



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

March 13, 2020

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
Pittsburgh Water and Sewer Authority
Docket Nos. R-2020-3017951 (Water)
I&E Answer to PWSA Petition to Consolidate

Dear Secretary Chiavetta:

Enclosed for filing please find the Bureau of Investigation and Enforcement's (I&E) **Answer to PWSA Petition to Consolidate** for the above-captioned proceeding.

Copies are being served on all parties of record per the attached Certificate of Service. If you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Gina L. Miller".

Gina L. Miller
Prosecutor
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GLM/jfm
Enclosure

cc: Per Certificate of Service

pursuant to the regulation, at 52 Pa. Code §5.61, entitled “*Answers to complaints, petitions, motions and preliminary objections*,” hereby timely submits the following Answer in support of PWSA’s Consolidation Petition.

II. ANSWER

A. Request to Consolidate Proceedings²

I&E’s review of PWSA’s Consolidation Petition concludes with the determination that PWSA’s request to consolidate both its above-referenced water and wastewater rate cases is warranted. Consistent with the allegations made in Paragraph 9 of PWSA’s Consolidation Petition, I&E agrees that PWSA’s water and wastewater base rate cases are interrelated and raise common questions of fact. I&E avers that because of the commonality and interrelation, consolidation of the water and wastewater base rate cases is necessary and appropriate to avoid inconsistent outcomes. Additionally, consistent with PWSA’s representations in Paragraph 10 of its Consolidation Petition, I&E agrees that consolidation of the proceedings will promote the efficient use of the parties’ and the Commission’s use of time and resources and will advance administrative economy. For these reasons, I&E supports PWSA’s request for the consolidation of the individual dockets R-2020-3017951 and R-2020-3017970 into one proceeding.

² I&E notes that on March 6, 2020, PWSA also filed a Petition to Consolidate its Petition for a Distribution System Improvement Charge (P-2020-3019019) with the above-captioned proceedings. I&E also supports that request, which it avers is necessary because all three proceedings are inextricably linked into one revenue requirement; but for purposes of clarity, I&E will address that request by way of an answer filed at Docket no. P-2020-3019019).

B. Request for Consolidated Revenue Requirement

I&E's review of PWSA's Consolidation Petition concludes with the determination that PWSA's request for authorization to utilize a combined revenue requirement pursuant to 66 Pa. C.S. § 1311(c) is warranted. Consistent with its permitted use of a combined revenue requirement in its initial 2018 water and wastewater base rate cases³ PWSA has again built its water and wastewater base rate cases using combined information. Additionally, I&E acknowledges PWSA's position that its bonds and other financial instruments apply to the combined water and wastewater conveyance system, raising practical concerns regarding the risk implication of separating PWSA's bonds or its revenue requirements between water and wastewater conveyance.⁴ For these reasons, I&E supports PWSA's request for use of a consolidated revenue requirement for its water and wastewater base rate cases. However, I&E's support should not be construed to operate as assent to PWSA's request for rate relief, the reasonableness or prudence of any costs it seeks, or any claims it is making. Instead, consistent with Paragraph 15 of PWSA's Consolidation Petition, issues of reasonableness, prudence, and appropriateness of any rate relief and allocation, are issues that are preserved for resolution before the Commission.

³ PWSA Consolidation Petition, ¶ 13; p. 6 (footnote 12).

⁴ Id. at ¶ 14.

III. CONCLUSION

WHEREFORE, for the reasons stated herein, the Bureau of Investigation and Enforcement supports Pittsburgh Water and Sewer Authority's Petition for Consolidation of Water and Wastewater Rate Proceedings and for Authorization to Use Combined Water and Wastewater Revenue Requirements and therefore respectfully requests that the Commission approve it without modification.

Respectfully submitted,



Gina L. Miller
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 313863

John M. Coogan
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Bureau of Investigation and Enforcement
PA Attorney ID No. 313920

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
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Harrisburg, Pennsylvania 17120

Dated: March 13, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : Docket Nos. R-2020-3017951 (Water)
Pittsburgh Water and Sewer Authority :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Answer to Petition** dated March 13, 2020, in the manner and upon the persons listed below, in accordance with the requirements of 53 Pa. Code § 1.54 (relating to service by a party):

Served via First Class and Electronic Mail

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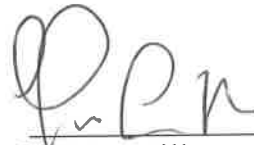
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