional customers, Settlement rates are expected to decrease residential customer operating revenue by 0.4%, increase commercial and industrial customer operating revenue by 130.7%, and increase public

¹ Joint Petition, Appendix C.

² *Id.*

health operating revenue by 107.2%.³ The Settlement includes a number of other specific issues, which are discussed in further detail below.

The Commission must act on this matter no later than its Public Meeting of July 10, 2025. However, as discussed further below, it is recommended that the Commission act on this matter at the earliest possible public meeting.

HISTORY OF THE PROCEEDING

On May 24, 2024, Lock Haven filed with the Commission Supplement No. 19 to Tariff Water – PA. P.U.C. No. 1 (Supplement No. 19) requesting an increase in its total annual operating revenues from PUC-jurisdictional customers to become effective July 23, 2024. Also on May 24, 2024, Lock Haven filed a separate Petition for Authorization to Implement a PENNVEST Surcharge, proposing a surcharge to allow Lock Haven to recover the interest and principal charges associated with low-interest loans from PENNVEST.

On May 30, 2024, I&E filed a Notice of Appearance.

On June 12, 2024, the OSBA filed a Notice of Appearance.

On June 14, 2024, Lock Haven filed Supplement No. 20 to Water PA P.U.C. No. 1, voluntarily extending the suspension of the application of rates proposed in the Lock Haven's rate filing until August 2, 2024.

On June 20, 2024, the OCA filed a Formal Complaint and Public Statement.

³ Joint Petition, Appendix D. The Settlement does not identify any PUC-jurisdictional educational customers.

On June 21, 2024, the OSBA filed a Complaint, Public Statement and Verification.

On July 11, 2024, the Commission suspended the rate increase proposed by Supplement No. 19 for further investigation until March 2, 2025, unless permitted by Commission Order to become effective at an earlier date. The Suspension Order assigned this matter to the Office of Administrative Law Judge (OALJ) for Alternative Dispute Resolution (ADR), if possible, and hearings if necessary.

On July 12, 2024, the Commission issued a telephonic prehearing conference notice, setting these proceedings for a prehearing conference on July 22, 2024 at 10:30 a.m. Also on July 12, 2024, a prehearing conference order was issued.

Parties agreed to pursue ADR through the OALJ's Mediation Unit. Accordingly, on July 19, 2024, Lock Haven filed Supplement No. 21 to Water – PA P.U.C. No. 1, further suspending the proposed rate effective period from March 2, 2025 to May 1, 2025.

The prehearing conference convened on July 22, 2024 as scheduled. On July 25, 2024, a Scheduling Order was issued, memorializing matters discussed during the prehearing conference and setting forth the procedural rules for this proceeding, including that the parties were to file a status report by September 20, 2024, and a further prehearing conference was scheduled for September 23, 2024.

On September 13, 2024, Lock Haven filed Supplement No. 22 to Water – PA P.U.C. No. 1, further suspending the tariff filed on May 24, 2024 to June 27, 2025. On September 18, 2024, a Supplemental Scheduling Order was issued, cancelling the

September 23, 2024 prehearing conference, and scheduling a further prehearing conference for November 13, 2024.

On November 8, 2024, Lock Haven filed Supplement No. 23 to Water – PA P.U.C. No. 1, further suspending the tariff filed on May 24, 2024 to July 28, 2025. On November 12, 2024, a Second Supplemental Scheduling Order was issued, cancelling the November 13, 2024 prehearing conference, and scheduling a further prehearing conference for December 18, 2024.

The prehearing conference convened on December 18, 2024 as scheduled. On December 20, 2024, a Third Supplemental Scheduling Order was issued. Pursuant to the Third Supplemental Scheduling Order, on January 15, 2025, Lock Haven, I&E, OCA and OSBA filed with the Commission their Joint Petition for Settlement. Attached to the Joint Petition were various appendices, including a Joint Stipulation of Facts, proof of revenues, proposed tariff supplement, and statements in support from Lock Haven, I&E, OCA, and OSBA.

On January 28, 2025, an Order admitting the Joint Stipulation of Facts into the record was issued.

The record in this case closed on January 15, 2025, when the Joint Petition was filed. For the reasons discussed below, the Joint Petition will be recommended for approval in its entirety, with two modifications, because it is supported by substantial evidence and is in the public interest.

FINDINGS OF FACT

The Joint Petitioners reached a full settlement in this proceeding prior to the holding of any evidentiary hearings. As a result, the Joint Petitioners stipulated to certain

facts as part of the Settlement. This decision will recommend that the stipulated facts be adopted by the Commission, noting the two recommended modifications described herein. Those facts are set forth below and reproduced without modification, with the original paragraph numbering and headings retained:

Background

1. The City of Lock Haven Water Department serves residents and occupants of the City of Lock Haven as well as surrounding communities, including portions of Allison Township, Castanea Township, and Wayne Township. Of the total 3,257 customers, 2,181 are located in the City of Lock Haven and 1,076 are located in Wayne (528), Castanea (524) and Allison (24) Townships. The estimated service area population is 9,750.

2. The City owns and operates two water supply reservoirs that constitute the principal water sources for the system. Both reservoirs are located on McElhattan Creek with the Boyd H. Keller reservoir in Wayne Township and the upstream Warren H. Ohl reservoir in Greene Township. The total water supply capacity is 664 million gallons. An independently operated treatment plant provides potable water to City customers. The Lock Haven water distribution and transmission system includes 157.5 miles of transmission and distribution piping, ranging in size from 4-inch through 18-inch.

3. Only the rates and service provided to customers outside the city limits of Lock Haven are subject to the review and approval of the Commission.

4. Lock Haven's last rate increase went into effect as of January 1, 2011. Since that time, the City has maintained present rates for both customers located inside and outside the City.

