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September 30, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: PA Public Utility Commission et al., v. Pittsburgh Water and Sewer Authority - Water
Docket Nos. R-2020-3017951 et al.;

PA Public Utility Commission et al., v. Pittsburgh Water and Sewer Authority –
Wastewater, Docket Nos. R-2020-3017970 et al., and

Petition of 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

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Joint Petition for Settlement, which includes
Appendices A through H, regarding 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: Hon. Mary Long w/out enc.
Hon. Emily Devoe w/out enc.
Cert. of Service w/out enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PWSA's Joint Petition for Settlement upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email and FedEx for Non-Represented

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Dated: September 30, 2020

A handwritten signature in cursive script that reads "Deanne M. O'Dell". The signature is written in black ink on a light-colored background.

Deanne M. O'Dell, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, <i>et. al.</i>	:	Docket Nos.	R-2020-3017951
	:		C-2020-3019348
	:		C-2020-3019305
v.	:		C-2020-3020747
	:		C-2020-3021067

Pittsburgh Water and Sewer Authority - Water

Pennsylvania Public Utility Commission, <i>et. al.</i>	:	Docket Nos.	R-2020-3017970
	:		C-2020-3019348
v.	:		C-2020-3019302
	:		C-2020-3020538
Pittsburgh Water and Sewer Authority - Wastewater	:		C-2020-3021065
	:		

Petition of 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
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JOINT PETITION FOR SETTLEMENT

Date: September 30, 2020

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I. INTRODUCTION

The Pittsburgh Water and Sewer Authority (“PWSA” or the “Authority”), the Bureau of Investigation and Enforcement, (“BIE” or “I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), Pittsburgh UNITED (“UNITED”) and the City of Pittsburgh (“City”) (collectively, the “Joint Petitioners” or “Parties”),¹ by their respective counsel, submit and join this Joint Petition For Settlement (“Settlement” or “Joint Petition”), between and among all of the active parties in the above-captioned consolidated proceeding;² and request that Administrative Law Judge Mary D. Long and Administrative Law Judge Emily I. DeVoe (collectively, “ALJs”) and the Pennsylvania Public Utility Commission (“Commission” or “PUC”): 1) approve the Settlement and all of its terms and conditions without modification; and, 2) find that the terms of the Settlement are in accordance with the law and are in the public interest.

In support of this Settlement, the Joint Petitioners state as follows:

II. BACKGROUND

1. PWSA, a municipal authority, is a body politic and corporate, organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. §§ 5601, *et seq.* PWSA manages the water and sewer systems of the City of Pittsburgh (“City”) pursuant to a 1995 Capital Lease Agreement dated July 15, 1995 which provides for PWSA’s purchase of the water supply, distribution and wastewater collection systems in 2025. Effective with new law signed on July 23, 2020, PWSA’s management of the City’s assets and other details of their relationship are governed by 71 P.S. §§ 720.211 to 720.213 (referred to as “Act 70”).

¹ The Settlement has been agreed to by all of the active parties in this proceeding.

² Consistent with the Post Hearing Order dated September 21, 2020, a copy of this Settlement is being served upon Ranjan R. Chaudhuri, Catherine Brosky, and Donald Kuhn all of whom filed formal complaints against the proposed rate increase. Pursuant to Ordering Paragraph Number 3 of the Post Hearing Order, any self-represented complainant may file objections to or comments regarding the Settlement no later than Tuesday, October 13, 2020.

2. PWSA became subject to the Commission’s jurisdiction effective April 1, 2018. *See* 66 Pa. C.S. § 3201 *et seq.* (“Chapter 32”). The Authority provides water service to approximately 80,000 residential, commercial and industrial customers in portions of the City of Pittsburgh (“City”); the Borough of Millvale; and portions of Reserve, O’Hara, and Blawnox Townships, Allegheny County. The Authority also provides wastewater conveyance service to customers located in the City and conveys wastewater for portions of twenty-four neighboring communities.
3. There have been numerous proceedings involving PWSA’s transition to the Commission’s jurisdiction including: (1) an initial base rate proceeding (Docket No. R-2018-3002645); (2) Stage 1 of an overall Compliance Plan Proceeding (Docket Nos. M-2018-2640802 and M-2018-2640803); (3) a Long-Term Infrastructure Improvement Plan (“LTIIIP”) proceeding (Docket Nos. P-2018-3005037 and P-2018-3005039); and, (4) a Section 507 City Cooperation Agreement filing (Docket No. U-2020-3015258).
4. On March 6, 2020, PWSA initiated this proceeding by requesting multiyear increases to water and wastewater total annual operating revenues of approximately \$43.4 million, consisting of a 25.4% increase, for 2021 (including the requested 10% DSIC for both water and wastewater). For 2022, PWSA sought an additional \$12.6 million, a 6.4% increase in base rates. PWSA also filed: (a) Petition to implement a Distribution System Improvement Charge (“DSIC”) and requested waivers as necessary to implement a 10% cap, to permit levelization of DSIC charges and to authorize the Pay-As-You Go method of Financing; (b) Petition for Consolidation of Water and Wastewater Rate Proceedings and for Authorization to use Combined Water and Wastewater Revenue Requirements; and, (c) Petition for Consolidation of DSIC Waiver Petition for Rate Proceedings.

5. A more complete description of the related proceedings and the procedural history of this proceeding as well as a stipulation of facts, proposed conclusions of law and ordering paragraphs is attached hereto as Appendix A.
6. A list of commonly used acronyms is attached hereto as Appendix B.
7. Section III below sets forth the agreed-to proposals of the Joint Petitioners that they respectfully request that the Commission approve. In support of the agreed-to proposals, Appendix C sets forth the agreed-to allocation of the proposed settlement rate increase. Appendix D sets forth the rates and proof of revenue for 2021 existing rates, PWSA's initial rate request and the proposed settlement rates. Appendix E provides typical bill impacts under existing rates and the proposed settlement rates and Appendix F provides a comparison of PWSA's initial rate request with the proposed settlement rates. Finally, Appendices G and H are the proposed *pro forma* tariffs for water and wastewater to set forth the agreed-to settlement terms.
8. Joint Petitioners submit that this Settlement is in accordance with the law, just and reasonable, and in the public interest. Section V below sets forth the reasons why the Joint Petitioners submit that the Settlement is in the public interest and should be approved. In further support of this Settlement and consistent with Post Hearing Order Setting Deadlines for Filing of Settlement and Objections to the Settlement, Joint Petitioners will file individual Statements in Support of the Settlement on October 7, 2020 to explain the reasons why they support the Settlement (or specific terms of the Settlement).

III. TERMS AND CONDITIONS OF SETTLEMENT

9. On March 6, 2020, the Governor of the Commonwealth of Pennsylvania, Tom Wolf, issued a Proclamation of Disaster Emergency due to the coronavirus pandemic.³ Governor Wolf directed the “Closure of All Business That Are Not Life Sustaining” in mid-March and issued a state-wide “Stay at Home” Order on April 1, 2020. Governor Wolf subsequently established a reopening and recovery plan to resume non-life sustaining business operations in Pennsylvania. In light of the unprecedented disruptions and challenges presented by the coronavirus pandemic, the Settling Parties support approving PWSA’s March 6, 2020 base rate increase filing as modified by the terms and conditions that follow.

A. Revenue Requirements

1. Rates

- a. Water Rates: \$14,150,000 base rate increase (inclusive of DSIC) for service rendered on or after January 14, 2021.
- b. Wastewater Rates: \$4,850,000 base rate increase (inclusive of DSIC) for wastewater conveyance service rendered on or after January 14, 2021.

2. Distribution System Improvement Charge (“DSIC”)

- a. PWSA will implement a 5% DSIC (for both water and wastewater) beginning on or after January 14, 2021. Both the water and wastewater DSICs will be capped at 5%
- b. PWSA will not propose any increase to the DSIC cap unless it is in conjunction with a base rate proceeding.
- c. The DSIC shall be levelized at the DSIC cap amount over 12 months
 - i. Billed revenues for the DSIC will be reconciled at end of year with actual DSIC-eligible costs as approved in PWSA’s LTIIPs for water and (separately) wastewater for that one-year

³ The Proclamation of Disaster Emergency issued on March 6, 2020, was to extend until June 4, 2020, unless renewed by Governor Wolf. On June 3, 2020, Governor Wolf amended the Proclamation of Disaster Emergency, and on August 31, 2020, the disaster emergency was extended for an additional ninety (90) days.

reconciliation period; any DSIC amounts billed but not expended will be refunded to customers over a one-year period commencing on April 1 of the following year in the “e” factor.

- ii. To minimize over or under collections, PWSA will, subject to the DSIC cap, adjust the DSIC percentage by October 1 if projected total billings and expenditures for the remainder of the year indicate that a material over or under collection of plus or minus 2% is likely to occur. However, PWSA will make adjustments in earlier quarters if it is able to accurately determine that a material over or under collection is likely to result by the end of the year.
 - iii. In each quarter, whether or not PWSA changes the DSIC percentage, it will file schedules supporting the DSIC rate, which include total DSIC revenue billed, total DSIC recoverable costs, over and under collections and interest, by month. The calculation of DSIC recoverable costs for the applicable period will include the plant account number, PWSA project number, description, location, type and monthly cost for the projects.
- d. DSIC projected recoverable annual costs shall be based on the sum of enumerated water and wastewater DSIC-eligible projects budgets as contained in PWSA’s approved LTIPs for each calendar year.
 - e. Initially, PWSA will utilize DSIC revenue only for PAYGO funding of DSIC-eligible projects. PWSA may also utilize DSIC revenue to recover amounts associated with bond funding of DSIC-eligible projects provided that, prior to using DSIC for this purposes, PWSA will meet with the parties to the Settlement to discuss the parameters and procedures and will provide notice to the Commission of its intent to use DSIC revenue to recover bond related funding. All parties reserve the right to reevaluate the use of DSIC revenue for PAYGO or bond related funding as part of a future base rate proceeding.
 - f. PWSA will not apply the DSIC to amounts billed for public fire protection service.
 - g. Only the statutory waivers of 66 Pa. C.S. § 1350-1360 that are required to effect these settlement provisions are approved. PWSA’s other waiver requests filed at Docket No. P-2020-3019019 are withdrawn without prejudice.

3. Multi-Year Rate Plan

- a. PWSA withdraws its proposed Multi-Year Rate Plan without prejudice.
- b. The Parties support PWSA's filing of a subsequent water and wastewater base rate case at the same time PWSA files a request for a stormwater fee.
- c. The Parties understand that the filing is expected in the first quarter of 2021, but agree that the combined water, wastewater, and stormwater filing will be made no earlier than February 2021.

B. Stormwater Tariff and Compliance Plan Stage 2 Proceeding

1. The Parties agree to defer development of PWSA's Stormwater Tariff to PWSA's combined water, wastewater, and stormwater filing as discussed in Section III.A.3 above.
2. The Parties agree to request that the Commission, as part of approval of this Settlement, consolidate the Compliance Plan Stage 2 Stormwater issues with PWSA's upcoming combined water, wastewater, and stormwater filing as discussed in Section III.A.3 above.

C. Cost Allocation And Rate Design Issues

1. The parties agree PWSA will recover the water and wastewater conveyance revenue increases by customer class as shown in Appendix C.
2. The rates to collect the settlement level of water and wastewater revenues from each class are shown on Appendix D. The rates are based on the following agreed upon criteria:
 - a. Current water minimum charges for all meter sizes will remain unchanged in the Tariff. Class water consumption charges are adjusted to recover the class-specific increase to the agreed upon class cost of service.
 - b. Wastewater conveyance minimum charges and volumetric rates will be adjusted with approximately the same proportionate increase to all existing rates to recover the total agreed upon system increase.
3. All parties reserve their right to address the issue of how to allocate the costs of PWSA's customer assistance programs and its lead service line replacement programs in a future post pandemic case.
4. PWSA will account for the costs of Infiltration and Inflow as part of its combined water, wastewater, and stormwater filing as discussed in Section III.A.3 above. To the extent that PWSA does not account for all

Infiltration and Inflow costs as part of the combined wastewater/stormwater filing, PWSA will address the total costs for the separated system in its subsequent water/wastewater/stormwater rate proceeding.

