

Deanne M. O'Dell
717.255.3744
dodell@eckertseamans.com

March 6, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Building
2nd Floor, North
400 North Street
Harrisburg, PA 17120

Re: Petition of the Pittsburgh Water and Sewer Authority for Waiver of Provisions of Act 11
to Increase the DSIC CAP, to Permit Levelization of DSIC Charges, and to Authorize the
Pay-As-You-Go Method of Financing – Docket No. P-2020-3019019

Pittsburgh Water & Sewer Authority - Water – R-2020-3017951
Pittsburgh Water & Sewer Authority - Wastewater – R-2020-3017970

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Pittsburgh Water and Sewer Authority's ("PWSA")
Petition to Consolidate the above referenced matters. Copies to be served in accordance with the
attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/lww
Enclosure

cc: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the PWSA's Petition to Consolidate upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa.

Code Section 1.54.

Via Hand Delivery and Email

Sharon Webb, Esq.
Erin K. Fure, Esq.
Office of Small Business Advocate
Forum Place Building
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov
efure@pa.gov

Christine Maloni Hoover, Esq.
Erin L. Gannon, Esq.
Lauren E. Guerra, Esq.
Office of Consumer Advocate
555 Walnut St., 5th Fl., Forum Place
Harrisburg, PA 17101-1923
choover@paoca.org
egannon@paoca.org
lguerra@paoca.org

Gina L. Miller, Esq.
John M. Coogan, Esq.
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North St., 2nd Floor West
Harrisburg, PA 17120
ginmiller@pa.gov
jcoogan@pa.gov

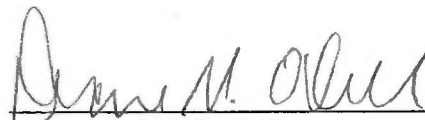
Elizabeth R. Marx, Esq.
John W. Sweet, Esq.
The Pennsylvania Utility Law Project
118 Locust St.
Harrisburg, PA 17101
pulp@palegalaid.net

Michael A. Gruin, Esq.
Stevens & Lee
17 North Second St., 16th Fl.
Harrisburg, PA 17101
mag@stevenslee.com

Via First Class Mail and Email

Dimple Chaudhary, Esquire
Peter J. DeMarco, Esquire
Cecilia Segal, Esquire
Natural Resources Defense Council
1152 15th Street, NW, Ste. 300
Washington, DC 20005
dchaudhary@nrdc.org
pdemarco@nrdc.org
csegal@nrdc.org

Brian Kalcic
Excel Consulting
225 S. Meramec Ave., Suite 720T
St. Louis, MO 63105
Excel.consulting@sbcglobal.net



Deanne M. O'Dell, Esq.

Dated: March 6, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The Pittsburgh Water and Sewer Authority for Waiver of Provisions of Act 11 to Increase the DSIC CAP, to Permit Levelization of DSIC Charges, and to Authorize the Pay-As-You-Go Method of Financing	:	:	Docket No. P-2020-3019019
Pennsylvania Public Utility Commission	:	:	Docket Nos. R-2020-3017951 (water)
v.	:	:	R-2020-3017970 (wastewater)
The Pittsburgh Water and Sewer Authority	:	:	

**THE PITTSBURGH WATER AND SEWER AUTHORITY’S
PETITION TO CONSOLIDATE DSIC PETITION WITH BASE RATE CASE FILINGS
FOR BOTH WATER AND WASTEWATER CONVEYANCE**

Pursuant to Section 5.41 and 5.81 of the regulations of the Pennsylvania Public Utility Commission (“Commission”), 52 Pa. Code §§ 5.41, 5.81(a), The Pittsburgh Water and Sewer Authority (“Authority” or “PWSA”) respectfully requests that the Commission formally consolidated PWSA’s Petition for approval of a Distribution System Improvement Charge (“DSIC”) and its water and wastewater rate case proceedings¹ because the request for approval of a DSIC is an integral component of the base rate increase request. All of the supporting factual basis and financial analysis related to PWSA’s DISC Petition has been included with PWSA’s rate case filings; therefore, consolidating the dockets enables the Commission to address the integrally related issues in one comprehensive proceeding. In support thereof, PWSA represents the following:

¹ PWSA is also simultaneously filing a Petition for Consolidation of the water and wastewater rate cases and for authority to use combined water and wastewater revenue requirements.