5. On May 24, 2024, Lock Haven filed Supplement No. 19 to its Tariff Water – PA P.U.C. No. 1 with the Pennsylvania Public Utility Commission (“Commission” or “PUC”) proposing to increase the base water rates for all customers (including customers located inside and outside the City) by \$990,432 per year, or 64.2%. Of this amount, the City specifically sought

Commission approval to increase rates for jurisdictional customers located outside the City by \$377,823 or 71.4%.

Settlement Rates

6. Under the Settlement, the City will be permitted to increase the base water rates for all customers (including non-jurisdictional customers located inside and jurisdictional customers located outside the City) by \$552,000 per year. Of this amount, the City will be permitted to increase rates for jurisdictional, outside-City customers by \$210,000. The Settlement further provides that the City will not file a rate increase pursuant to Section 1308(d) any sooner than 12 months from the effective date of rates in this proceeding.

7. Lock Haven has not sought a rate of return in this proceeding. Neither Lock Haven's original proposal nor the Settlement include any request for a rate of return.

8. Lock Haven intends to apply the rate increase approved via the Settlement in the same manner to both non-jurisdictional inside-City customers and jurisdictional outside-City customers.

9. Under the Settlement, Lock Haven will implement rate structure changes that will move the various customer classes closer to their cost of service, and also create price signals that encourage water conservation. Specifically:

a. Lock Haven will eliminate the existing quarterly minimum charges with usage allowances, and instead implement fixed service charges without usage allowances.

b. For residential customers, the City will eliminate the existing multi-tier residential volumetric rate and instead implement a two-tier inclining block rate structure.

c. For the Commercial/Industrial, Educational, and Public Health customer classes, the City will eliminate the existing multi-tier declining block rate structure and instead implement a separate uniform rate for each class.

10. Lock Haven is modifying the tariff language on Service Connections to more clearly describe the responsibilities of the

Water Department and customers, and to include proposed connection fees.

11. The City is making general updates to its tariff to reflect current practices, terminology and applicable regulations.

PENNVEST Surcharge and PENNVEST-Funded Projects

12. The Settlement provides for the establishment of a PENNVEST Surcharge (“PVS”), that will enable the City to timely recover the interest and principal charges associated with low-interest loans from PENNVEST that have and will continue to be awarded to the City since its last rate case.

13. The PENNVEST amounts have not been previously included in Lock Haven’s revenue requirements claims, and also are not included in the proposed base rate increase.

14. The PVS is necessary to fund critical infrastructure projects, which have either been mandated by the Pennsylvania Department of Environmental Protection (“DEP”) or are necessary to complete the DEP-mandated projects.

15. DEP has mandated major modifications to certain City infrastructure that will require significant investment to complete. Specifically:

a. Ohl Dam requires significant upgrades and is part of an ongoing two-phase repair project. Because of the potential for downstream loss of life and extensive property damage during a dam breach [sic], Ohl Dam is classified by DEP as a “High Hazard” structure and subject to passing the maximum flood event known as the “Probable Maximum Flood (PMF).” Engineering studies have revealed that the existing dam has inadequate spillway capacity, passing only 68% of the PMF. The DEP designated Ohl Dam as having a “significant deficiency in spillway capacity” and has directed the City to upgrade the spillway to current standards, in addition to other modifications. Phase I of the Ohl Dam project has already been completed.

b. Keller Dam is classified by the DEP as a “High Hazard” structure and subject to passing the PMF. Engineering studies

have revealed that the existing spillway can only pass 68% of the PMF. DEP has designated Keller Dam as having a “substantial deficiency in spillway capacity” and has directed the City to upgrade the spillway to current standards and complete a variety of other improvements.

c. Lock Haven has explored, drilled and tested a groundwater source along McKinney Road in Youngdale, Wayne Township, Clinton County, PA as a supplemental water source. This supplemental water source must be developed before Lock Haven can proceed with the DEP-mandated dam projects discussed above to ensure that an adequate water source is available at all times.

16. The critical, DEP-mandated projects described above are either currently or anticipated to be funded by low-interest PENNVEST loans.

17. A recent PENNVEST loan was conditioned on the City filing the instant rate increase proposal with the PUC. Further, PENNVEST has advised that it will not approve further funding for Lock Haven until a rate increase is granted.

18. On balance, the Settlement comprehensively resolves all issues raised during the proceeding in a manner that is consistent with the public interest.

Joint Petition Appendix A, pp. 1-4.

LEGAL STANDARDS

The Commission applies certain principles in deciding any general rate increase case brought pursuant to 66 Pa.C.S. § 1308(d). A public utility seeking a general rate increase is entitled to an opportunity to earn a fair rate of return on the value of its property dedicated to public service. *Pa. Gas and Water Co. v. Pa. Pub. Util. Comm’n*, 341 A.2d 239 (Pa. Cmwlt. 1975). In determining what constitutes a fair rate of return, the Commission is guided by the criteria set forth in *Bluefield Water Works and*

Improvement Co. v. Public Service Comm'n of West Virginia, 262 U.S. 679 (1923) and *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944). In *Bluefield* the United States Supreme Court stated:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties. A rate of return may be too high or too low by changes affecting opportunities for investment, the money market and business conditions generally.

Bluefield.

The public utility seeking a general rate increase has the burden of proof to establish the justness and reasonableness of every element of the rate increase request. 66 Pa.C.S. § 1308(d). The statute also sets forth the standard to be met by the public utility:

Reasonableness of rates. – In any proceeding upon the motion of the Commission, involving any proposed or existing rate of any public utility, or in any proceeding upon complaint involving any proposed increase in rates, the

burden of proof to show that the rate involved is just and reasonable shall be upon the public utility.