5. PWSA will provide a customer cost analysis as part of its CCOSS in its combined water, wastewater, and stormwater filing as discussed in Section III.A.3 above as part of its continued exploration of changing its rate design from a minimum charge to a customer charge.

D. Additional COVID-19 Relief Measures (In Addition to Any COVID-19 Related Requirements Imposed by the Commission)

1. PWSA will waive reconnection fees through the end of the next rate case or one year from the date of a final order in this proceeding, whichever is later.
2. PWSA will perform targeted outreach to customers with existing debt to negotiate appropriate payment arrangements and/or assist them with enrollment in PWSA's customer assistance programs, if eligible.
3. For one year from the date of the final order in this case, or until January 14, 2022, whichever is later, PWSA will implement the following payment arrangement process due to the COVID-19 pandemic
 - a. Customers will be offered at least one payment arrangement consistent with the term lengths identified in 66 Pa. C.S. § 1405, except that customers between 250-300% of Federal Poverty Level will be offered a payment arrangement of no less than 24 months; those customers over 300% of the Federal Poverty Level will be offered a payment arrangement of no less than twelve months in length, if warranted based on the customers' facts and circumstances, including their ability to pay regardless of the number of prior arrangements or prior broken payment arrangements on their accounts.
 - b. Victims of domestic violence with a Protection from Abuse Order or other court order which contains clear evidence of domestic violence will be offered a payment arrangement that exceeds the term lengths identified in 66 Pa. C.S. § 1405 if warranted based on the customers' facts and circumstances, including their ability to pay.

4. PWSA will continue to expand its outreach efforts with community partners and will continue to solicit the input and suggestions of the LIAAC members as to how to most effectively pursue this outreach.
5. PWSA will waive its Hardship Grant Program's sincere effort of payment requirements for one year from the date of the final order in this case, or until January 14, 2022, whichever is later.

E. COVID-19 Related Costs And Relief Funding

1. In recognition of the extraordinary, not reasonably foreseeable, and non-recurring circumstances posed by the COVID-19 Pandemic on PWSA's operations, PWSA shall be permitted to track and record as a regulatory asset all COVID-19 Pandemic Costs. PWSA shall be permitted to claim COVID-19 Pandemic Costs for ratemaking purposes in PWSA's next general rate proceeding to be determined in that proceeding. COVID Pandemic Costs that cause PWSA's operating costs for the specific FERC account to exceed budgeted FTY and FPFTY levels shall be eligible for recovery for ratemaking purposes. PWSA shall track any operating costs that are reduced as a result of pandemic operating limitations and use those amounts to offset areas of increased cost in the regulatory asset account. Costs not specifically identifiable as COVID-19 Pandemic Related Costs shall not be eligible for recovery for ratemaking purposes. COVID-19 Pandemic Related Costs are defined as reasonably and prudently incurred incremental labor-related costs; costs incurred to maintain employee and contractor availability; incremental health care related costs; incremental worker's compensation costs; incremental occupational safety equipment, contractor, personnel costs, and annual uncollectible accounts expense.
2. PWSA shall maintain records, documents, and other information necessary to demonstrate that these costs qualify as COVID-19 Pandemic Costs. All parties reserve the right to review the prudence and reasonableness of these costs in the next base rate proceeding, or in any other proceeding in which PWSA may attempt cost recovery.
3. PWSA shall exercise prudent efforts to maximize its utilization of and track any government benefits, whether direct grant or other, to minimize costs to be deferred under this paragraph. PWSA shall provide a report detailing its efforts, any amounts obtained as part of these efforts and their intended use, and, if denied, the reason for such denial as part of its next base rate case.

F. Low Income Customer Assistance Issues

1. Data Tracking

- a. PWSA will implement policies and procedures so that all customers who are identified by PWSA as having income at or below 150% FPL are treated as “confirmed low income customers” and are tracked in PWSA’s CIS as low income using a unique characteristic or data point. PWSA will identify customers as “confirmed low income customers” in the following circumstances:
 - i. Customers who have entered a low income (60-month) payment arrangement;
 - ii. Customers who are enrolled in any of PWSA’s low income assistance programs, including hardship grant recipients, bill discount program participants, winter moratorium participants, the community lead service line replacement program; and
 - iii. Any other circumstances, including self-disclosure of income level – which makes it reasonably likely that the customer is low income.
- b. PWSA will work with Dollar Energy Fund (“DEF”) to ensure the availability of appropriate data and statistical reports related to its low income programming. To that end, PWSA will begin tracking the following data points by month and will work with DEF to ensure that data and statistical reports related to the same can be provided:
 - i. the number of monthly applicants to the BDP;
 - ii. the number of customers that were newly accepted into the BDP;
 - iii. BDP participants by FPL;
 - iv. the number of participants who entered the BDP with unpaid account balances; and
 - v. the average amount of dollars of unpaid account balances for BDP participants at the time those participants entered the BDP.
 - vi. The identified data will be made available to the LIAAC.

2. Pilot Arrearage Forgiveness Program

- a. PWSA will institute a Pilot Arrearage Forgiveness Program whereby any customer currently approved or approved in the future by Dollar Energy Fund to be enrolled in the Bill Discount Program will automatically be eligible to have their water/wastewater arrears forgiven in increments of \$15 per each payment received while the customer is in an active, income based payment plan as documented by PWSA in their Customer Information System.
- b. While a payment plan is active, PWSA will cease assessing any interest on the arrears and will not issue any collection letters or notices to the customer.
- c. Should the customer default on the payment plan, they will have the opportunity to make two catch-up payments to receive the incremental arrearage forgiveness. Future defaults will result in an immediate removal of the customer from the Pilot Arrearage Forgiveness Program. If a customer is removed from the Pilot Arrearage Forgiveness Program, they will be given the opportunity to reenter the program if they pay all missed payments while the customer was enrolled in the Arrearage Forgiveness Program.
- d. PWSA reserves the right to propose to alter or eliminate this program in its next base rate case. All parties reserve the right to address the issues of an arrearage forgiveness program in the next base rate case.
- e. PWSA will develop and implement a plan for automating an Arrearage Forgiveness Program no later than January 2023. All parties reserve the right to address the terms and parameters of the automatized Arrearage Forgiveness Program in the next rate case proceeding.

3. Hardship Grant Program

- a. PWSA will reduce the required eligibility payments for its Hardship Grant Program from \$150 to \$75 for those under 62 years of age and from \$75 to \$37.50 for those aged 62 years and older, consistent with its proposal in this proceeding.
- b. Hardship Grant Fundraising Campaign
 - i. Joining together in this project, PWSA's Public Affairs and Customer Service departments will develop and launch a fundraising mailer to all PWSA customers that is separate from the monthly bill and is persuasive in nature, including reference to the current pandemic, for the purpose of soliciting monetary donations to be made directly to the Dollar Energy Fund and to be applied to PWSA's Hardship Grant Program.

- ii. Donations will be encouraged in a reply envelope provided to the customer and via an online splash page created for PWSA's Hardship Grant Program. This fundraising shall take place annually, in the fourth quarter of the year.
- iii. PWSA will work with LIAAC to develop additional sources and methods of fundraising for the Hardship Grant and will specifically consider developing a process whereby customers may make online donations and how to include donation information in monthly bills.
- iv. If PWSA secures additional consistent future funding for the Hardship Grant program then it will evaluate whether to increase the current eligibility threshold of at or below 150% FPL.

4. Bill Discount Program

- a. PWSA will waive the requirement that currently enrolled Bill Discount Program participants have to certify for a period of one year after the order in this proceeding. Thereafter, BDP participants will need to recertify every two years.
- b. PWSA will conduct bill frequency analysis that shows actual billed usage of participants in 1,000 gallons of usage and provide the results with its next rate case filing.
- c. PWSA will share the results of its analysis in its next base rate case and will also share the results with the LIAAC.
- d. PWSA will, in this proceeding, increase the discount of fixed base charges from 75% to 100% as proposed in its rate case testimony.
- e. In addition to (d), existing and future Bill Discount recipients with income at or below 50% of Federal Poverty Level will receive a discount of 20% of the volumetric charge for all usage.
- f. The parties agree that these provisions are agreed to without prejudice to address issues regarding the modified BDP or other programs related to customer assistance in PWSA's next rate filing.

5. Evaluation of Customer Assistance Programs and Future Enhancements

- a. Members of the LIAAC will identify any specific concerns about PWSA's customer assistance programs and/or their administration for further discussion at either a scheduled LIAAC meeting or through the scheduling of a special meeting focused on the concerns raised.
- b. All parties reserve the right to raise issues regarding the use of a fixed payment PIPP in PWSA's next rate filing and future rate filings.
- c. PWSA, the Office of Consumer Advocate and low-income stakeholders agree to request that the Commission, as part of the approval of this Settlement, initiate a proceeding to consider whether to extend the "CAP Policy Statement" to the Public Utility Commission regulated water and wastewater utilities. OCA and the low-income stakeholders reserve the right to file a Petition to request the proceeding. All parties reserve their right to address the issue of how to allocate the costs of PWSA's customer assistance programs and its lead service line replacement programs in a future post pandemic case.

6. Winter Shut Off Moratorium

- a. PWSA will increase the income eligibility for the Winter Shut Off Moratorium from up to 250% of FPL to up to 300% of FPL, consistent with its proposal in this proceeding.

7. Customer Outreach and Conservation

- a. The PGH2o Cares team will focus on customers who are at or below 50% of the Federal Poverty Level and who have higher than average consumption identified during the pre-bill editing process. Their goal is to increase enrollment in PWSA's customer assistance programs and to engage in conservation marketing, enrollment materials, and in-home canvassing efforts. Planned outreach activities will also be informed through suggestions and feedback received from the Low Income Assistance Advisory Committee ("LIAAC").
- b. PWSA will work with stakeholders on exploring additional outreach to hard-to-reach customers: (1) to evaluate PWSA's current outreach; and, (2) to design and implement a revised outreach program for its low-income bill discount program. The outreach program will explicitly identify how PWSA will:
 - i. Use the community as a means of identifying and engaging in the hard-to-reach population;
 - ii. Go to the community (reaching them "where they live, work, shop, play and pray");

- iii. Rely on grassroots “trusted messengers” from within the community as a means of delivering outreach.
- c. Line Repair and Conservation Program
- i. PWSA will continue to investigate the current barriers to working inside a customer’s home, while also collaborating with LIAAC on these issues. This evaluation will include the costs of the program as well as how such costs are to be recovered. PWSA’s evaluation will also include, but not be limited to, the feasibility and costs of including the following elements lead detection, repair, and education as well as other conservation measures such as low flow showerheads, replacing leaking toilets and faucets with water-saving devices, installing faucet aerators, and repairing or replacing water service lines.
 - ii. PWSA will share its progress with LIAAC as it works to develop its line repair and conservation plan.
 - iii. PWSA will file a Petition for a proposed line repair and conservation program within one year after entry of the Commission’s final order in this matter. This Petition will include a proposal for line repair for low income customers as well as a cost recovery proposal.

G. Customer Service Issues

- 1. In consultation with LIAAC, PWSA will develop a program of routine customer service satisfaction surveys and will utilize the proposed performance standards outlined in OCA St. No. 7SR at 15 as a guide. PWSA agrees to implement the program within one year of the Commission’s final order. PWSA will include the results of its surveys (when available) in its Quarterly Compliance Plan Progress Reports filed at Docket No. M-2018-2640802.
- 2. PWSA agrees to eliminate the additional fees for residential customers to make Interactive Voice Response and on-line payments effective within 30 days of the final order.
- 3. PWSA agrees, to the extent practicable, to make all reasonable efforts to meet or exceed its call center performance standards and to take steps to correct non-compliance where it occurs. PWSA agrees to provide a description of its efforts to address non-compliance in its Quarterly Compliance Plan Progress Reports filed at Docket No. M-2018-2640802.

4. PWSA will adopt a performance standard that measures PWSA's response time to leak reports within one year after entry of the order in this proceeding. PWSA will adopt a performance standard that measures whether appointments are kept by PWSA within six months after the entry date of the order in this proceeding. PWSA will include in its Quarterly Compliance Plan Progress Reports filed at Docket No. M-2018-2640802, performance data on repair time and kept appointments when available.

