


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560

 @pa_oca

 /pennoca

FAX (717) 783-7152
consumer@paoca.org

March 24, 2020

Rosemary Chiavetta, Secretary
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)
R-2020-3017970 (Wastewater)

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceedings.

Copies have been served per the attached Certificate of Service.

Very truly yours,

/s/ Christine Maloni Hoover
Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026
E-Mail: CHoover@paoca.org

Enclosures:

cc: Office of Special Assistants (**email only:** ra-OSA@pa.gov)
Office of Administrative Law Judge (**email only**)
Bureau of Technical Utility Services (**email only**)
Certificate of Service

*284193

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket Nos. R-2020-3017951 (Water)
Pittsburgh Water and Sewer Authority : R-2020-3017970 (Wastewater)

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 24th day of March 2020.

SERVICE BY E-MAIL ONLY

Gina L. Miller, Esquire
John M. Coogan, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Deanne M. O'Dell, Esquire
Daniel Clearfield, Esquire
Eckert, Seamans, Cherin, & Mellott, LLC
213 Market Street
8th Floor
Harrisburg, PA 17101

Brian Kalcic
Excel Consulting
225 S. Meramec Avenue
Suite 720 T
St. Louis, MO 63105

/s/ Christine Maloni Hoover
Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026
E-Mail: CHoover@paoca.org

Lauren E. Guerra
Assistant Consumer Advocate
PA Attorney I.D. # 323192
E-Mail: LGuerra@paoca.org

Sharon E. Webb, Esquire
Erin K. Fure, Esquire
Daniel G. Asmus, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923

Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
John W. Sweet, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: March 24, 2020
*284196

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. COMPLAINT INFORMATION

Tanya J. McCloskey, Acting Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone: (717) 783-5048

Facsimile: (717) 783-7152

2. FULL NAME OF UTILITY COMPANY:

Pittsburgh Water and Sewer Authority
Docket No. R-2020-3017951 (Water)
Docket No. R-2020-3017970 (Wastewater)

3. TYPE OF UTILITY:

Water and Wastewater

4. COMPLAINT:

A. On March 6, 2020, the Pittsburgh Water and Sewer Authority (PWSA or the Authority) filed Supplement No. 1 to Tariff Water – PA P.U.C. No. 1 and Supplement No. 1 to Tariff Wastewater – PA P.U.C. No. 1 to become effective May 5, 2020. Through this filing, PWSA requests that the Commission approve its new tariffs pursuant to Section 1308(d), 66 Pa. C.S. § 1308(d), and Act 65 of 2017, 66 Pa. C.S. § 3201 *et seq.* PWSA's proposed tariffs propose multiyear increases to its combined water and wastewater rates of \$43.4 million for 2021 and \$12.6 million for 2022. The rate increase request includes proposed water and wastewater Distribution System Improvement Charges (DSICs) each assessed at 10% of the respective, proposed base rates. On March 3, 2020, PWSA separately filed a Petition for approval of its DSICs and various waivers of Act 11, in Docket No. A-2020-3019019. On March 6, 2020, the Authority filed a Petition requesting that proceeding be consolidated with this one.

B. PWSA is a municipal water and wastewater authority serving customers in the City of Pittsburgh and surrounding communities. PWSA provides water service to approximately 80,000 residential, commercial and industrial customers in: portions of the City of Pittsburgh; the Borough of Millvale; and portions of Reserve, O’Hara, and Blawnox Townships, Allegheny County. PWSA also provides wastewater conveyance service to customers located in the City of Pittsburgh, Allegheny County, and also conveys sewage for portions of 24 neighboring communities. PWSA’s water and wastewater operations became subject to regulation by the Pennsylvania Public Utility Commission on April 1, 2018, pursuant to Act 65 of 2017, 66 Pa. C.S. § 3201 *et seq.*

C. Under the Authority’s proposal, a typical residential water and wastewater conveyance customer using 3,000 gallons per month would see their total monthly bill increase from \$72.49 to \$86.31, an increase of \$13.82 or 19.1% in 2021. For the water portion of the bill, this includes an increase from \$49.35 to \$58.15, an increase of \$8.80 or 17.8%. For the wastewater conveyance portion of the bill, this includes an increase from \$23.14 to \$28.16, an increase of \$5.02 or 21.7%. The rate increase request includes a water and a wastewater DSIC each assessed at 10% of the respective, proposed base rates.

In 2022, the total bill for a customer using 3,000 gallons per month would increase from \$86.31 to \$91.71, an increase of 6.26%. For the water portion of the bill, this includes an increase from \$58.15 to \$61.11, an increase of \$3.01 or 5.18%. For the wastewater conveyance portion of the bill, this includes an increase from \$28.16 to \$30.60, an increase of \$2.44 or 8.66%. The rate increase request includes a water and a wastewater DSIC each assessed at 10% of the respective, proposed base rates.

D. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General assembly, as amended, 71 P.A. C.S. §§ 309-1 *et seq.*

E. A preliminary examination of PWSA’s rate increase request indicates that PWSA’s present rates and proposed charges, increases and changes in rates, rules and regulations contained within PWSA’s proposed tariffs are or may be unjust, unreasonable, and in violation of 66 Pa. C.S. §§ 1301, *et seq.* and sound ratemaking principles. Additionally, the Acting Consumer Advocate avers that the Company’s proposed base rates may be excessive, discriminatory, compensate PWSA for inadequate service, or otherwise contrary to the Public Utility Code, Commission regulations, or sound ratemaking policy.