66 Pa.C.S. § 315(a).

In a general rate increase proceeding, the burden of proof does not shift to parties challenging a requested rate increase. The utility has the burden of establishing the justness and reasonableness of every component of its rate request throughout the rate proceeding. Other parties to the proceeding do not have the burden of proof to justify an adjustment to the public utility's filing. In this regard, the Pennsylvania Supreme Court in *Berner v. Pennsylvania Public Utility Comm'n*, 116 A.2d 738 (Pa. 1955) stated:

[T]he appellants did not have the burden of proving that the plant additions were improper, unnecessary or too costly; on the contrary, that burden is, by statute, on the utility to demonstrate the reasonable necessity and cost of the installations, and that is the burden which the utility patently failed to carry.

Id. at 744.

However, a public utility, in proving that its proposed rates are just and reasonable, does not have the burden to affirmatively defend claims it has made in its filing that no other party has questioned. In *Allegheny Center Associates v. Pennsylvania Public Utility Commission*, 570 A.2d 149, (Pa. Cmwlth. 1990), the Pennsylvania Commonwealth Court stated:

While it is axiomatic that a utility has the burden of proving the justness and reasonableness of its proposed rates, it cannot be called upon to account for every action absent prior notice that such action is to be challenged.

Id. at 153.

In analyzing a proposed general rate increase, the Commission also determines a rate of return to be applied to a rate base, measured by the aggregate value of all the utility's property used and useful in the public service. In determining a proper rate of return, the Commission calculates the utility's capital structure and the cost of the different types of capital during the period in issue. The Commission has wide discretion, because of its administrative expertise, in determining the cost of capital. *Equitable Gas Co. v. Pa. Pub. Util. Comm'n*, 405 A.2d 1055 (Pa. Cmwlth. 1979).

In this general rate increase case, Lock Haven, I&E, the OCA, and the OSBA have reached a full settlement. Commission policy promotes settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve precious administrative hearing resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401

In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. UGI Utils., Inc. – Gas Div.*, Docket Nos. R-2015-2518438, *et al.* (Opinion and Order entered Oct. 14, 2016); *Pa. Pub. Util. Comm'n v. Phila. Gas Works*, Docket No. M-00031768 (Opinion and Order entered Jan. 7, 2004). The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. Pub. Util. Comm'n v. Pike Cnty. Light & Power (Electric)*, Docket Nos. R-2013-2397237, C-2014-2405317, *et al.* (Opinion and Order entered Sept. 11, 2014).

In this case, the parties have reached what is referred to as a “black box” settlement where the settlement provides for an increase in the utility's revenues but does not indicate how the parties calculated the increase. The Commission has permitted “black box” settlements as a means of promoting settlements in contentious base rate proceedings. *Pa. Pub. Util. Comm'n v. Wellsboro Elec. Co.*, Docket No. R-2010-

2172662 (Order entered Jan. 13, 2011); *Pa. Pub. Util. Comm'n v. Citizens' Elec. Co. of Lewisburg*, Docket No. R-2010-2172665 (Order entered Jan. 13, 2011). The Commission has observed that determining a utility's revenue requirement is a calculation that involves many complex and interrelated adjustments affecting expenses, depreciation, rate base, taxes and the utility's cost of capital. Reaching an agreement among the parties on each component can be difficult and impractical. As a result of this complexity, the Commission supports the use of "black box" settlements. *Pa. Pub. Util. Comm'n v. Peoples TWP LLC*, Docket No. R-2013-2355886 (Opinion and Order entered Dec. 19, 2013); *Pa. Pub. Util. Comm'n v. Columbia Water Co.*, Docket No. R-2017-2598203 (Opinion and Order entered Mar. 1, 2018).

Additionally, a decision of the Commission must be supported by substantial evidence. 2 Pa.C.S. § 704. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & W. Ry. Co. v. Pa. Pub. Util. Comm'n*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Rev.*, 166 A.2d 96 (Pa. Super. 1961); *Murphy v. Comm., Dept. of Pub. Welfare, White Haven Cntr.*, 480 A.2d 382 (Pa. Cmwlth. 1984).

For the following reasons, I find that the Settlement is in the public interest and is supported by substantial evidence and recommend that it be approved by the Commission, with two modifications.

TERMS OF THE SETTLEMENT

The Settlement terms are set forth in Sections III and IV of the Joint Petition and are re-stated in verbatim below using the paragraph numbers in the Joint Petition for ease of reference.

19. The Joint Petitioners support approving Lock Haven's May 24, 2024 base rate filing and PENNVEST Petition in this proceeding as modified by the terms and conditions that follow.

20. The settlement rates will be designed to produce \$210,000 in additional annual base rate operating revenue for PUC-jurisdictional customers based upon the pro forma level of operations for the twelve (12) months ended Fiscal Year 2025. The settlement rates will produce a total of \$552,000 in additional annual base rate operating revenue for all customers (including both jurisdictional customers located outside the city and non-jurisdictional customers located inside the City). Lock Haven will be permitted to file tariff supplements to become effective March 2, 2025.

a. The agreed-to allocation of the proposed settlement rate increase by customer class is shown in Appendix B.

b. The Proof of Revenues showing how the City will recover water revenue from each customer class, as well as customer bill impacts and proposed settlement PVS revenue, is shown in Appendix C.

c. A revenue allocation comparison of existing rates, the City's original request and the proposed settlement rates is provided in Appendix D.

21. Lock Haven will not file a rate increase pursuant to Section 1308(d) any sooner than 12 months from the effective date of rates in this proceeding.

22. On or before April 1, 2026, Lock Haven will provide I&E, OCA and OSBA an update to Lock Haven's Summary by Detail Plant Accounts and Depreciation Reserve schedules, which will include actual capital expenditures, plant additions and retirements for the twelve months ended December 31, 2024. On or before April 1, 2027, Lock Haven will update the Summary by Detail Plant Accounts, which will include actual capital expenditures, plant additions and retirements through December 31, 2025. For both filing requirements, the City agrees that it will provide the schedules within 30 days of its auditors completing the 2024 and 2025 audits.