H. Quality Of Service Issues

1. PWSA will provide its Unaccounted for Water percentages on the Commission's Section 500 form, starting with the 2020 period. Data to be included in the 2020 Section 500 form will be as complete as possible given that PWSA does not have flow meters on Rising Main 1, Rising Main 2, and the Hydraulic Control Structure.
2. PWSA will commit to exercising approximately 5,000 isolation valves per year and will repair the isolation valves that are found to be inoperable. PWSA will strive to exercise more isolation valves per year if funding and staffing resources are available.
3. As customers are more willing to permit PWSA access to their meters once concerns about social distancing associated with the current pandemic subside, PWSA will test or replace at least 10,000 meters per year until all of the undocumented meters are either tested or replaced.
4. Within 90 days after entry of the Commission's final order, PWSA will implement a program to flush one-third of the distribution system each year so that one-third of the distribution system is flushed during 2021.
5. PWSA will meet with interested parties no later than March 16, 2021 to discuss the Consultant's report addressing feasibility of owning and/or maintaining wastewater laterals within public easements/rights-of-ways.
6. PWSA will continue its efforts to coordinate with neighboring utilities, municipalities and the Pennsylvania Department of Transportation on future planned capital and operating projects, including water, sanitary, or storm sewer infrastructure replacements and/or improvements.
7. PWSA will revise its minimum warranty on workmanship and material on lead service line replacements to comply with the industry-wide standard that the Commission is expected to establish pursuant to Act 120 of 2018.

8. PWSA will provide a key as part of its discovery response in future rate cases that will identify water, sanitary sewer (which includes the combined system), and stormwater when its field operations staff uses the SpryMobile Work orders and Asset Management system.
9. PWSA will maintain data in a format that can be sorted by date, address, character of the complaint, including the designation of water, sanitary sewer, combined sewer, and stormwater, and the final disposition of the complaint.

IV. ADDITIONAL TERMS AND CONDITIONS

10. 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.
11. It is understood and agreed among the Joint Petitioners that the Settlement is 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.
12. 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. 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.
13. 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 herein, this Partial Settlement may be

withdrawn upon written notice to the Commission and all parties within five (5) business days following entry of the Commission's Order by any of the Joint Petitioners and, in such event, shall be of no force and effect. In the event that the Commission disapproves the Settlement or PWSA 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 Briefs, Exceptions and Replies to Exceptions.

14. All Joint Petitioners shall support the Settlement, and will make reasonable and good faith efforts to obtain approval of the Settlement by the ALJs and the Commission without modification. The Joint Petitioners agree that such good faith efforts do not necessarily include opposing or responding to comments or oppositions to the Settlement. 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.

15. If the ALJs, in their Recommended Decision, recommend 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 ALJs in their Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

16. 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.

17. Consistent with the Post Hearing Order dated September 21, 2020, a copy of this Settlement is being served upon Ranjan R. Chaudhuri, Catherine Brosky, and Donald Kuhn all of whom filed formal complaints against the proposed rate increase. Pursuant to Ordering Paragraph Number 3 of the Post Hearing Order, any self-represented complainant may file objections to or comments regarding the Settlement no later than Tuesday, October 13, 2020.

V. THE SETTLEMENT IS IN THE PUBLIC INTEREST

18. This Settlement was achieved by the Joint Petitioners after an extensive investigation of PWSA's filings in consideration of all the other unanticipated events, including the COVID-19 pandemic, Commission actions in related proceedings, and the passage of new law regarding the relationship between the City and PWSA. The Petitioners engaged in extensive informal and formal discovery and numerous settlement discussions. They also carefully reviewed and considered the direct, rebuttal, surrebuttal, supplemental direct, and rejoinder testimony (to include all the supporting exhibits) filed by many of the Joint Petitioners.

19. On October 7, 2020, the Joint Petitioners will file their Statements in Support setting forth the bases upon which each of them believes that the Settlement and the Compliance Terms are in the public interest and should be approved.

20. The Joint Petitioners submit that the Settlement is in the public interest for the following additional reasons:

- a. **The Settlement Provides A Reasonable Resolution.** The Settlement represents a balanced compromise of all of the active parties in this proceeding and fairly balances PWSA’s revenue needs with the challenges raised by the parties concerning a rate increase at this time. The Settlement is also responsive to other issues raised by the Joint Petitioners.
- b. **Substantial Litigation And Associated Costs Will Be Avoided.** The Settlement amicably and expeditiously resolves a substantial number of issues permitting PWSA to provide safe and effective service at just and reasonable rates by focusing resources on implementing the agreed-to additional customer service projects, the additional COVID-19 relief measures, and continuing progress regarding its Capital Improvement Plan.
- c. **The Settlement Is Consistent With Commission Policies Promoting Negotiated Settlements.** The Joint Petitioners arrived at the Settlement, after conducting extensive discovery and numerous in-depth discussions. The Settlement constitutes reasonably negotiated compromises on the issues addressed. Thus, the Settlement is consistent with the Commission’s rules and practices encouraging settlements, 52 Pa. Code §§ 5.231, 69.391, 69.401-69.406, and is supported by a substantial record.

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request that the ALJs approve the Settlement as set forth herein, including all terms and conditions, without modification.

Respectfully submitted,



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Dated September 30, 2020

APPENDIX A

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, <i>et. al.</i>	:	Docket Nos.	R-2020-3017951
	:		C-2020-3019348
v.	:		C-2020-3019305
	:		C-2020-3020747
Pittsburgh Water and Sewer Authority - Water	:		C-2020-3021067
Pennsylvania Public Utility Commission, <i>et. al.</i>	:	Docket Nos.	R-2020-3017970
	:		C-2020-3019348
v.	:		C-2020-3019302
	:		C-2020-3020538
Pittsburgh Water and Sewer Authority - Wastewater	:		C-2020-3021065
Petition of 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

**PROCEDURAL HISTORY, STIPULATION OF FACTS, CONCLUSIONS OF LAW
AND ORDERING PARAGRAPHS**

Background Regarding Commission Jurisdiction and Related Proceedings

1. On December 21, 2017, Governor Wolf signed Act 65 of 2017 into law whereby the Public Utility Code was amended to add new language subjecting the Pittsburgh Water and Sewer Authority's ("PWSA") water and wastewater operations to regulation by the Commission effective April 1, 2018. *See* 66 Pa. C.S. § 3201 *et seq.* ("Chapter 32").
2. On January 18, 2018, the Commission initiated a proceeding to propose methods by which it and PWSA could carry out the tariff approval, ratemaking, compliance plan, and assessment provisions of Chapter 32. *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*, Docket Nos. M-2018-2640802 and M-2018-2640803, Tentative Implementation Order entered January 18, 2018.

3. The following actions and proceedings followed the guidance provided by the Commission as part of its Implementation Orders:

PWSA’s Initial Tariffs and Approved Rates

- a. On March 30, 2018, PWSA filed its “Official Prior Tariff” (known as its Rules and Regulations).
- b. On July 2, 2018, PWSA filed an initial base rate seeking approval of initial water and wastewater tariffs. A full settlement was approved by Opinion and Order entered February 27, 2019. *Pennsylvania Public Utility Commission, et. al. v. Pittsburgh Water and Sewer Authority*, Docket No. R-2018-3002645. PWSA’s Tariff Water – Pa. P.U.C. No. 1 and Tariff Wastewater – Pa. P.U.C. No. 1 became effective on March 1, 2019.

Compliance Plan Proceeding

- c. On September 28, 2018, PWSA filed a Compliance Plan, which was supplemented on February 1, 2019. On November 28, 2018, the Commission announced a staged review of PWSA’s Compliance Plan.

Stage 1 – Compliance Plan Proceeding

- d. Stage 1 of PWSA’s Compliance Plan proceeding was directed toward urgent infrastructure remediation and improvement and the revenue and financing requirements of maintaining service that supports public health and safety. *Assignment of the Pittsburgh Water and Sewer Authority Compliance Plan to the Office of Administrative Law Judge*, Docket No. M-2018-2640802 and M-2018-2640803, Secretarial Letter (Corrected) dated November 28, 2018. Additionally, as part of Stage 1 and alongside the Secretarial Letter, the Commission issued a series of Directed Questions that parties to the Compliance Plan were asked to address as part of the Stage 1 proceeding.
- e. The Commission approved, with modifications regarding lead service line (“LSL”) replacements, a Partial Settlement of 139 of the 185 discrete issues in the Stage 1 proceeding and resolved the remaining issues reserved for litigation pursuant to orders entered March 26, 2020 and June 18, 2020. *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1*, Docket Nos. M-2018-2640802 and M-2018-2640803 (Order entered March 26, 2020) (“Stage 1 Compliance Plan Order”).
- f. PWSA filed a revised Compliance Plan on April 27, 2020 pursuant to the Stage 1 Compliance Plan Order.
- g. In its June 18, 2020 Opinion and Order on reconsideration regarding Stage 1, the Commission directed PWSA to meet with parties to its Compliance Plan

proceeding to discuss various issues related to the Commission's modifications related to the proposed LSL replacement program and file an LSL compliance proposal with the Commission which is due September 30, 2020.

- h. Two appeals are currently pending regarding the Commission's Stage 1 orders. *See City of Pittsburgh v. PUC*, 680 CD 2020, Petition for Review filed July 17, 2020; and, *The Pittsburgh Water and Sewer Authority v. PUC*, 689 CD 2020, Petition for Review filed July 20, 2020.

Stage 2 – Compliance Plan Proceeding

- i. Pursuant to Secretarial Letter dated May 15, 2019, the Commission identified the following issues to be addressed in Stage 2 (in addition to the previously announced inclusion of the development of a Stormwater Tariff): (a) the language, format and method of providing suspension and termination notices pursuant to Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations; (b) PWSA's compliance with the Discontinuance of Service to Leased Premises Act, 66 Pa. C.S. §§ 1521-1533; and, (c) PWSA's plan for collections (to include strategies to reduce overall uncollectibles and to ensure collections practices for residential customers are consistent with legal requirements). *Grant of Expedited Motion for Extension of Deadlines*, Docket Nos. M-2018-2640802 and M-2018-2640803, Secretarial Letter dated May 15, 2019.
- j. On January 24, 2020, the Commission determined that Stage 2 of the compliance plan process shall commence no later than 60 days after the entry of a final unappealable order on Stage 1.
- k. Due to the pending appeals of the Stage 1 Orders, Stage 2 of PWSA's Compliance Plan proceeding has not yet commenced.

Long-Term Infrastructure Improvement Plan

- l. On September 28, 2018, PWSA filed a Long-Term Infrastructure Improvement Plan ("LTIIP") related to its water and wastewater operations. On April 27, 2020, PWSA filed an Amended LTIIP pursuant to the Stage 1 Compliance Plan Order entered March 26, 2020. Both were approved by the Commission on August 27, 2020. *Petition of Pittsburgh Water and Sewer Authority for Approval of its Amended Long-Term Infrastructure Plan*, Docket Nos. P-2018-3005037 (water) and P-2018-3005039 (wastewater), Opinion and Order entered August 27, 2020.

City Cooperation Agreement and 71 P.S. §§ 720.211 to 720.213 ("Act 70")

- m. The City of Pittsburgh ("City") owns the Water and Sewer Systems and leases them to PWSA under a 1995 Capital Lease Agreement dated July 15, 1995. PWSA manages the Water and Sewer Systems and will purchase them in

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2025. Currently, PWSA is responsible for the day-to-day management, operation, maintenance and improvement of virtually the entire City water supply, distribution, and wastewater collection systems. (PWSA St. No. 1 at 8, 11).
- n. PWSA's management of the City's assets and other details of their relationship have historically been governed by a 1995 Cooperation Agreement, which was amended on March 21, 2011 and officially expired on October 9, 2019. (PWSA St. No. 2 at 3-4).
 - o. A revised Cooperation Agreement was negotiated by the City and PWSA to provide for the rights and *obligations* of each party with respect to the other, and for payments and capital cooperation between the parties. The revised Cooperation Agreement was executed on December 13, 2019 with an effective date of October 3, 2019 ("2019 Cooperation Agreement"). (PWSA St. No. 2 at 4-5).
 - p. PWSA filed the 2019 Cooperation Agreement with the Commission on December 20, 2019 pursuant to Section 507 of the Public Utility Code, 66 Pa. C. S. § 507, at Docket No. U-2020-3015258. (PWSA St. No. 2 at 5-6).
 - q. In its Stage 1 Compliance Plan Order entered March 26, 2020, the Commission referred the 2019 Cooperation Agreement to the Office of Administrative Law Judge ("OALJ") for hearings and a decision. (PWSA St. No. 2-SD at 1-3).
 - r. On July 23, 2020, Governor Wolf signed Act 70, which provides that the 2019 Cooperation Agreement has "the force and effect of law" until January 1, 2025, unless PWSA and the City mutually agree to an earlier termination date. 71 P.S. § 720.212. Also, Act 70 provides that the 2019 Cooperation Agreement shall "supersede, during the term of the cooperation agreement, any provision of 66 Pa. C.S. Pt. I, a commission regulation, policy statement, order and regulatory proceeding as they pertain to issues covered by the cooperation agreement, including the authority's rates, terms and conditions of service rendered to the city and the respective rights and duties between the authority and the city." 71 P.S. § 720.213(a). (PWSA St. No. 2-R at 1-3)
 - s. Based upon the enactment of Act 70, PWSA filed an unopposed Petition for Leave to Withdraw the Cooperation Agreement at Docket U-2020-3015258. The OALJ issued an Initial Decision on September 1, 2020 recommending that the Petition for Leave to Withdraw be granted. No Exceptions were filed to the Initial Decision and it is pending review by the Commission.