I. Background

1. On March 3, 2020, PWSA filed its Petition for Authority for Waiver of Provisions of Act 11 to Increase the DSIC CAP, to Permit Levelization of DSIC Charges, and to Authorize the Pay-As-You-Go Method of Financing (“DSIC Petition”). Pursuant to the DSIC Petition, PWSA asks that the Commission: (1) approve a cap of 10% of intrastate revenue as the maximum allowed DSIC (not including any reconciliation recovery); (2) waive statutory provisions to permit DSIC revenue to recover capital improvements through the “pay-as-you-go” or debt service/debt service coverage methods of financing; and, (3) permit PWSA to use an annual, levelized charge as the basis for establishing a DSIC, subject to subsequent true-ups for actual experience.

2. PWSA is simultaneously filing with this Petition its base rate case filing, docketed at Docket Nos. R-2020-3017951 (water) and R-2020-3017970 (wastewater) (“Rate Filing”). Pursuant to the Rate Filing, PWSA is asking the Commission to approve a multiyear rate plan to increase its combined water and wastewater rates for 2021 by \$43.4 million and \$12.6 million for 2022. This total amount of rate increases includes assessment of a 10% DSIC. The proposed increase in revenues is the minimum necessary to enable PWSA to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer service levels.

3. PWSA is also simultaneously filing with this Petition and the Rate Filing, a Petition to consolidate the water and wastewater proceedings and to utilize combined water and wastewater revenue requirements.

II. Request for Consolidation of Proceedings

4. For the reasons set forth herein, PWSA requests that the above-captioned proceedings be formally consolidated into a single proceeding.

5. Section 5.81(a) of the Commission’s regulations states that “[t]he Commission or presiding officer, with or without motion, may order proceedings involving a common question of

law or fact to be consolidated. The Commission or presiding officer [also] may make orders concerning the conduct of the proceeding as may avoid unnecessary costs or delay.” 52 Pa. Code § 5.81(a).²

6. Among the considerations for consolidation are: (a) whether additional issues exist that could cloud the determination of common issues; (b) whether consolidation will reduce litigation costs and decision-making for the parties and the Commission; (c) whether the issues in one proceeding go to the heart of an issue in the other proceeding; (d) whether consolidation will unduly protect a hearing or produce a disorderly or unwieldy record; (e) whether different statutory and legal issues are involved; (f) whether the party with the burden of proof differs in the proceedings; (7) whether consolidation will unduly delay the resolution of one of the proceedings; and (8) whether supporting data in both proceedings will be repetitive.³ As the Commission has previously determined, no single consideration, nor group of these considerations, is dispositive of consolidation. Rather, all factors must be evaluated, and a balancing of those favoring and disfavoring consolidation is required.⁴

7. PWSA’s DSIC Petition and Rate Filings are interrelated and raise common issues of law and fact. PWSA’s Rate Filings comprehensively address PWSA’s overall financing plan which includes revenue received from base rates as well as from a DSIC surcharge. The Rate Filings set forth PWSA’s views about how each of these sources can be utilized to provide overall long-term benefits for ratepayers by utilizing the various funding sources to their full potential.

² Cases have been consolidated for adjudication, *Re Middletown Taxi Co.*, 50 Pa. PUC 263 (1976); for hearing, *City of York v. York Telephone and Telegraph Co.*, 43 Pa. PUC 240 (1967); for briefing, *Clepper Farms, Inc. v. Grantham Water Co.*, 41 Pa. PUC 749 (1965); or for all purposes, *Commonwealth of Pennsylvania et al. v. Respond Power LLC*, Docket No. C-2014-2427659 and *Pa. PUC v. Respond Power LLC*, Docket No. C-2014-2438640 (Interim Order dated October 28, 2014)

³ See *Pa. Pub. Util. Comm’n v. City of Lancaster Sewer Fund*, Docket No. R-2012-2310366, at p. 3-4 (Second Prehearing Order Nov. 26, 2012) (“*Lancaster Sewer Fund Prehearing Order*”).