23. Lock Haven agrees that it will justify its next base rate case on a rate base/rate of return basis. If Lock Haven seeks to use a cash flow approach in its next case, it agrees that it will file a Petition with the Commission seeking specific approval to use that methodology.

24. Regarding the PVS tariff language:

a. PENNVEST Surcharge revenue from PUC-jurisdictional customers is expected to be \$48,130 as demonstrated in the proposed settlement PENNVEST Surcharge revenue provided in Appendix D.

b. Lock Haven agrees that it will not begin its PENNVEST Surcharge until the utility plant is used and useful and a final amortization schedule is issued by PENNVEST.

c. Lock Haven will segregate all revenues dedicated for PENNVEST repayment so long as the charge remains in effect.

d. Lock Haven agrees that it will not seek to claim rate base/rate of return inclusion of utility plant that is financed by a PENNVEST loan that is being recovered through the PENNVEST Surcharge during the time that the loan is included in the PENNVEST Surcharge.

e. Lock Haven agrees to file the following supporting documentation with any tariff supplement filing to incorporate a PENNVEST loan into its PVS:

i. Final and red-lined copies of the proposed tariff or tariff supplement to incorporate the loan into the PVS.

ii. A summary of the terms of the loan, including the loan date, amount, interest rates, term of loan, annual principal and interest payments, and security certificate docket number. The date of each expected interest rate or annual principal and interest payment change must be identified for each loan.

iii. Copies of executed loan agreement documents and final amortization schedules.

iv. A statement that the project funded by the loan is used and useful or will be used and useful before collection in the PVS begins.

v. A copy of the proof of revenues and supporting calculations for the affected type of service reflecting PVS revenues under present and proposed rates.

vi. Copies of any supporting documentation used to determine the PVS, including electronic workpapers.

vii. A copy of Lock Haven's customer notice that it issued in accordance with 52 Pa. Code § 53.45(g).

viii. A copy of Lock Haven's affidavit of customer notice confirming that notice requirements have been met in accordance with 52 Pa. Code § 53.45(h).

ix. A copy of a signed verification statement for the information being provided in accordance with 52 Pa. Code § 1.38.

25. Lock Haven agrees to include contact information for the Office of Small Business Advocate on late payment notices for jurisdictional customers.

26. Regarding the Service Connection tariff language:

a. Lock Haven will revise the proposed tariff language to clarify that the Water Department will install the curb stop, coupling, and the water service line from the curb stop to the Water Department main, and the customer is responsible for excavation and installation of the water service line from the building to the curb stop.

b. Lock Haven will revise the connection fee chart to include all applicable tap sizes, including those 1" or smaller, and those greater than 1" and up to 4".

27. The Commission's approval of the Settlement shall not be construed as approval of any Joint Petitioner's position on any issue, except to the extent required to effectuate the terms and agreements of the Settlement. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement the Settlement.

28. It is understood and agreed among the Joint Petitioners that the Settlement is a "black box" settlement, the result of compromise and does not necessarily represent the position(s) that would be advanced by any party in this or any other proceeding, if it were fully litigated.

29. This Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner that is fair and reasonable to the Joint Petitioners and consistent with the public interest. The Settlement represents a carefully balanced compromise of the interests of all the Joint Petitioners in this proceeding. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Joint Petitioners 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 this Settlement.

30. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission should disapprove the Settlement or modify any terms and conditions contained herein, Lock Haven or any Joint Petitioner may withdraw from the Settlement, upon written notice to the Commission and all parties within five (5) business days following entry of the Commission's Order and, in such event, the Settlement shall be of no force and effect. In the event that the Commission disapproves the Settlement or Lock Haven or any other Joint Petitioner elects to withdraw from the Settlement as provided above, each of the Joint Petitioners reserves their respective rights to fully litigate this case including, but not limited to, presentation of witnesses, cross-examination and legal argument through submission of Testimony, Briefs, Exceptions and Replies to Exceptions.

31. The Joint Petitioners acknowledge and agree that this Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated the issues resolved by the Settlement and will result in the establishment of terms and conditions that – until changed on a going-forward basis as provided in the Public Utility Code – are in accordance with the law and in the public interest.

32. If the ALJ, in his Recommended Decision, recommends that the Commission adopt the Settlement as herein proposed without modification, the Joint Petitioners agree to waive the filing of Exceptions with respect to any issues addressed by the Settlement. However, the Joint Petitioners do not waive their rights to file Exceptions with respect to: (a) any modifications to the terms and conditions of this Settlement; or (b) any additional matters proposed by the ALJ in his Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

33. This Settlement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Joint Petition, pp. 4-10.

PUBLIC INTEREST

As more fully explained below, with two exceptions, the Settlement terms recited above are reasonable and in the public interest and balance the interests of Lock Haven and its PUC-jurisdictional customers.⁴ The first exception is, instead of permitting Lock Haven to file tariff supplements to become effective March 2, 2025, I recommend that the Commission act at the earliest possible public meeting so that Lock Haven may file a tariff supplement to become effective upon at least one day's notice after entry of a final Commission Order in this proceeding. The second exception is that I recommend corrections to the proposed compliance tariff attached to the Joint Petition as Appendix "E." These recommended corrections are intended to be administrative in nature and not to substantively affect the terms of the Joint Petition.