Procedural History of this Proceeding

4. On March 6, 2020, PWSA initiated this proceeding by requesting an increase in base rates for water and wastewater services for 2021 and 2022. PWSA also filed:
 - a. Petition to implement a Distribution System Improvement Charge (“DSIC”) and requested waivers as necessary to implement a 10% cap, to permit levelization of DSIC charges and to authorize the Pay-As-You Go method of Financing;
 - b. Petition for Consolidation of Water and Wastewater Rate Proceedings and for Authorization to use Combined Water and Wastewater Revenue Requirements; and,
 - c. Petition for Consolidation of DSIC Waiver Petition for Rate Proceedings.

5. Included with PWSA’s base rate filing was proposed 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 which included multiyear increases to water and wastewater total annual operating revenues of approximately \$43.4 million, a 25.4% increase, for 2021 (including the requested 10% DSIC) and an additional \$12.6 million, a 6.4% increase, for 2022. PWSA’s filing also included a *Pro Forma* Stormwater Tariff though PWSA did not propose to develop or implement a Stormwater fee as part of this proceeding.

6. The same day that PWSA made its base rate increase filing, the Governor of the Commonwealth of Pennsylvania, Tom Wolf, issued a Proclamation of Disaster Emergency due to the coronavirus pandemic. Governor Wolf extended the Proclamation by ninety days on June 3, 2020 and again on August 31, 2020.

7. The Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance on March 9, 2020.

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Joint Petition for Settlement PWSA Rate Case R-2020-3017951

8. On March 19, 2020, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance and Formal Complaint at Docket Nos. C-2020-3019305 (Water) and C-2020-3019302 (Wastewater) in the above-captioned proceedings. OSBA also filed a complaint to the DSIC Petition at C-2020-3019302.
9. Discovery was first served to PWSA on March 19, 2020 and continued through August 27, 2020. PWSA responded to 1,788 discovery requests (inclusive of subparts) from the parties. The parties collectively responded to 224 discovery requests from PWSA.
10. On March 20, 2020, Pittsburgh UNITED (“UNITED”), through its legal counsel at the Pennsylvania Utility Law Project (“PULP”), filed a petition to intervene in the above-captioned proceedings.
11. On March 24, 2020, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearance and Formal Complaint at Docket Nos. C-2020-3019348 (Water) and C-2020-3019349 (Wastewater).
12. On March 31, 2020, I&E filed an Expedited Motion for an Extension of the Statutory Suspension Period by a period of time commensurate with the closure of the Commission’s offices during the coronavirus pandemic. (“Motion for Extension”). Answers to the Motion for Extension were filed by UNITED, OCA, OSBA, and PWSA.
13. On April 16, 2020, the Commission suspended PWSA’s base rate filing for investigation until December 5, 2020. On April 27, 2020, PWSA filed Supplement No. 2 to Tariff Water – Pa. P.U.C. No. 1 and Supplement No. 2 to Tariff Wastewater – Pa. P.U.C. No. 1 suspending Supplement No. 1 of the Water and Wastewater Tariffs until December 5, 2020.

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Joint Petition for Settlement PWSA Rate Case R-2020-3017951

14. On April 17, 2020, PWSA filed a Petition to Consolidate the then-pending 2019 Cooperation Agreement proceeding at U-2020-3015258 with this base rate proceeding.
15. A prehearing conference was held on April 22, 2020. Following a significant discussion with the parties regarding the various motions to consolidate and I&E's Motion for Extension, the parties were directed to continue to confer and attempt to reach a consensus on a litigation schedule.
16. On May 1, 2020, a further prehearing conference was held during which the parties explained the settlement they had reached regarding I&E's Motion for Extension. Establishing a litigation schedule for this proceeding consistent with the settlement reached among the parties was dependent on the scheduling by the Commission of a special meeting during the last week of December 2020 to decide the matters presented in this proceeding. The parties further agreed that if the Commission did not act to schedule the requested special meeting within two weeks of the May 1, 2020 prehearing conference, then the agreed-to procedural schedule would be adjusted based on a public meeting date of January 14, 2021.
17. On May 15, 2020, PWSA served Supplemental Direct Testimony which included:
 - a. a new Municipal Rate applicable to the City; an unmetered (or flat) rate for unmetered City-owned buildings and properties; and, assumption by PWSA of 100% of the cost responsibility for installing new meters for City properties pursuant to the Commission's March 26, 2020 Order regarding PWSA's Stage 1 Compliance Plan;
 - b. explanation of the impacts on PWSA as a result of the ongoing COVID-19 pandemic; and,
 - c. proposed new tariff provisions to incorporate the replacement of customer-owned lead water service lines consistent with the Commission's direction in the March 26, 2020 Order regarding PWSA's Stage 1 Compliance Plan. (PWSA Exh. BK-5).

Appendix A
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18. On May 19, 2020, PWSA filed Supplement No. 4 to Tariff Water – Pa. P.U.C. No. 1 and Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 1 to voluntarily extend the suspension period until January 24, 2021.
19. In the Prehearing Order dated May 19, 2020, a litigation schedule was established based on the agreement in principle reached by the parties regarding I&E’s Motion for Extension and the lack of Commission action to schedule a special public meeting during the last week of December 2020. The following PWSA Petitions filed on March 6, 2020 were granted: (1) PWSA’s Petition to consolidate water and wastewater proceedings and to use combined water and wastewater revenue requirements; and, (2) PWSA’s Petition to consolidate the DSIC waiver proceeding with the rate proceedings. PWSA’s Petition to consolidate the City Cooperation Proceeding with the rate proceedings was denied.
20. Consistent with the Prehearing Order, Public Input Hearings were advertised and held on July 7, 2020, July 8, 2020 and July 9, 2020.
21. On June 26, 2020, Ranjan Chaudhuri filed a formal complaint (C-2020-3020538) against the wastewater base rate increase filing. PWSA, in lieu of filing an answer, relied upon 52 Pa. Code § 5.61(d), which provides: “For complaints which are docketed with Commission-initiated rate proceedings, an answer may be filed within 10 days of date of service. However, an answer is not required, except as may be directed by the Commission or the presiding officer.”
22. On July 10, 2020, Catherine Brosky filed a formal complaint (C-2020-3020538) against the water base rate increase filing. PWSA, in lieu of filing an answer, relied upon 52 Pa. Code § 5.61(d).

Appendix A
Joint Petition for Settlement PWSA Rate Case R-2020-3017951

23. On July 16, 2020, Donald Kuhn filed a formal complaint (C-2020-3021067) against the water base rate increase filing and a formal complaint (C-2020-3020538) against the wastewater base rate increase filing. PWSA, in lieu of filing an answer, relied upon 52 Pa. Code § 5.61(d).
24. On July 21, 2020, Direct Testimony was served on behalf of I&E, OCA, OSBA, Pittsburgh UNITED and the City of Pittsburgh.
25. On August 18, 2020, Rebuttal Testimony was served on behalf of PWSA, OCA, OSBA and Pittsburgh UNITED.
26. On August 27, 2020, the Commission entered Orders approving the Petitions for Approval of an Amended Long-Term Infrastructure Improvement Plan (“LTIIP”) filed by PWSA for its water operations (P-2018-3005037) and for its wastewater operations (P-2018-3005039).
27. On August 27, 2020, a Stipulation Recognizing the Impact of Act 70 Upon PWSA’s Municipal Rate Proposal was filed at the docket in this base rate proceeding setting forth the agreement of the Stipulated Parties to withdraw any proposed Municipal Rate and any such recommendation or evidence in support of any recommended Municipal rate. The Stipulation as well as a description of Party-by-Party Compliance with Paragraph 8 was entered into the record during the September 21, 2020 evidentiary hearing.
28. On September 4, 2020, Surrebuttal Testimony was served on behalf of I&E, OCA and OSBA.
29. On September 11, 2020, Rejoinder Testimony was served on behalf of PWSA.
30. On September 18, 2020, the Parties advised the Administrative Law Judges (“ALJs”) that they reached a settlement in principle on all issues and an evidentiary hearing was held

on September 21, 2020 to admit evidence into the record and to develop a procedural schedule for the submission of the settlement.

31. Pursuant to Post Hearing Order dated September 21, 2020, a schedule for submission of the Joint Petition for Settlement was established as well as the process for any self-represented complainant to file objections or comments regarding the settlement.
32. On September 30, 2020, PWSA filed a unanimous Joint Petition for Settlement, which resolves all issues raised in this proceeding.

Parties

33. PWSA is a municipal authority. It is a body politic and corporate, organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. §§ 5601, *et seq.* PWSA is regulated as a public utility pursuant to the Public Utility Code. 66 Pa. C.S. § 3201, *et seq.* As a public utility, the Authority provides water service to approximately 80,000 residential, commercial and industrial customers in portions of the City of Pittsburgh (“City”); the Borough of Millvale; and portions of Reserve, O’Hara, and Blawnox Townships, Allegheny County. The Authority also provides wastewater conveyance service to customers located in the City and conveys wastewater for portions of twenty-four neighboring communities.
34. The Bureau of Investigation and Enforcement (“I&E”) was created by the Commission pursuant to 66 Pa. C.S. § 308.2(a)(7) as a prosecutory bureau for purposes of, *inter alia*, representing the public interest in ratemaking matters before the Office of Administrative Law Judge (“OALJ”). *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011, at 4-5).

35. The Office of Consumer Advocate (“OCA”) is empowered to represent the interests of Pennsylvania consumers before the Commission, pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. C.S. §§ 3-901 *et seq.*
36. The Office of Small Business Advocate (“OSBA”) is authorized by the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50, to represent the interests of small business consumers of utility services in matters before the Commission.
37. Pittsburgh UNITED is a coalition of community, labor, faith, and environmental organizations committed to advancing the vision of a community and economy that works for all people. Its members work collectively to build a community whereby all workers are able to care for themselves and raise their families, sharing in the prosperity generated by economic growth and development.
38. The City of Pittsburgh (“City”), a Home Rule Municipality organized and existing under the Home Rule Charter and Optional Plans Law, 53 Pa. C.S. §§ 2901 *et seq.* and city of the second class by statutory designation, is a political subdivision of the Commonwealth of Pennsylvania. The City established PWSA in 1984 to assume responsibility for operating the City’s water supply and distribution and wastewater collection systems (“Water and Sewer Systems”).

Specific Information Regarding PWSA’s Base Rate Proposals

39. PWSA’s original base rate filing requested an increase in annual base rates of \$24.200 million. PWSA also sought approval for a DSIC, which capped at 10% and coupled with the requested base rate increase, would result in a total revenue increase of \$43.800 million, or approximately 25.4%, in 2021. PWSA further requested a second increase in

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annual base rates in year 2022 of \$12.600 million, or approximately 6.4%. (PWSA St. No. 5 at 3; PWSA St. No. 3 at 2-3, 5).