- F. Further, a preliminary examination of PWSA’s existing rates, rules, and regulations may not be just and reasonable or otherwise proper under the Pennsylvania Public Utility Code and applicable ratemaking principles.
- G. Further, a preliminary examination of PWSA’s filing shows that PWSA is proposing a stormwater tariff that provides various tariff rules without rate information. See PWSA St. No. 9; Exh. BD 4. PWSA presents a revenue requirement for stormwater but it is for “informational purposes only” because it is not proposing a stormwater revenue requirement at this time. PWSA St. No. 7 at 5, 10-12. Further PWSA indicates that it may file the proposed stormwater rates, including an updated cost of service study and supporting information with the Commission in the third or fourth quarter of 2020 with a decision nine months later. PWSA St. No 7 at 13; PWSA St. No. 9 at 28. PWSA witness Smith states that the timing is subject to change based on PWSA or the Commission’s discretion. PWSA St. No. 7 at 13. PWSA’s proposed actions regarding the filing of information for a separate stormwater revenue requirement while the current cases are pending may not be in accordance with Section 1308.d.1 of the Public Utility Code, 66 Pa. C.S. § 1308.d.1, or otherwise proper under the Pennsylvania Public Utility Code and applicable ratemaking principles.
- H. The Acting Consumer Advocate files this Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether PWSA’s proposed tariff, including any and all rate policies, are just and reasonable, and are not unduly discriminatory or otherwise unlawful.

5. RELIEF

The Acting Consumer Advocate respectfully requests that the Commission take the following actions:

- A. Suspend and investigate the operation of the proposed tariffs, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B. Consolidate all complaints filed against the proposed increase;
- C. Hold full evidentiary hearings examining the reasonableness of the PWSA’s proposed increases in rates;
- D. After providing the public with adequate notice, hold public input hearings in PWSA’s service territory in order to provide customers with an opportunity to be heard on the record, and hold those hearings as early in the case as feasible;.

- E. Deny any rate, rule, or regulation in PWSA’s proposed tariffs that are unjust, unreasonable, unduly discriminatory, or inconsistent with the Public Utility Code, sound ratemaking principles, and public policy;
- F. Determine the justness and reasonableness of PWSA’s current and proposed rates and tariff; and
- G. Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect 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 unsworn falsification to authorities).

/s/ Tanya J. McCloskey
(Signature)

March 24, 2020
(Date)

7. LEGAL REPRESENTATION

Christine Maloni Hoover, Sr. Assistant Consumer Advocate, PA Bar No. 50026
Erin L. Gannon, Sr. Assistant Consumer Advocate, PA Bar No. 83487
Lauren E. Guerra, Assistant Consumer Advocate, PA Bar No. 323192

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pa 17101-1923
Dauphin County

Phone: (717) 783-5048
Facsimile: (717) 783-7152
E-Mail: CHoover@paoca.org
EGannon@paoca.org
LGuerra@paoca.org

**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in the proceedings before the PUC involving the proposed water and wastewater tariffs and proposed water and wastewater rate increases requested by the Pittsburgh Water and Sewer Authority (PWSA).

The objective of the Acting Consumer Advocate in filing a Formal Complaint in this matter is to protect the interests of PWSA's customers. The Acting Consumer Advocate will seek to ensure that PWSA is permitted to implement only a level of rates that is fully justified and in accordance with sound ratemaking principles. The Acting Consumer Advocate will strive to prevent PWSA from collecting from ratepayers all alleged costs that cannot be justified, or are unreasonable or unduly discriminatory, or otherwise violative of the Public Utility Code. The Acting Consumer Advocate submits that the rates sought by PWSA may be unjustifiable and unlawful based upon information filed by PWSA in support of its claim.

The Acting Consumer Advocate has filed this Formal Complaint and will, in the course of the proceeding, investigate PWSA's proposed tariffs and proposed annual revenue increase of approximately \$43.8 million for 2021 and \$12.6 million for 2022, and request that the PUC deny all proposed increases in rates, changes from the PWSA's Prior Tariff, or ratemaking policies within the tariffs that are not proven to be justified, reasonable, and in accordance with sound ratemaking principles. Under PWSA's proposal, a typical residential water and wastewater conveyance customer using 3,000 gallons per month would see their total monthly bill increase from \$72.49 to \$86.31, an increase of \$13.82 or 19.1%. For the water portion of the bill, this includes an increase from \$49.35

to \$58.15, an increase of \$8.80 or 17.8%. For the wastewater conveyance portion of the bill, this includes an increase from \$23.14 to \$28.16, an increase of \$5.02 or 21.7%. These rate increases include a proposed water and wastewater DSIC each assessed at 10% of the respective, proposed base rates. In 2022, the total bill for a customer using 3,000 gallons per month would increase from \$86.31 to \$91.71, an increase of 6.26%. For the water portion of the bill, this includes an increase from \$58.15 to \$61.11, an increase of \$3.01 or 5.18%. For the wastewater conveyance portion of the bill, this includes an increase from \$28.16 to \$30.60, an increase of \$2.44 or 8.66%. These rate increases include a proposed water and wastewater DSIC each assessed at 10% of the respective, proposed base rates.

PWSA serves more than approximately 75,000 residential, commercial, and industrial water customers in: portions of the City of Pittsburgh; the Borough of Millvale; and portions of Reserve, O'Hara, and Blawnox Townships. PWSA also provides wastewater conveyance service to more than approximately 98,000 customers located in the City of Pittsburgh, Allegheny County, and also conveys sewage for portions of 24 neighboring communities.

285159