Revenue Requirement (Joint Petition ¶¶ 20-21)

Lock Haven states that, while the increase allowed by the Settlement is significantly less than the City's original request of \$377,823 for jurisdictional customers, this agreement will provide additional income that is necessary to fund basic operations for the water system. Lock Haven notes that it has not increased its rates since 2011, and additional revenue is necessary to meet rising operational costs and fund critical, mandated system improvements that are needed to update aging infrastructure. Lock Haven also

⁴ Each of the Joint Petitioners filed a Statement in Support of the Joint Petition. However, unless indicated below, Joint Petitioners did not each provide a detailed discussion on every Settlement term.

states that the Settlement permits Lock Haven to file tariff supplements to become effective March 2, 2025, reflecting the original suspension date, which Lock Haven voluntarily extended in order to allow time for mediation. Lock Haven is requesting expedited consideration of the Settlement in order to obtain approval by this date, to allow it to implement the rate increase as soon as possible to fund its operations, particularly given that it bills on a quarterly basis and it will take time for any approved increase to become fully implemented. Lock Haven Statement in Support (SIS) at 4-5.

Regarding rate design, Lock Haven states that the parties agreed to support Lock Haven's proposed changes to its rate design as included in its original filing. These changes include: (1) eliminating the quarterly minimum charges with usage allowances and instead implementing fixed service charges without usage allowances; (2) eliminating the multi-tier residential volumetric rates and implementing a two-tier inclining block structure for residential customers; and (3) eliminating a multi-tier declining block structure for non-residential customers and instead implementing a separate and distinct uniform rate for each non-residential rate class (Commercial/Industrial, Educational, and Public Health). Lock Haven avers this change will move all customers closer to their cost of service, send appropriate water conservation signals, and ensure that all customer classes are paying their fair share. Lock Haven SIS at 6.

I&E supports the "black box" revenue increase and 12-month stay-out term as being in the public interest. I&E SIS at 5-6.

The OCA avers that the Settlement represents a "black box" approach to the revenue requirement and represents a result that would be within the range of likely outcomes in the event of full litigation of the case. The OCA highlights that, under the Settlement, residential customers will experience a rate decrease, the 12-month stay-out term ensures some level of rate stability for Lock Haven's customers, and the reduction in

the fixed residential customer charge provides relief to low-income households and promotes conservation efforts. OCA SIS at 7-8, 11-12.

As indicated above, the Settlement represents a “black box” approach to revenue requirement, which the Commission supports. Additionally, the revenue increase supports increased operating and capital costs, while at the same time providing important consumer protections highlighted by I&E and the OCA. Therefore, with one exception, I agree that that the Settlement terms outlined at paragraphs 20 and 21 of the Settlement are in the public interest and should be approved. The one exception is that I do not recommend that Lock Haven be permitted to file tariff supplements to become effective March 2, 2025. Instead, I recommend that the Commission act at the earliest possible public meeting so that Lock Haven may file a tariff supplement to become effective upon at least one day's notice after entry of a final Commission Order in this proceeding. I find that this modification is necessary because a tariff supplement effective date of March 2, 2025 does not provide sufficient time for internal Commission review of the Joint Petition filed on January 15, 2025, before issuance of a final Commission Order in this proceeding.

The Commission has publicly outlined the required timeline for its internal review process from the time it receives a recommended decision from OALJ with a statutory deadline. Specifically, the Commission requires receipt of the recommended decision 60 days before the last reasonable public meeting prior to the expiration of the suspension date. *Pa. Pub. Util. Comm'n v. Columbia Gas*, R-2020-3018835, p. 21 (Opinion and Order entered Aug. 20, 2020). The Commission directed that the “last reasonable public meeting” prior to the expiration of the suspension date is the public meeting that provides between 10 and 14 days for “staff to prepare and enter a revised Commission Opinion and Order” following the public meeting. *Pa. Pub. Util. Comm'n v. Pa. Am. Water Co.*, R-2020-3019369 & R-2020-3019371 (Opinion and Order entered Aug. 20,

2020); *Pa. Pub. Util. Comm'n v. Columbia Gas of Pa, Inc.*, Docket No. R-2020-3018835 (Opinion and Order entered Aug. 20, 2020).

Pursuant to these guidelines, filing of the Joint Petition on January 15, 2025 does not provide adequate time for review and approval of a settlement allowing an effective tariff date of March 2, 2025. To allow the proposed Settlement tariff to become effective March 2, 2025, the last reasonable public meeting would be the public meeting scheduled for February 20, 2025. For OALJ to have positioned the Commission to take action by the February 20, 2025 public meeting date, a recommended decision would have needed to be issued by December 23, 2025.⁵

However, recognizing that the Settlement provides for rates to become effective prior to the current suspension period end date, I recommend that the Commission take action on this matter at the earliest possible public meeting and allow the rates set forth in the Joint Petition to become effective upon at least one day's notice after entry of a final Commission Order in this proceeding. If the Commission chooses to act at a public meeting prior to the last reasonable public meeting of July 10, 2025, Lock Haven will still be able to place its proposed Settlement tariff into effect earlier than the current suspension period provides.

Reporting on Plant Additions (Joint Petition ¶ 22)

I&E avers that this term is in the public interest because this data will allow the Commission and the parties to better gauge the accuracy of Lock Haven's projected investments in future proceedings. I&E SIS at 6. The OCA states that these provisions allow the Commission and the parties to track whether the Company is meeting its projections. OCA SIS at 9. I agree that this Settlement term will allow the Commission

⁵ 60 days before February 20, 2025 is December 22, 2024, a Sunday.

and parties to track Lock Haven's projections, and therefore is in the public interest and should be approved.

Rate Case Filing Methodology (Joint Petition ¶ 23)

I&E avers that it is appropriate that Lock Haven either justify its next base rate case on a rate base/rate of return basis, or seek Commission approval to use a cash flow approach, because, unlike Philadelphia Gas Works, there is no statutory or regulatory mandate that Lock Haven utilize a cash flow methodology rather than the traditional rate base/rate of return methodology utilized by all other Commission-regulated utilities. I&E asserts that there are several municipal water providers that utilize the rate base/rate of return methodology and Lock Haven has not demonstrated a need to be treated as an exception to this norm. I&E SIS at 6-7. I agree that this Settlement term is in the public interest because it provides an agreed-upon method for Lock Haven to file support for its next base rate case, or to seek Commission approval should Lock Haven request use of a cash flow approach. Therefore, I recommend that this Settlement term be approved.