40. The principal reasons for PWSA's request for a rate increase were to fund: (1) PWSA's Operating Budget for 2021; and (2) PWSA's Capital Improvement Plan ("CIP"). (PWSA St. No. 5 at 3). The major cost drivers for the fully projected future test year ("FPFTY"), as identified by PWSA, included salaries and associated benefits; debt service; operating contracts; non-capital facility improvements and systems upgrade. (PWSA St. No. 3 at 7-8).
41. The PWSA Board of Directors approved the 2020-2024 CIP on September 27, 2019, which includes over \$1 billion in capital improvements. The CIP includes funding for projects that are related to two Consent Orders and Agreements ("COA") issued in 2017 and 2019 and one Administrative Order issued in 2017 by the Pennsylvania Department of Environmental Protection ("PA DEP"). (PWSA St. No. 5 at 4-5; PWSA St. No. 4 at 8).
42. The 2017 COA contained a series of mandates related to lead service line replacement. Under the 2019 COA, PWSA is required to (a) construct a treated water bypass system to enable it to remove the existing and compromised clearwell from service and replace it with a new redundant storage system; and (b) address cross-connections within PWSA's system. Through the 2017 Administrative Order, the PA DEP directed PWSA to take actions designed to comply with safe drinking water laws. (PWSA St. No. 4 at 8-13).
43. Failure to timely comply with the 2019 COA will result in public health issues as well as fines or other disciplinary actions. If PWSA is unable to fulfill these obligations, it will

be subject to payment of monetary penalties, which would be the responsibility of its ratepayer. (PWSA St. No. 4 at 10).

44. As a result of about 30 years of little to no investment in the water, sewer and stormwater systems, PWSA's CIP focuses on restoring and sustaining cost-effective operations that comply with all regulatory requirements, while optimizing the system's asset performance and life expectancy in accordance with accepted utility metrics. The 2020-2024 CIP invests in programs that seek to balance risk and consequence of asset failure and levels of service benefits, with overall customer affordability. (PWSA St. No. 4 at 3).
45. PWSA identified total capital requirements for Fiscal Year ("FY") 2021, FY 2022 and FY 2023 in the amount of \$691,938,841. The costs associated with these COAs represent approximately a) \$118.010 million (or 62%) of the capital requirements in FPFTY 2021, b) \$115.922 million (or 58%) of the capital requirements in the FY 2022 Forecast Period, and c) \$50.588 million or (17%) of the capital requirements in the FY 2023 Forecast Period. (PWSA St. No. 5 at 7).
46. The majority of the remaining capital requirements identified by PWSA in FPFTY 2021-2023 includes funding for annual replacement costs associated with meters, water lines, sewer lines, valves, hydrants, vehicles, catch basins, replacements of lead service lines and aged small diameter water lines, and stormwater costs as it relates to combined sewer overflows (CSOs). These projects would replace aged infrastructure, implement annual asset replacement cycles, and address the ongoing CSO issue as it relates to stormwater. (PWSA St. No. 5 at 7).

47. The main sources of funding are the PWSA’s capital line of credit which is regularly converted into long-term debt (i.e. revenue bonds), loans from the Pennsylvania Infrastructure Investment Authority (“PENNVEST”), internally generated funds (“PAYGO”), and DSIC. PWSA’s funding approach is designed to match project life cycles with appropriate funding sources (i.e., debt vs. PAYGO), increase financial flexibility, reduce financial risk, and obtain the cheapest possible financing costs. (PWSA St. No. 5 at 8).
48. PWSA explained that virtually all the funds needed to finance the CIP come from ratepayers or from borrowing. The cost of borrowing also must be paid by ratepayers. Therefore, PWSA determined the levels of the proposed rates and charges by examining capital expense, debt service, cash reserves, debt service coverage and other financial metrics that it believed were necessary to enable the Authority to pay its bills and maintain efficient access to the capital markets at reasonable rates. (PWSA St. No. 5 at 8).
49. As part of its original filing, PWSA addressed several other issues, including:
- Financial Metrics (PWSA St. No. 5 at 20-27)
 - Financial Policies/Goals and Capital Markets (PWSA St. No. 6)
 - Cost of Service Study, Cost Allocations and Rate Design (PWSA St. No. 7)
 - Customer Service and Collections Updates (PWSA St. No. 8 at 2-5)
 - Low Income Customer Assistance Programs (PWSA St. No. 8 at 15-33)
 - Proposed Stormwater Tariff (PWSA St. No. 9)
50. As part of its Supplemental Direct Testimony served on May 15, 2020, PWSA modified its initial rate proposals regarding issues related to the City in recognition of the Commission’s Stage 1 Compliance Plan Order. These revisions included: (1) a new Municipal Rate applicable to the City; (2) an unmetered (or flat) rate for unmetered City-

owned buildings and properties; and, (3) assumption by PWSA of 100% of the cost responsibility for installing new meters for City properties. (PWSA St. No. 7-SD).

51. Following the passage of Act 70 on July 23, 2020, PWSA elected to withdraw these three proposals and to instead return to the proposals as set forth in its initial filing. (PWSA St. No. 2-R at 4-7; PWSA St. No. 7-R at 2-3). To effectuate this withdrawal of the proposals in PWSA's Supplemental Direct Testimony, revised St. No. 1-SD, St. No. 2-SD, St. No. 3-SD, St. No. 7-SD, and St. No. 8-SD removed the referenced proposals. The so-revised Supplemental Testimony was admitted into the record during the September 21, 2020 evidentiary hearing.

Key Positions of Opposing Parties

52. I&E, OCA, OSBA and Pittsburgh UNITED (collectively, "Opposing Parties") submitted testimony challenging many of the proposals in PWSA's rate filing. (I&E St. Nos. 1-4; OCA St. Nos. 1-8; OSBA St. No. 1 and Pittsburgh UNITED St. No. 1).
53. Opposing Parties opposed any proposed increase for various reasons. These reasons include challenges to PWSA's claimed operating and maintenance expenses, the effects of the coronavirus pandemic on the economy and the corresponding impacts on ratepayers; suggested that the Commission should factor the coronavirus pandemic into its decision; and identified specific measures that PWSA should take to assist customers adversely affected by the pandemic. (I&E St. No. 1 at 21, 23-24; I&E St. No. 2, pp. 4-6; I&E St. No. 3 at 49; OCA St. No. 1 at 11-29; OSBA St. No. 1 at 4-7; Pittsburgh UNITED St. No. 1 at 7-8, 42-45).

54. Additionally, Opposing Parties proposed adjustments resulting in decreases to PWSA's revenue requirements. (I&E St. No. 1 at 6-7; I&E St. No. 2 at 50; OCA St. No. 2 at 13-53; OCA St. No. 3 at 4-7).
55. Opposing Parties also opposed the multi-year rate plan proposed by PWSA, the proposal for a DSIC as well as its proposed 10% cap on the DSIC, and PWSA's proposed stormwater tariff. They further made recommendations for placing parameters on the DSIC. (I&E St. No. 4 at 12-14, 19, 21; I&E St. No. 3 at 52-53; OCA St. No. 1 at 34-35, 52-56; OCA St. No. 4 at 4-29; OCA St. No. 5; OCA St. No. 7 at 22-24; OSBA St. No. 1 at 51-54).
56. In addition, Opposing Parties raised issues concerning the appropriateness of PWSA's allocation of certain costs to customer classes in the cost of service studies, as well as the proposed rate design and allocation of any rate increase to the customer classes. (I&E St. No. 3 at 10-25; OCA St. No. 1 at 36-51; OSBA St. No. 1 at 8-51).
57. Opposing Parties further contended that PWSA's proposals to address low income customer assistance issues were inadequate and offered recommendations to enhance PWSA's handling of those issues. (OCA St. No. 6 at 37-80; Pittsburgh UNITED St. No. 1 at 45-72).
58. Opposing Parties similarly identified concerns with the adequacy of PWSA's overall customer service and made recommendations of steps that PWSA should take to improve customer satisfaction. (OCA St. No. 7 at 7-22, 26-29).
59. Opposing Parties also made a series of recommendations to address their perceived deficiencies in PWSA's quality of service in operating its systems. (OCA St. No. 8 at 5-33).

Settlement Provisions

60. In establishing a proposed base rate increase, the Joint Petition for Settlement (“Settlement”) fairly balances PWSA’s revenue needs with the challenges raised by the parties concerning a rate increase at this time. The Settlement also contains provisions to address the other concerns the parties identified about various aspects of PWSA’s operations and service. As such, it represents a comprehensive resolution of issues in dispute and a reasonable compromise of differing objectives and views.
61. Fairly balancing the parties’ positions, the Settlement provides for a total increase of \$19,000,000, which is less than half, or approximately 43 percent, of the increase originally requested. This consists of: (a) an increase in water revenues in the amount of \$14,150,000, inclusive of DISC, for service rendered on or after January 14, 2021; and (b) an increase in wastewater revenues in the amount of \$4,850,000, inclusive of DSIC, for wastewater conveyance service rendered on or after January 14, 2021. The Settlement further caps both the water and wastewater DSICs at 5 percent and provides for PWSA’s withdrawal of its proposal for a multi-year rate plan so that it does not include another increase for year 2022. It also defers the stormwater tariff to PWSA’s next rate proceeding.
62. The Settlement is also responsive to other issues raised by the parties by:
 - a. Setting forth a series of agreements concerning cost allocation, revenue allocation and rate design, including minimum charges;
 - b. Outlining PWSA’s commitments to extend COVID-19 relief measures to customers, such as through the waiver of reconnection fees, targeted outreach to customers with existing debt, and modifications to its payment arrangement process;
 - c. Establishing detailed requirements for PWSA to improve and expand its low income customer assistance programs;

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- d. Obligating PWSA to implement specific measures related to customer service enhancements; and
 - e. Addressing quality of service issues on topics including maintenance and repair of isolation valves, replacement of meters, flushing of distribution system, wastewater laterals within public easements or rights-of-ways, and coordination with other entities on capital and operating projects.
63. On balance, the Settlement comprehensively resolves all issues raised during the proceeding in a manner that is consistent with the public interest.

PROPOSED CONCLUSIONS OF LAW

1. The Joint Petition for Settlement is in the public interest.
2. The rates, terms and conditions contained in PWSA’s base rate increase filings of March 6, at Docket No. R-2020-3017951 (Water) and Docket No. R-2020-3017970 (Wastewater), as modified by the Settlement, are – until changed on a going-forward basis as provided in the Public Utility Code – Commission-made, just and reasonable, and in the public interest.
3. The rates, terms and conditions contained in the Petition for Waiver of Provisions of Act 11 to increase DSIC Charge Cap to permit levelization of DSIC Charges and to authorize the pay as you go method of financing (“DSIC Petition”) by The Pittsburgh Water and Sewer Authority, as modified by the Settlement, are – until changed on a going-forward basis as provided in the Public Utility Code – Commission-made, just and reasonable, and in the public interest.

PROPOSED ORDERING PARAGRAPHS

THEREFORE, IT IS ORDERED:

1. That the Joint Petition for Settlement filed September 30, 2020 by The Pittsburgh Water and Sewer Authority, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, Pittsburgh UNITED and the City of Pittsburgh is granted, and the Settlement is thereby adopted, in full, without modification or correction.
2. That the Pittsburgh Water and Sewer Authority is authorized to file tariffs, tariff supplements or tariff revisions containing rates, rules and regulations, consistent with the Joint Petition for Settlement, to produce an increase in annual revenues of \$19 million, consistent with the rates, rules and regulations set forth in Appendices F (Water) and G (Wastewater) and Appendix C (Allocation of Proposed Settlement Rate Increase) to the Joint Petition for Settlement.
3. That The Pittsburgh Water and Sewer Authority shall be permitted to file tariffs in the form set forth in Appendix F (water tariff) and Appendix G (wastewater tariff) to the Joint Petition for Settlement, to become effective upon at least one day's notice, for service rendered on and after January 14, 2021, so as to produce an annual increase in revenues consistent with this Order.
4. That The Pittsburgh Water and Sewer Authority, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, Pittsburgh UNITED, and the City of Pittsburgh shall comply with the terms of the Joint Petition for Settlement submitted in this proceeding, as though each term and condition stated therein had been the subject of an individual ordering paragraph.

