

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

**Implementation of Chapter 32 of the
Public Utility Code Regarding
Pittsburgh Water and Sewer Authority
– Stage 1**

**Public Meeting March 26, 2020
2640802-OSA
Docket Nos. M-2018-2640802
M-2018-2640803**

**Petition of Pittsburgh Water and
Sewer Authority for Approval of Its
Long-Term Infrastructure
Improvement Plan**

**P-2018-3005037
P-2018-3005039**

**JOINT STATEMENT OF COMMISSIONER RALPH V. YANORA AND
COMMISSIONER JOHN F. COLEMAN, JR.**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is: (1) the Recommended Decision (RD) issued on October 29, 2019, relative to the above-captioned proceeding; (2) the Exceptions and Replies to Exceptions filed with respect to the RD; and (3) the Joint Petition for Partial Settlement (Partial Settlement) filed on September 13, 2019, by the Pittsburgh Water and Sewer Authority (PWSA or Authority), the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and Pittsburgh UNITED.

The Partial Settlement resolves 139 of the 186 issues presented in this matter. We commend the parties for the successful resolution of these issues and thank them for the unprecedented negotiation process that occurred almost on a weekly basis from May through August 2019. While we agree with the RD that the Partial Settlement is in the public interest and is consistent with PWSA's transition to Commission jurisdiction of Chapter 32 of the Public Utility Code, we are concerned with certain aspects of the proposed lead service line replacement program.

Regarding lead service line replacement, the Partial Settlement affirms PWSA's existing practice to inspect the interior plumbing adjacent to the water meter whenever PWSA replaces the meter or when PWSA replaces a customer-owned lead service line. As part of the Partial Settlement, PWSA agreed that whenever PWSA replaces a residential water meter, PWSA will inspect the interior plumbing adjacent to the water meter and inform residents in writing of the materials (i.e. galvanized steel or iron) observed. Similarly, if PWSA performs a customer-owned lead service line replacement without a simultaneous meter replacement, PWSA will make good faith efforts to document the material making up the interior plumbing adjacent to the customer-owned lead service line and inform residents in writing of the materials observed. If

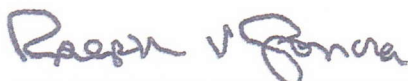
PWSA discovers galvanized steel or iron in either of these situations, PWSA will inform customers of the risks of lead release from such interior plumbing

Pursuant to the Department of Environmental Protection (DEP) regulations at 25 Pa. Code Section 109.709, and the requirements of PWSA's current Commission-approved water tariff whereby the Commission effectuates the service aspects such DEP regulations,¹ PWSA is required to install backflow devices on all residential water service lines to protect the integrity of the Authority's distribution system. In addition to the interior plumbing inspections required by the Partial Settlement, the PWSA tariff has the force and effect of law. Accordingly, PWSA must apply its tariff uniformly among customers and customer classes. PWSA is also obligated to enforce the backflow protection aspects of its tariff as a part of its service obligations under Section 1501 of the Public Utility Code. PWSA should do this at the time it completes a customer-owned lead service line and/or meter replacement. We note that the installation of appropriate backflow protection devices is crucial to protecting the Authority's water system, especially where non-compliant materials are discovered in the interior plumbing of a residential unit. This represents minimum compliance with Pennsylvania law, PWSA's Commission-approved tariff, and with PWSA's obligation to provide reasonable, adequate, efficient, and safe service under the Public Utility Code. We also note that PWSA should provide customers with appropriate standards and drawings for residential backflow protection installation.

PWSA's lead service line replacement plan also contains certain terms and conditions relieving PWSA of any liability for losses which occur as a result of work performed by PWSA or its contractors when replacing customer-owned lead service lines on customer property. We note that it does not appear that the Commission approved a limitation of liability provision in the recent Pennsylvania American Water Company Petition for approval of its lead service line replacement program at Docket No. P-2017-2606100. We believe that this issue should be further reviewed in the ongoing working group at Docket No. M-2019-3013286 to develop a uniform approach to lead service line replacement.

We look forward to continuing our successful transition of PWSA to the Commission's jurisdiction. We also look forward to the novel issues that will be presented to the Commission by the PWSA in the near future, including consideration of the new Cooperation Agreement between PWSA and the City of Pittsburgh and PWSA's rate case filings for water, wastewater, and stormwater service. We are hopeful that we will continue a smooth path forward.

Date: March 26, 2020



RALPH V. YANORA
COMMISSIONER



JOHN F. COLEMAN, JR.
COMMISSIONER

¹ The Pittsburgh Water and Sewer Authority Tariff Water – Pa. P.U.C. No. 1 (Effective March 1, 2019).