PENNVEST Surcharge (Joint Petition ¶ 24)

Lock Haven states that, as explained in its PENNVEST Petition, the City needs an efficient recovery mechanism for a significant PENNVEST loan it received in 2022, the interest being paid in 2024 on a PENNVEST loan, and to recover the principal and interest payments for several additional PENNVEST loans it anticipates receiving in the coming years. Lock Haven states these loans are financing modifications to Lock Haven's water supply system that are either mandated or crucially necessary in order to be able to continue to provide safe, adequate and reliable water service to its customers. Lock Haven SIS at 6-7.

Lock Haven avers that the Pennsylvania Department of Environmental Protection (DEP) has mandated major modifications to certain City infrastructure that will require significant investment to complete. These projects were the primary drivers of Lock Haven's rate filing, and they are critically necessary to ensuring that Lock Haven can continue providing safe and adequate water service to customers. Lock Haven avers that, specifically, Ohl Dam requires significant upgrades and is part of an ongoing two-phase repair project. Because of the potential for downstream loss of life and extensive property damage during a dam breach, Ohl Dam is classified by DEP as a "High Hazard" structure and subject to passing the maximum flood event known as the "Probable Maximum Flood (PMF)." Engineering studies have revealed that the existing dam has inadequate spillway capacity, passing only 68% of the PMF. The DEP designated Ohl Dam as having a "significant deficiency in spillway capacity" and has directed the City to upgrade the spillway to current standards, in addition to other modifications. Lock Haven SIS at 7.

Lock Haven states that, similarly, Keller Dam is also classified by the DEP as a "High Hazard" structure and subject to passing the PMF. Engineering studies have revealed that the existing spillway can only pass 68% of the PMF. DEP has designated Keller Dam as having a "substantial deficiency in spillway capacity" and has directed the City to upgrade the spillway to current standards and complete a variety of other improvements. Further, Lock Haven states it has successfully explored, drilled and tested a groundwater source along McKinney Road in Youngdale, Wayne Township, Clinton County, PA as a supplemental water source. Lock Haven asserts the reasons are two-fold. First, the reservoirs are vulnerable during periods of extreme drought which puts their ability to supply ordinary system demand in jeopardy. Secondly, lowering either Ohl or Keller reservoir(s) for construction is an unnecessary risk, because it would make the system more vulnerable in water emergencies, such as those that have occurred in the past. As such, a supplemental water source must be developed before Lock Haven can

proceed with the DEP-mandated dam projects discussed above (other than Ohl Dam Phase I, which has already been completed). Lock Haven SIS at 7-8.

Lock Haven explains that these projects are either currently or anticipated to be funded by low-interest PENNVEST loans. A recent PENNVEST loan was conditioned on Lock Haven filing the instant rate increase proposal with the Commission. Further, PENNVEST has advised that it will not approve further funding for Lock Haven until a rate increase is granted. The PVS specifically provides a mechanism to allow Lock Haven to timely recover interest and principal associated with PENNVEST loans, both now and in the future. Lock Haven SIS at 8.

Lock Haven asserts that the Settlement includes a number of safeguards to ensure that PVS funds are used appropriately, and also provides a clear process for implementing and modifying the PVS. Lock Haven avers the PVS will provide vital funding to ensure the critical system upgrades described above are completed, thus allowing the City to continue to provide adequate service to customers. Lock Haven SIS at 8.

I&E supports this provision because it provides the parties, affected ratepayers, and the Commission with regulatory certainty and resolution of the PENNVEST issues. I&E SIS at 7.

The OCA highlights the Settlement language at paragraph 24 as important to ensure that Lock Haven properly charges, and accounts for, PENNVEST funds. The OCA notes that the PVS will not begin until Lock Haven's utility plant is used and useful and a final amortization schedule is issued by PENNVEST, ensuring that Lock Haven's consumers are only paying for services and infrastructure that are being used to provide vital utility service. Moreover, the segregation of revenues dedicated to PENNVEST promotes financial transparency and provides a proper accounting of funds. The OCA

states that, additionally, an explicit agreement that Lock Haven will not seek a rate base return on and return of the PENNVEST funds protects ratepayers from paying unnecessary charges through the PVS. The OCA states that the PENNVEST provisions were a focus of the mediation for the OCA, are in the public interest, and should be adopted by the Commission.

I agree that approval of this Settlement term is in the public interest because it provides Lock Haven vital funding to ensure critical system updates, while at the same time providing customer protections as outlined by the OCA. Therefore, I recommend that this Settlement term be approved.

However, I believe it is also necessary that the Commission direct Lock Haven as to how it is to comply with paragraph 24.e.vii of the Settlement, where Lock Haven shall provide a copy of its customer notice issued in compliance with 52 Pa. Code § 53.45(g). Section 53.45(g) provides that for “other proposed changes in rates [...] including nongeneral rate increases [...] public notice of the proposed changes shall be given in the manner directed by the Commission.” Therefore, to establish the manner to provide notice, I recommend that the Commission direct Lock Haven to begin providing its customers with a customer notice whenever Lock Haven files a tariff or tariff supplement that proposes to increase its PVS outside of a general rate increase filing, consistent with the following directives:

1. This notice shall indicate the impact of the proposed increase on an average customer in each customer class served by Lock Haven and shall include a statement that customers may contact Lock Haven at a given telephone number to get further information on the proposed increase or to find out what actions they may take.
2. Lock Haven shall provide this notice by bill insert and shall publish the contents of this notice on Lock Haven’s website.