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Joint Petition for Settlement PWSA Rate Case R-2020-3017951

5. That the complaints of the Office of Consumer Advocate at Docket Nos. C-2020-3019348 (Water) and C-2020-3019349 (Wastewater) are deemed satisfied and marked closed.
6. That the complaints of the Office of Small Business Advocate Docket Nos. C-2020-3019305 (Water) and C-2020-3019302 (Wastewater) are deemed satisfied and marked closed.
7. That upon acceptance and approval by the Commission of the tariffs and allocation of proposed settlement rate increase filed by The Pittsburgh Water and Sewer Authority consistent with this Order, the Commission's investigation at Docket No. R-2020-3017951 (Water) and Docket No. R-2020-3017970 (Wastewater) shall be terminated; and, both of these dockets shall be marked closed.
8. That the Petition for Waiver of Provisions of Act 11 to increase DSIC Charge Cap to permit Levelization of DSIC Charges and to authorize the pay as you go method of financing (“DSIC Petition”) by The Pittsburgh Water and Sewer Authority, as modified by the Settlement, is granted.
9. That The Pittsburgh Water and Sewer Authority is authorized to file tariffs, tariff supplements or tariff revisions to establish and implement a Distribution System Improvement Charge, consistent with DSIC Petition, as modified by the Joint Petition for Settlement, and Appendix F (water tariff) and Appendix G (wastewater tariff) included with the Joint Petition for Settlement.
10. That this proceeding at Docket No. P-2020-3019019 be marked closed.
11. That the Stormwater Tariff issues to be addressed in Stage 2 of the Compliance Plan proceeding at Docket Numbers M-2018-2640802 and M-2018-2640803 shall be deferred and

Appendix A
Joint Petition for Settlement PWSA Rate Case R-2020-3017951

consolidated with PWSA's next combined water, wastewater and stormwater base rate filing
to be filed no earlier than February 2021.

APPENDIX B

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

List of Commonly Used Acronyms

ACRONYM	MEANING
ACH	PWSA automatic payment programs via checking account
AFSCME	American Federation of State, County and Municipal Employees Labor Union
ALCOSAN	Allegheny County Sanitary Authority
AMP	Arrearage Management Program
ATB	Across-the-Board
AWWA	American Water Works Association
BDP	PWSA Bill Discount Program
BDP-CAP	Billing Discount Program - Customer Assistance Program
BEC	Base Extra Capacity Cost Methodology
BMP	Best Management Practices
CAP	Customer Assistance Program
CCAC	Community College of Allegheny County
CCOSS	Class Cost of Service Study
CFM	Cash Flow Method
CIP	Capital Improvement Plan
CIS	Customer Information System
COA	PWSA Charge of Accounts
COA	Consent Order and Agreement
COH	Cash on Hand
COSS	Cost of Service Study
CMMS	Computerized Maintenance Management System
CSO	Combined Sewer Overflow(s)
DBIS	Demand Based Industrial Service
DCOH	Days Cash on Hand
DSCR	Debt Service Coverage Ratio
DSIC	Distribution System Improvement Charge
DSLPA	Discontinuance of Services to Leased Premises Act
EPRI	Electric Power Resource Institute
ERP	Enterprise Resource Planning
ERU	Equivalent Residential Unit
FPFTY	Fully Projected Future Test Year
FPL	Federal Poverty Level
FTY	Future Test Year
FY	Fiscal Year
GIS	Geographic Information System
GROW	Green Revitalization of our Waterways
GSD	“Getting Stuff Done” PWSA’s Goal for Customer Service
HBI	Household Burden Indicator
HMFP	Highland Membrane Filtration Plant
HTY	Historic(al) Test Year

Commonly Used Acronyms in PWSA 2020 Rate Case

ACRONYM	MEANING
I&I or I/I	Infiltration and Inflow
IWA	International Water Association
IWM Plan	Integrated Watershed Management Plan
LIAAC	Low Income Assistance Advisory Committee
LIHEAP	Federal Low-Income Home Energy Assistance Program
LQI	Lowest Quintile of Income
LSL	Lead Service Lines
LSLR	Lead Service Line Replacement Program
LTIP	Long-Term Infrastructure Improvement Plan
MCM	Minimum Control Measures
MRP or MYRP	Multiyear Rate Plan
MS4	Municipal Separate Storm Sewer System
NARUC USOA	National Association of Regulatory Utility Commissioners Uniform System of Accounts
NPDES	National Pollutant Discharge Elimination System
NRRI	National Regulatory Research Institute
NRW	Non-Revenue Water
O&M	Operating or Operation and Maintenance
PAYGO or Pay-Go	Pay-As-You-Go Funding or Financing
PENNVEST	Pennsylvania Infrastructure Investment Authority
PIPP	Percentage of Income Payment Plan
PJCBC	Pittsburgh Joint Collective Bargaining Committee Labor Union
PPI	Poverty Prevalence Indicator
PURTA	Public Utility Realty Tax
RSF	Rate Stabilization Fund
SSO	Sanitary Sewer Overflows
UFW	Unaccounted For Water
WCOSS	Water Cost of Service Study
WIFIA	Water Infrastructure Finance and Innovation Act
WWCOSS	Wastewater Cost of Service Study
WWTP	Wastewater Treatment Plant

APPENDIX C

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

Pittsburgh Water and Sewer Authority

2021 COS & Rate Design

Allocation of Proposed Settlement Rate Increase

	Proposed Settlement Revenue Increase*			Proposed Settlement % Increase			% of Proposed Settlement Increase		
	Water	Wastewater Conveyance	Total	Water	Wastewater Conveyance	Total	Water	Wastewater Conveyance	Total
Revenue Increase									
Residential	\$ 4,748,665	\$ 1,949,249	\$ 6,697,914	10.7%	8.0%	9.7%	33.6%	40.2%	35.3%
Residential - CAP	(80,630)	(57,624)	(138,254)	-6.5%	-7.0%	-6.7%	-0.6%	-1.2%	-0.7%
Commercial	6,137,806	1,979,921	8,117,727	14.7%	7.9%	12.1%	43.4%	40.8%	42.7%
Industrial	404,368	110,890	515,258	18.7%	8.0%	14.5%	2.9%	2.3%	2.7%
Health or Education	1,963,152	816,492	2,779,644	10.6%	7.9%	9.7%	13.9%	16.8%	14.6%
Municipal (Metered & Unmetered)	188,085	49,656	237,741	18.3%	7.9%	14.4%	1.3%	1.0%	1.3%
Private Fire System	116,008	-	116,008	14.4%	0.0%	14.4%	0.8%	0.0%	0.6%
Public Fire Protection	506,805	-	506,805	100.0%	0.0%	100.0%	3.6%	0.0%	2.7%
Wholesale & Bulk	168,321	-	168,321	5.8%	0.0%	5.8%	1.2%	0.0%	0.9%
Total: Revenue Increase	\$14,152,579	\$4,848,584	\$19,001,163	12.5%	7.8%	10.8%	100.0%	100.0%	100.0%

* Includes Base Rate revenues and DSIC revenues.

APPENDIX D

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

Appendix D
 Joint Petition for Settlement PWSA Rate Case R-2020-3017951

Units Rates Revenue Units Rates Revenue Units Rates Revenue

Pittsburgh Water and Sewer Authority
 2021 COS & Rate Design
 Water Revenue Proof

	2021 Revenue @ Existing Rates			2021 Revenue @ Filed Rates (PWSA Original Request)			Revenue at Settlement Proposed Rates		
	Units	Rates	Revenue	Units	Rates	Revenue	Units	Rates	Revenue
Fire Protection Charges									
Public (per Hydrant)	89,700	-	\$ -	89,700	6.09	\$ 546,273	89,700	5.65	\$ 506,805
Private									
1" or Less	14,343	\$ 31.60	\$ 453,239	14,343	\$ 32.35	\$ 463,996	14,343	\$ 33.24	\$ 476,761
1 1/2"-3"	644	83.30	53,645	644	99.12	63,833	644	101.97	65,669
4"	60	177.57	10,654	60	305.51	18,331	60	314.42	18,865
6" or Greater	175	507.98	88,897	175	609.02	106,579	175	626.83	109,695
Subtotal: Fire Protection Charges			\$ 606,435			\$ 1,199,011			\$ 1,177,795
Volume Charge									
Residential	1,923,025	\$ 11.04	\$ 21,230,193	1,923,025	\$ 13.20	\$ 25,383,927	1,923,025	\$ 12.25	\$ 23,557,053
Residential - CAP-BDP	90,411	11.04	998,133	90,411	13.20	1,193,420	90,411	12.25	1,107,530
Commercial	2,620,728	10.48	27,465,225	2,620,728	14.01	36,716,393	2,620,728	11.95	31,317,694
Industrial	187,994	8.81	1,656,226	187,994	12.30	2,312,325	187,994	10.31	1,938,217
Health or Education	1,022,005	14.32	14,635,107	1,022,005	14.98	15,309,630	1,022,005	15.29	15,626,451
Private Fire System	14,668	13.49	197,872	14,668	19.77	289,987	14,668	14.01	205,499
Municipal	221,594	4.19	928,920	221,594	5.60	1,241,810	221,594	4.78	1,059,217
Subtotal: Volume Charge	6,080,423		\$ 67,111,676			\$ 82,447,491			\$ 74,811,662
Total: Base Rate Revenues			\$ 110,004,446			\$ 127,512,685			\$ 118,108,614
DSIC Revenues									
Residential					\$ 4,837,151			\$ 2,343,243	
Residential - CAP-BDP					119,374			55,399	
Commercial					5,261,905			2,285,653	
Industrial					288,709			122,377	
Health or Education					1,960,327			971,807	
Private Fire System					94,273			43,824	
Municipal					134,903			57,787	
Public Fire					-			-	
Total: DSIC Revenues					\$ 12,696,641			\$ 5,880,090	
Other Revenues									
Wholesale Revenues (Set by Contract)			\$ 2,911,475		\$ 3,271,034			\$ 3,079,796	
Other Revenues			3,221,571		3,221,571			3,221,571	
Total: Other Revenues			\$ 6,133,046		\$ 6,492,605			\$ 6,301,367	
Total: System Revenues			\$ 116,137,492		\$ 146,701,931			\$ 130,290,071	

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 Joint Petition for Settlement PWSA Rate Case R-2020-3017951

	Units	Rates	Revenue	Units	Rates	Revenue	Units	Rates	Revenue
2021 Revenue @ Existing Rates			2021 Revenue @ Filed Rates (PWSA Original Request)			Revenue at Settlement Proposed Rates			
	Units	Rates	Revenue	Units	Rates	Revenue	Units	Rates	Revenue
Volume Charge									
Residential	1,956,700	\$ 7.43	\$ 14,538,283	1,956,700	\$ 7.87	\$ 15,399,231	1,956,700	\$ 7.64	\$ 14,949,190
Residential - CAP	94,748	7.43	703,975	94,748	7.87	745,663	94,748	7.64	723,872
Commercial	2,664,480	6.56	17,478,992	2,664,480	7.95	21,182,619	2,664,480	6.74	17,958,598
Industrial	188,789	5.98	1,128,960	188,789	7.98	1,506,539	188,789	6.15	1,161,054
Health or Education	1,022,145	8.21	8,391,808	1,022,145	8.26	8,442,915	1,022,145	8.44	8,626,901
Municipal	222,232	2.62	583,136	222,232	3.18	706,697	222,232	2.70	599,136
Subtotal: Volume Charge			\$ 42,825,153			\$ 47,983,664			\$ 44,018,752
Total: Base Rate Revenues			\$ 62,526,017			\$ 69,235,858			\$ 64,166,287
DSIC Revenues									
Residential						\$ 2,674,705			\$ 1,249,158
Residential - CAP-BDP						74,585			36,207
Commercial						2,886,145			1,290,073
Industrial						177,541			71,547
Health or Education						1,035,289			528,966
Municipal						75,322			32,364
Total: DSIC Revenues						\$ 6,923,586			\$ 3,208,314
Other Revenues									
Wholesale and Contract Revenues			\$ -			\$ -			\$ -
Other Revenues			2,958,528			2,958,528			2,958,528
Total: Other Revenues			\$ 2,958,528			\$ 2,958,528			\$ 2,958,528
Total: System Revenues			\$ 65,484,545			\$ 79,117,972			\$ 70,333,130

APPENDIX E

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

Appendix E
Joint Petition for Settlement PWSA Rate Case R-2020-3017951

Pittsburgh Water and Sewer Authority
2021 COS & Rate Design
Customer Bill Impacts
Existing Rates v. Proposed Settlement Rates