⁴ *Id.* at 3.

PWSA's Rate Filings present a substantial amount of financial data in support of its proposals (both for base rates and DSIC) making the consolidation of the proceedings in the public interest to ensure a more full record is developed and to concentrate resources in one litigation rather than several.

8. As explained above, PWSA's DSIC Petition is interrelated with its Rate Filing. Direct Testimony that has been included with PWSA's Rate Filing address the justification and development of PWSA's requested DSIC as well as how approval of the DSIC as requested will support PWSA's overall financing plan. As such, a more full assessment of the relief requested by the DSIC Petition will result by consolidating the DSIC Petition with the Rate Filing. In the consolidated docket, parties and the Commission will be able to have a broader overview of how DSIC fits within PWSA's overall financing plan to better assess the DSIC Petition.

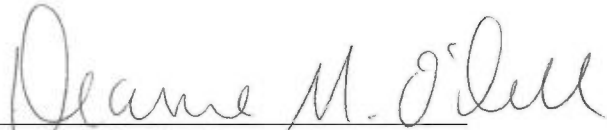
9. If consolidation were not to occur, then the DSIC Petition would likely be assigned to the Office of Administrative Law Judge for an on-the-record proceeding. Such an assignment would require the parties to essentially duplicate the efforts of the Rate Filings and then present the Commission with two separate dockets to decide the interrelated issues.

10. Thus, consolidation will reduce litigation costs and decision-making for the parties and the Commission; the issues in one proceeding go to the heart of the issues in the other proceeding; consolidation will produce an orderly record that can be used to adjudicate both proceedings; and consolidation will not unduly delay the resolution of either proceeding.

11. In summary, consolidating these proceedings for hearing and decision would promote judicial economy and conserve valuable resources of the parties and the Commission. Since the proceedings involve the same issues of fact and law, no reason exists to have them litigated on separate paths.

WHEREFORE, on the basis of the foregoing, PWSA respectfully requests that the Commission consolidate Docket Nos. P-2020-3019019 (DSIC), R-2020-3017951 (water) and R-2020-3017970 (wastewater).

Respectfully submitted,



Deanne M. O'Dell, Esq.
PA Attorney I.D. No. 81064
Daniel Clearfield, Esquire
PA Attorney I.D. No. 26183

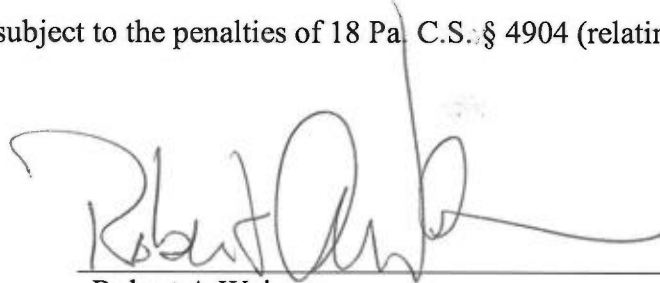
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
(717) 237-6000 (phone)
(717) 237-6019 (fax)
dclearfield@eckertseamans.com
dodell@eckertseamans.com

Dated: March 6, 2020

Attorneys for The Pittsburgh Water and Sewer Authority

VERIFICATION

I, Robert A Weimar, am the Executive Director for The Pittsburgh Water and Sewer Authority ("PWSA" or "Authority"), and I hereby state that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief and that I expect the Authority to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

A handwritten signature in black ink, appearing to read "Robert A. Weimar", written over a horizontal line.

Robert A Weimar
Executive Director
The Pittsburgh Water and Sewer Authority