3. Upon completion of notice requirements, Lock Haven shall certify to the Commission its compliance with this directive, provide the pertinent dates and include a copy of the customer notice provided with this certification.

These directions are consistent with the Commission's Order entered May 23, 2019, at Docket No. R-2019-3008417, where the Commission directed Columbia Water to begin providing its customers with a customer notice whenever Columbia Water files a tariff supplement that proposes to increase its PVS outside of a general rate increase filing. Lock Haven is also reminded that it must comply with applicable filing requirements under Sections 53.45 and 53.52, in addition to the filing requirements of the Settlement.

OSBA Contact Information (Joint Petition ¶ 25)

The OSBA highlights that Lock Haven agrees to include contact information for the OSBA in notices sent to small businesses that are late on their payments. OSBA SIS at 4. I agree that this Settlement term is in the public interest and should be approved.

Service Connection Tariff Language (Joint Petition ¶ 26)

The OSBA's Statement in Support highlights this Settlement term, which provides that Lock Haven will revise the proposed tariff language to clarify that the Water Department will install the curb stop, coupling, and the water service line from the curb stop to the Water Department Main, and the customer is responsible for excavation and installation of the water service line from the building to the curb stop. In addition, Lock Haven will revise the connection fee chart to include all applicable tap sizes, including those 1" or smaller, and those greater than 1" and up to 4" OSBA SIS at 4-5. I agree that this Settlement term provides greater clarity in Lock Haven's tariff and is therefore in the public interest and should be approved.

Appendix “E” – Compliance Tariff

Upon review of the proposed compliance tariff at Appendix E of the Joint Petition, I recommend the following corrections:

1. Third Revised Page No. 2A
 - a. Schedule of Rates, Section XV (Page No. 25D): should read: Schedule of Rates, Section XV (Page Nos. 25D and 25E):
 - b. Schedule of Rates, Section XV (Page No. 25F): should also explain the numbering changes for Paragraphs 9 and 10 or remove the (C) designation for Paragraph 9.

2. Tenth Revised Page No. 3
 - a. Title Page should reflect Supp. No. 24 instead of No. 19 for Page No. 1.
 - b. List of Changes Made by this Tariff should be 10th Revised instead of 9th Revised for Page No. 2.
 - c. List of Changes Made by this Tariff should be 3rd Revised instead of 2nd revised for Page No. 2A.
 - d. Table of Contents should be 10th Revised instead of 9th Revised for Page No. 3.
 - e. Table of Contents should be 6th Revised instead of 5th Revised for Page No. 3A.
 - f. I. Definitions should be 2nd Revised instead of 1st Revised for Page No. 4.
 - g. Application for Service should be 1st Revised instead of Original for Page No. 4A.
 - h. Application for Service should be 2nd Revised instead of 1st Revised for Page No. 5
 - i. Service Connections should be 1st Revised instead of Original for Page No. 5A
 - j. Service Connections for Pages No. 6 and 7 should not have the (C) designation.
 - k. Service for Pages No. 7 and 8 should not have the (C) designation.
 - l. Renewal of Water Service After Discontinuance for Page No. 9 should not have the (C) designation.
 - m. Bills for Water Service for Page No. 9 should not have the (C) designation.
 - n. Bills for Water Service should be 2nd Revised instead of 1st Revised for Page No. 10.

3. Sixth Revised Page No. 3A
 - a. Meters for Pages No. 11 and 12 should not have the (C) designation.
 - b. Meters for Page No. 13 should be 2nd Revised instead of 1st Revised **and** should have the (C) designation.

- c. Meters for Page No. 13A should be 1st Revised instead of Original **and** should have the (C) designation.
 - d. Main Extension for Page No. 14 should be 2nd Revised instead of 1st Revised **and** should have the (C) designation.
 - e. Main Extensions for Pages No. 15, 16, 17, 18, and 19 should not have the (C) designation.
 - f. Turning Off Water and Turn on Charge for Page No. 19 should not have the (C) designation.
 - g. Vacating the Premises for Pages No. 19 and 20 should not have the (C) designation.
 - h. Fire Protection for Page No. 20 should not have the (C) designation.
 - i. Fire Protection for Page No. 22 should be 2nd Revised instead of 1st Revised.
 - j. Deposits for Pages No. 22 and 23 should be 2nd Revised instead of 1st Revised.
 - k. General for Page No. 23 should not have the (C) designation.
 - l. General for Page No. 24 should be 2nd Revised instead of 1st Revised.
 - m. Schedule of Rates for Page No. 25 should be 8th Revised instead of 7th Revised.
 - n. There should be a change listed for Page No. 25A on Sixth Revised Page No. 3A.
 - o. Schedule of Rates for Pages No. 25B and 25C should be 2nd Revised instead of 1st Revised.
4. Original Page No. 25E
- a. Appendix E, Original Page No. 25E, replace “made with 30 days’ notice of” with “made within 30 days of”.
5. Original Page No. 25F
- a. If Third Revised Page No. 2A updated Schedule of Rates, Section XV (Page No. 25F): to include an explanation of the numbering changes to Paragraphs 9 and 10, Paragraph 10 should have the (C) designation.
 - b. If Third Revised Page No. 2A did not update Schedule of Rates, Section XV (Page No. 25F): to include an explanation of the numbering changes to Paragraphs 9 and 10, Paragraph 9 should not have the (C) designation.

These recommended corrections are intended to be administrative in nature and not to substantively affect the terms of the Joint Petition.

Additional Terms and Conditions (Joint Petition ¶¶ 27-33)

Paragraphs 27 through 33 contain standard terms and conditions found in other base rate case settlements that do require specific action by the Commission. However, as I am recommending approval of the Joint Petition, but with the modifications addressed above, I note here the rights of the Joint Petitioners under the Joint Petition to file, if they so choose, exceptions and replies to exceptions related to the recommended modifications.