Customer Impacts	Usage	Allowance	Existing Rates			2021 Proposed Settlement Rates <i>(includes 5% DSIC)</i>			Comparison Existing Rates and Proposed Settlement Rates		
			Water	Wastewater Conveyance	Total	Water	Wastewater Conveyance	Total	\$ Increase	% Increase	
<i>Residential</i>											
	5/8"	1 kgal	1 kgal	\$ 27.27	\$ 8.28	\$ 35.55	\$ 28.63	\$ 8.94	\$ 37.57	\$ 2.02	5.7%
*	5/8"	3 kgal	1 kgal	49.35	23.14	72.49	54.36	24.98	79.34	6.85	9.4%
	5/8"	5 kgal	1 kgal	71.43	38.00	109.43	80.08	41.02	121.11	11.68	10.7%
	5/8"	7 kgal	1 kgal	93.51	52.86	146.37	105.81	57.07	162.88	16.51	11.3%
	5/8"	12 kgal	1 kgal	148.71	90.01	238.72	170.12	97.18	267.30	28.58	12.0%
	1"	20 kgal	5 kgal	255.42	151.27	406.69	287.25	163.30	450.54	43.85	10.8%
<i>Residential - CAP BDP</i>											
	5/8"	1 kgal	1 kgal	\$ 6.82	\$ 2.07	\$ 8.89	\$ -	\$ -	\$ -	\$ (8.89)	-100.0%
*	5/8"	3 kgal	1 kgal	28.90	16.93	45.83	25.73	16.04	41.77	(4.06)	-8.9%
	5/8"	5 kgal	1 kgal	50.98	31.79	82.77	51.45	32.09	83.54	0.77	0.9%
<i>Commercial</i>											
	5/8"	3 kgal	1 kgal	\$ 48.23	\$ 21.40	\$ 69.63	\$ 53.73	\$ 23.09	\$ 76.82	\$ 7.19	10.3%
	5/8"	5 kgal	1 kgal	69.19	34.52	103.71	78.82	37.24	116.07	12.36	11.9%
	5/8"	12 kgal	1 kgal	142.55	80.44	222.99	166.66	86.78	253.44	30.45	13.7%
*	1"	13 kgal	5 kgal	173.66	92.30	265.96	194.69	99.58	294.27	28.31	10.6%
	2"	80 kgal	17 kgal	949.38	552.51	1,501.89	1,094.09	596.07	1,690.16	188.27	12.5%
	4"	160 kgal	70 kgal	2,027.48	1,133.71	3,161.19	2,267.77	1,223.16	3,490.92	329.73	10.4%
<i>Industrial</i>											
	1"	30 kgal	5 kgal	\$ 310.07	\$ 189.32	\$ 499.39	\$ 364.95	\$ 204.40	\$ 569.35	\$ 69.96	14.0%
	1"	60 kgal	5 kgal	574.37	368.72	943.09	689.71	398.13	1,087.84	144.75	15.3%
	2"	100 kgal	17 kgal	1,020.37	635.57	1,655.94	1,202.11	686.20	1,888.31	232.37	14.0%
*	4"	680 kgal	70 kgal	6,458.38	4,191.11	10,649.49	7,742.05	4,525.30	12,267.35	1,617.86	15.2%
	6"	400 kgal	175 kgal	4,540.41	2,647.71	7,188.12	5,121.81	2,858.00	7,979.80	791.68	11.0%
	8"	800 kgal	325 kgal	8,781.71	5,199.43	13,981.14	9,968.92	5,612.55	15,581.48	1,600.34	11.4%
<i>Health or Education</i>											
	5/8"	5 kgal	1 kgal	\$ 84.55	\$ 41.12	\$ 125.67	\$ 92.85	\$ 44.38	\$ 137.24	\$ 11.57	9.2%
	5/8"	10 kgal	1 kgal	156.15	82.17	238.32	173.12	88.69	261.82	23.50	9.9%
	1"	40 kgal	5 kgal	591.02	327.17	918.19	656.22	353.14	1,009.35	91.16	9.9%
*	2"	50 kgal	17 kgal	761.70	410.16	1,171.86	833.40	442.67	1,276.07	104.21	8.9%
	4"	200 kgal	70 kgal	2,945.88	1,610.61	4,556.49	3,225.58	1,738.29	4,963.86	407.37	8.9%
	6"	650 kgal	175 kgal	9,360.16	5,201.96	14,562.12	10,311.96	5,614.51	15,926.46	1,364.34	9.4%

* typical customer

APPENDIX F

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

Pittsburgh Water and Sewer Authority

2021 COS & Rate Design

Customer Bill Impacts

Comparison Initial Rate Request v. Proposed Settlement Rates

<u>PWSA 2021 Initial Rate Request</u> <i>(includes 10% DSIC)</i>		
Water	Wastewater Conveyance	Total

<u>2021 Proposed Settlement Rates</u> <i>(includes 5% DSIC)</i>		
Water	Wastewater Conveyance	Total

<u>Comparison PWSA Initial Rate Request with Proposed Settlement Rates</u>	
\$ Increase	% Increase

Customer Impacts *Usage* *Allowance*

Residential

5/8"	1 kgal	1 kgal	\$ 29.11	\$ 10.85	\$ 39.95	\$ 28.63	\$ 8.94	\$ 37.57	\$ (2.38)	-6.0%
* 5/8"	3 kgal	1 kgal	58.15	28.16	86.31	54.36	24.98	79.34	(6.97)	-8.1%
5/8"	5 kgal	1 kgal	87.19	45.47	132.66	80.08	41.02	121.11	(11.55)	-8.7%
5/8"	7 kgal	1 kgal	116.23	62.79	179.01	105.81	57.07	162.88	(16.14)	-9.0%
5/8"	12 kgal	1 kgal	188.83	106.07	294.90	170.12	97.18	267.30	(27.60)	-9.4%
1"	20 kgal	5 kgal	324.50	174.64	499.14	287.25	163.30	450.54	(48.59)	-9.7%

Residential - CAP BDP

5/8"	1 kgal	1 kgal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
* 5/8"	3 kgal	1 kgal	29.04	17.31	46.35	25.73	16.04	41.77	(4.58)	-9.9%
5/8"	5 kgal	1 kgal	58.08	34.63	92.71	51.45	32.09	83.54	(9.17)	-9.9%

Commercial

5/8"	3 kgal	1 kgal	\$ 59.93	\$ 28.34	\$ 88.26	\$ 53.73	\$ 23.09	\$ 76.82	\$ (11.45)	-13.0%
5/8"	5 kgal	1 kgal	90.75	45.83	136.58	78.82	37.24	116.07	(20.51)	-15.0%
5/8"	12 kgal	1 kgal	198.63	107.04	305.67	166.66	86.78	253.44	(52.23)	-17.1%
* 1"	13 kgal	5 kgal	229.99	114.74	344.73	194.69	99.58	294.27	(50.46)	-14.6%
2"	80 kgal	17 kgal	1,322.38	698.13	2,020.50	1,094.09	596.07	1,690.16	(330.34)	-16.3%
4"	160 kgal	70 kgal	2,731.99	1,382.26	4,114.25	2,267.77	1,223.16	3,490.92	(623.33)	-15.2%

Industrial

1"	30 kgal	5 kgal	\$ 444.95	\$ 264.23	\$ 709.18	\$ 364.95	\$ 204.40	\$ 569.35	\$ (139.83)	-19.7%
1"	60 kgal	5 kgal	850.85	527.57	1,378.42	689.71	398.13	1,087.84	(290.58)	-21.1%
2"	100 kgal	17 kgal	1,474.47	875.77	2,350.24	1,202.11	686.20	1,888.31	(461.93)	-19.7%
* 4"	680 kgal	70 kgal	9,598.30	5,949.79	15,548.09	7,742.05	4,525.30	12,267.35	(3,280.74)	-21.1%
6"	400 kgal	175 kgal	6,253.27	3,452.74	9,706.00	5,121.81	2,858.00	7,979.80	(1,726.20)	-17.8%
8"	800 kgal	325 kgal	12,230.01	6,904.55	19,134.56	9,968.92	5,612.55	15,581.48	(3,553.08)	-18.6%

Health or Education

5/8"	5 kgal	1 kgal	\$ 95.02	\$ 47.19	\$ 142.21	\$ 92.85	\$ 44.38	\$ 137.24	\$ (4.97)	-3.5%
5/8"	10 kgal	1 kgal	177.41	92.62	270.03	173.12	88.69	261.82	(8.21)	-3.0%
1"	40 kgal	5 kgal	683.43	362.79	1,046.22	656.22	353.14	1,009.35	(36.87)	-3.5%
* 2"	50 kgal	17 kgal	895.26	447.03	1,342.29	833.40	442.67	1,276.07	(66.22)	-4.9%
4"	200 kgal	70 kgal	3,487.14	1,776.39	5,263.53	3,225.58	1,738.29	4,963.86	(299.67)	-5.7%
6"	650 kgal	175 kgal	11,036.07	5,793.54	16,829.60	10,311.96	5,614.51	15,926.46	(903.14)	-5.4%

* typical customer

APPENDIX G

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

THE PITTSBURGH WATER AND SEWER AUTHORITY
RATES, RULES AND REGULATIONS GOVERNING
THE PROVISION OF WATER SERVICE
TO THE PUBLIC IN THE TERRITORY DESCRIBED HEREIN

Issued: TBD

Effective: January 14, 2021

BY: William J. Pickering, Executive Director
1200 Penn Avenue, Pittsburgh, PA 15222
Tel: 412-255-8800

NOTICE

Filed in compliance with the Order of the Pennsylvania Public Utility Commission entered TBD at Docket Nos. R-2020-3017951 and P-2020-3019019.

This tariff makes increases and changes in existing rates, rules, and regulations to include implementation of a 5% Distribution System Improvement Charge and setting forth the Lead Service Line Remediation as approved at Docket No. M-2018-2640802 and set forth in Appendix C to the Authority's 5-Year Long-Term Infrastructure Improvement Plan approved at Docket No. P-2018-3005037.

It also adds references to 71 P.S. §§ 720.211 to 720.213 where appropriate.

LIST OF CHANGES

LIST OF CHANGES

New Page 2A

PART I: SCHEDULE OF RATES AND CHARGES, SECTION A – RATES FOR METERED SERVICE
(PAGE NO. 8)

Rates for Consumption Charges for all customer classes increased for effective dates of January 14, 2021. New text added regarding the billing for City of Pittsburgh Municipal Accounts pursuant to 71 P.S. §§ 720.211 to 720.213 and the applicability of the Industrial Consumption Charge to any new bulk water customers.

PART I: SCHEDULE OF RATES AND CHARGES, SECTION A.1 – RATES FOR UNMETERED SERVICE
(PAGE NO. 9)

Rates for the Customer Charge Residential increased and the per month Customer Charge Commercial decreased effective January 14, 2021. Outdated text deleted. New text added regarding applicability to City of Pittsburgh Municipal Accounts pursuant to 71 P.S. §§ 720.211 to 720.213.

PART I: SCHEDULE OF RATES AND CHARGES, SECTION B.1 – FIRE PROTECTION RATES
(PAGE NO. 10)

Minimum Charge and Consumption Charges for Private Fire Protection increased effective January 14, 2021.

PART I: SCHEDULE OF RATES AND CHARGES, SECTION B.2 – FIRE PROTECTION RATES
(PAGE NO. 11)

New Rates for Public Fire Protection added for January 14, 2021. Outdated text deleted. New text added regarding applicability to City of Pittsburgh Municipal Accounts pursuant to 71 P.S. §§ 720.211 to 720.213.

PART I: SCHEDULE OF RATES AND CHARGES, SECTION I – SALES FOR RESALE
(PAGE NO. 16)

New Rates for Sales for Resale (Wholesale) added for January 14, 2021. Clarifying language added regarding renegotiation of existing contracts.

LIST OF CHANGES (con't)

RIDER BDP - BILL DISCOUNT PROGRAM (RESIDENTIAL) (PAGE NO. 19, 19A)

Decreased rate qualifying low income customers must pay for Minimum Service Charge under Part I, Section A; changed verification requirements to every two years; added new discount off Consumption Charges for BDP participants at or below 50% of the Federal Poverty Level; and added new Pilot Arrearage Forgiveness Program.