CONCLUSION

I find that the Settlement, with the two recommended modifications, produces rates that are just and reasonable, is in the public interest, and otherwise is consistent with the requirements of 66 Pa.C.S. § 1308. The active parties engaged in extensive discovery and thoroughly reviewed and evaluated the filing. Additionally, a Joint Stipulation of Facts was entered into the record, and the Settlement is therefore supported by substantial evidence. The active parties also engaged in extensive settlement negotiations and made compromises, which the Commission has stated “fosters and promotes the public interest.” *Pa. Pub. Util. Comm’n v. C S Water & Sewer Assocs.*, 74 Pa.P.U.C. 767, 771 (1991). The unanimous agreement of the Joint Petitioners resulted in a lower rate increase than originally proposed by Lock Haven. Additionally, the Settlement saves the cost of further litigation, including any appeal, which conserves administrative resources and reduces rate case expense for the next rate case. Accordingly, I recommend that the Commission approve the proposed Settlement and the recommended modifications, and that Lock Haven file a tariff supplement to become effective upon at least one day's notice after entry of a final Commission Order in this proceeding.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter of and the parties to this proceeding. 66 Pa.C.S. §§ 1301, 1308(d).

2. Under Section 1301 of the Public Utility Code, a public utility's rates must be just and reasonable. 66 Pa.C.S. § 1301.

3. The Commission possesses a great deal of flexibility in its ratemaking function. *See Popowsky v. Pa. Pub. Util. Comm'n*, 665 A.2d 808, 812 (Pa. 1995). "In determining just and reasonable rates, the [Commission] has discretion to determine the proper balance between the interests of ratepayers and utilities." *Id.*

4. Commission policy promotes settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve administrative resources.

5. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.

6. The Commission supports the use of black box settlements. *Pa. Pub. Util. Comm'n v. Aqua Pa., Inc.*, Docket No. R-2011-2267958, pp. 26-27 (Opinion and Order entered June 7, 2012); *Pa. Pub. Util. Comm'n v. Peoples TWP LLC*, Docket No. R-2013-2355886, p. 27 (Opinion and Order entered Dec. 19, 2013); Statement of Chairman Robert F. Powelson, *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Public Meeting, August 2, 2012.

7. To accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. UGI*

Utils., Inc. – Gas Div., Docket Nos. R-2015-2518438, *et al.* (Opinion and Order entered Oct. 14, 2016); *Pa. Pub. Util. Comm’n v. Phila. Gas Works*, Docket No. M-00031768 (Opinion and Order entered Jan. 7, 2004).

8. The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. Pub. Util. Comm’n v. Pike Cnty. Light & Power (Electric)*, Docket Nos. R-2013-2397237, C-2014-2405317, *et al.* (Opinion and Order entered Sept. 11, 2014).

9. The decision of the Commission must be supported by substantial evidence. 2 Pa.C.S. § 704.

10. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & W. Ry. Co. v. Pa. Pub. Util. Comm’n*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Rev.*, 166 A.2d 96 (Pa. Super. 1961); *Murphy v. Comm., Dept. of Pub. Welfare, White Haven Cntr.*, 480 A.2d 382 (Pa. Cmwlt. 1984).

11. The rates and terms of service set forth in the Joint Petition are supported by substantial evidence and are in the public interest.

ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Joint Stipulation of Facts contained in the Joint Petition for Settlement filed on January 15, 2025 be approved and adopted, noting the two recommended modifications to the Joint Petition for Settlement described herein.
2. That the City of Lock Haven Water Department not place into effect the rates contained in Supplement No. 23 to Tariff Water-Pa. P.U.C. No. 1.
3. That the Joint Petition for Settlement filed on January 15, 2025, by the City of Lock Haven Water Department, the Commission's Bureau of Investigation and Enforcement, the Pennsylvania Office of Consumer Advocate, and the Pennsylvania Office of Small Business Advocate be approved and adopted with the modifications described herein.
4. That the City of Lock Haven Water Department shall be permitted to file a tariff supplement reflecting the rates set forth in its proposed compliance tariff attached to the Joint Petition as Appendix "E" with the modifications described herein to become effective upon at least one day's notice after entry of the Commission's Final Order in this matter.
5. That the Commission direct Lock Haven to begin providing its customers with a customer notice whenever Lock Haven files a tariff or tariff supplement

that proposes to increase its PENNVEST Surcharge outside of a general rate increase filing, consistent with the following directives:

a. This notice shall indicate the impact of the proposed increase on an average customer in each customer class served by Lock Haven and shall include a statement that customers may contact Lock Haven at a given telephone number to get further information on the proposed increase or to find out what actions they may take.

b. Lock Haven shall provide this notice by bill insert and shall publish the contents of this notice on Lock Haven's website.

c. Upon completion of notice requirements, Lock Haven shall certify to the Commission its compliance with this directive, provide the pertinent dates and include a copy of the customer notice provided with this certification.

6. That the Formal Complaint filed by the Pennsylvania Office of Consumer Advocate in this proceeding at Docket No. C-2024-3049646 be deemed satisfied and marked closed.

7. That the Formal Complaint filed by the Pennsylvania Office of Small Business Advocate in this proceeding at Docket No. C-2024-3049713 be deemed satisfied and marked closed.

8. That the Petition at Docket No. P-2024-3049249 be granted consistent with the Joint Petition for Settlement and modifications described herein.

9. That the Petition at Docket No. P-2024-3049249 be marked closed.

10. That the investigation at Docket No. R-2024-3049248 be marked
closed.

Date: February 18, 2025

/s/
John M. Coogan
Administrative Law Judge