PART III: RULES AND REGULATIONS, SECTION B, CONSTRUCTION AND MAINTENANCE OF FACILITIES, PARAGRAPH NO. 12(A) (PAGE NO. 34)

New text added regarding operation and maintenance responsibility for water service lines of the City of Pittsburgh pursuant to 71 P.S. §§ 720.211 to 720.213.

PART III: RULES AND REGULATIONS, SECTION A, PARAGRAPH NO. 13 CONVERSION OF PARTY WATER SERVICE LINES (PAGE NO. 36-37)

Added clarifying text, moved text from Page No. 36 to Page No. 37, added new subsection (c) to address the metering City of Pittsburgh properties pursuant to 71 P.S. §§ 720.211 to 720.213.

PART III: RULES AND REGULATIONS, SECTION C, PARAGRAPH NO. 4 TURN-ON CHARGE (PAGE NO. 41)

Text corrected and clarified regarding citations to other tariff provisions. Language added regarding limited waiver of Turn-On Charge.

PART III: RULES AND REGULATIONS, SECTION E, BILLING AND COLLECTION, PARAGRAPH NO. 13 (PAGE NO. 44)

Text corrected regarding the calculation of the late payment charge.

PART V: SURCHARGES - DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (PAGE NOS. 59, 60, 62)

New rate of 5% added, text regarding optional quarterly rate adjustments added, 5% cap for the amount billed to customers added.

PART VI: LEAD SERVICE LINE REMEDIATION (PAGE NOS. 63-69)

Text added regarding Lead Service Line Remediation as approved at Docket No. M-2018-2640802 and set forth in Appendix C to the Authority's 5-Year Long-Term Infrastructure Improvement Plan approved at Docket NO. P-2018-3005037.

PART I: SCHEDULE OF RATES AND CHARGES

Section A - Rates for Metered Service

1. Minimum Charge*: Each customer will be assessed a service charge based upon the size of the customer's meter as follows:

<u>Meter Size</u>	<u>Minimum Gallons</u>	<u>Per Month Rate</u>
5/8"	1,000	\$27.27
3/4"	2,000	\$44.37
1"	5,000	\$89.82
1 1/2"	10,000	\$175.30
2"	17,000	\$289.14
3"	40,000	\$641.48
4"	70,000	\$1,084.28
6"	175,000	\$2,558.16
8"	325,000	\$4,596.96
10" or Larger	548,000	\$7,515.81

2. Consumption Charge: In addition to the Minimum Charge, the following water consumption charges will apply for each 1,000 gallons above the Minimum Gallons for each meter size:

<u>Customer Class</u>	<u>Consumption Charge Rate per 1000 Gals.</u>	
Residential	\$12.25	(I)
Commercial*	\$11.95	(I)
Industrial**	\$10.31	(I)
Health or Education	\$15.29	(I)

The rate under this schedule applies to all customers, except public fire protection and private fire protection customers, unless otherwise specifically identified in this tariff.

* Rate applies to City of Pittsburgh Municipal Accounts but bills will be calculated based on a phase-in factor pursuant to 71 P.S. §§ 720.211 to 720.213.

** Rate applies to any new bulk water customers.

(I)= Increase, (C)= Change

(C)

Section A.1 - Rates for Unmetered Service

As of September 1, 2018, enrollment for Unmetered Service will be closed and no new Unmetered Service customers will be accepted by the Authority. Customers who are receiving unmetered service will be assessed a monthly customer charge per unmetered connection as follows:

<u>Customer Class</u>	<u>Customer Charge</u> <u>Per Month</u>	
Residential (per unit)	\$64.02	(I)
Commercial*	\$75.07	(D)

**Rate does not apply to City of Pittsburgh Municipal Accounts pursuant to 71 P.S. §§ 720.211 to 720.213. (C)*

~~The continuation of unmetered service is subject to change. The Authority will develop and implement a metering plan which will identify all unmetered customers/accounts and provide for plans and timeframes for metering of all unmetered customers/accounts.~~

~~The rate under this schedule applies to all customers, except public fire protection and private fire protection customers, unless otherwise specifically identified in this tariff.~~

(I)= Increase, (D)= Decrease, (C)= Change

Section B - Fire Protection Rates

1. Private Fire Protection: A customer charge for non-residential private fire protection service will be assessed as follows:

<u>Meter Size</u>	<u>Line Size (if unmetered)</u>	<u>Customer Charge Per Month</u>	
1" or Less	2"	\$33.24	(I)
1 ½"-3"	3"	\$101.97	(I)
4"	4"	\$314.42	(I)
6" or Greater	6" or Greater	\$626.83	(I)

In addition to any customer charge as applicable above, all customers shall be charged for consumption pursuant to the following terms:

- a. In the event of a confirmed fire, no charge shall be made for the use of water to fight the fire using private fire hydrants or fire abatement equipment. Customers whose fire equipment has been activated to fight a fire should notify the Authority to assure that the associated water use will not be billed.
- b. For consumption of water related to testing, training on, and maintenance of private fire hydrants and fire abatement equipment, consumption charges shall be billed in accordance with the following rates for water consumption. Water used from private fire protection for these purposes should be based on meter readings where possible. If a meter cannot be used, the Authority will estimate the usage.

	<u>Consumption Charge Rate per 1,000 Gals.</u>	
Private Fire Protection	\$14.01	(I)

(I)= Increase

2. Public Fire Protection: For public fire protection, the charges will be assessed as follows: (C)

	<u>Per Hydrant Charge</u> <u>Per Month</u>	
Public Fire Protection*	\$14.13	(C)

**Rate applies to City of Pittsburgh Municipal Accounts but bills will be calculated based on a phase-in factor pursuant to 71 P.S. §§ 720.211 to 720.213.* (C)

~~The continuation of the zero charge for each public fire hydrant is subject to change. The rates charged for public fire hydrants may be changed, consistent with 66 Pa. C.S. § 1328, in later rate proceeding.~~

No charge shall be made for the use of water to fight a confirmed fire or for reasonable testing, training on, and maintenance of public fire hydrants and abatement equipment.

Note that the use of public fire hydrants and abatement equipment for other purposes will be billed at the consumption charge for private fire protection. Water used from public fire hydrants for these purposes will be based on meter readings where possible. If a meter is not used, the Authority will estimate the usage.

(I)= Increase, (C)= Change

Section I - Sales for Resale (Wholesale)

1. Application: This schedule applies to all **new** sales of water to other water utilities or public authorities for resale.
2. Rates and Terms of Service: **A customer consumption charge per 1,000 gallons of usage will be assessed as follows:** (C)

	<u>Consumption Charge</u>	
	<u>Rate per 1000 Gals.</u>	
Sales for Resale	\$9.16	(C)
3. Contracts stipulating the negotiated rate and negotiated terms of Sale for Resale Service may be **renegotiated and/or** entered into between the Authority and Customer or Applicant when the Authority, in its sole discretion, deems such offering to be economically advantageous to the Authority. Service under this rate is interruptible, and the Authority reserves the right to interrupt service at Authority's discretion. (C)

(C)= Change

Rider BDP - Bill Discount Program (Residential)

1. Bill Discount Program: This rider is a program designed to enroll residential ratepayers who satisfy the criteria set forth below in a monthly discounted rate program.
2. Availability: This rider is available for a Residential customer that meets the low-income criteria of annual household gross income at or below 150% of the Federal Poverty Level.
 - a. A residential ratepayer who meets the eligibility criteria should complete an application for the Bill Discount Program.
 - b. Eligible customers may be asked to verify income every two years. (C)
3. Rate (Minimum Charge): The Minimum Charge for residential service pursuant to Rider BDP will be 0% of the prevailing Minimum Service Charge under Part I, Section A. Any other rates, fees and charges will be at the prevailing amounts under this tariff. (D)
4. Rate (Consumption Charge): The Consumption Charge for residential service pursuant to Rider BDP for participants with income at or below 50% of the Federal Poverty Level will pay 80% of the prevailing Consumption Charge under Part I, Section A (which represents a 20% discount off the charge). Any other rates, fees and charges will be at the prevailing amounts under this tariff. (C)

5. Pilot Arrearage Forgiveness Program

- a. Customers receiving residential service pursuant to Rider BDP who maintain an active, income based payment plan as documented by the Authority shall be eligible to participate in the Pilot Arrearage Forgiveness Program.
- b. Eligible participants will have their billed charges in arrears forgiven in increments of \$15 per each payment received. Bill charges in arrears includes any amounts outstanding for PWSA's wastewater conveyance service, if applicable.
- c. The Authority will cease assessing any interest on the arrears and pursuing collections while the customer is in an active, income based payment plan.
- d. Should the participating customer default on the payment plan, he or she will have the opportunity to make two catch-up payments to continue to receive the benefits of the Pilot Arrearage Forgiveness Program. Failure to make the two catch-up payments will result in immediate removal of the customer from the Pilot Arrearage Forgiveness Program.
- e. Customers removed from the Pilot Arrearage Forgiveness Program will be eligible to reenter the program if they make all missed payments incurred during their prior enrollment in the Pilot Arrearage Forgiveness Program.
- f. The Authority reserves the right to propose to alter or eliminate the Pilot Arrearage Forgiveness Program in a future base rate case.

12. Ownership and Maintenance of Water Service Lines:

- a. The Authority has maintenance responsibility for the Curb Stop, the Curb Box, and for that portion of the Water Service Line running from the Curb Stop to the Water Main for Residential water service lines 1-inch diameter and smaller. The Residential Property Owner owns and is responsible for the maintenance of that portion of the Water Service Line running from the Premises being served with Authority water to the Curb Stop, including the connection to the Curb Stop but not the Curb Stop itself, for water service lines 1-inch diameter and smaller. All Residential service lines larger than 1-inch in diameter and all Non-Residential service lines, regardless of diameter, are the responsibility of the property owner, including the section from the Curb Stop, the Curb Box, and that portion of the Water Service Line running from the Curb Stop to the Water Main.*

**Ownership and maintenance responsibility for water service lines of the City of Pittsburgh is governed by 71 P.S. §§ 720.211 to 720.213.*

(c)

- b. If the Curb Box or Curb Stop is damaged by the Customer and/or Property Owner, or the Curb Box or Curb Stop is covered so as to preclude or interfere with access, the Customer or property Owner, as applicable, is responsible for the cost of the Authority's work in uncovering, repairing, or replacing the Curb Stop and/or Curb Box, and for the cost of restoring adjacent landscaping, sidewalks, or other property affected by the work.
- c. Customers and property Owners may not use or operate the Curb Stop. When water service has been terminated by the Authority or a Person authorized by the Authority, only the Authority or a Person authorized by the Authority shall operate the Curb Stop to restore service. Unauthorized use of the Curb Stop to restore service is theft of water service subject to a fine in the amount of \$500.00 and to prosecution under applicable law. Further, such unauthorized operation of the Curb Stop will result in charges for all water used, termination charges, and such other deposits, charges, or fees authorized by the PUC, PWSA's Water Tariff and these Supplemental Service Conditions.

could impair access to the Curb Box, they shall contact the Authority for repair or replacement of the Curb Box.

- g. Customers and property Owners may not cover, obscure, damage, tamper, or interfere with the Curb Stop or Curb Box. Customers and property Owners shall not interfere in any way with the Authority's access to or use of the Curb Stop. If the Curb Box or Curb Stop is damaged by the Customer and/or Property Owner, or the Curb Box or Curb Stop is covered so as to preclude or interfere with access, the Customer or property Owner, as applicable, is responsible for the cost of the Authority's work in uncovering, repairing, or replacing the Curb Stop and/or Curb Box, and for the cost of restoring adjacent landscaping, sidewalks, or other property affected by the work.
13. Conversion of Party Water Service Lines and Converting Flat Rate or Unmetered Customers to Metered Customers: (C)
- a. Residential Property Owners whose properties are served by a Party Water Service Line must install separate services lines to each individual property. Each Customer shall have an individual Water Service Line and Meter of a size, type, location, and setting approved by the Authority. The cost of installation of the Water Service Line from the residence to the Curb Stop is the responsibility of the property Owner. Installation and the cost of installation of the Water Service Line from the Water Main to and including the Curb Stop is the responsibility of the Authority. Only the tapping fee (under Part III, Section G.2 of this Tariff regarding Line Extensions) will be imposed under these circumstances. No connections fees, service fees and/or customer facilities fee (under Part III Section G.2 of this Tariff regarding Line Extensions) will be imposed. All plans for installation of the Water Service Lines and the scheduling of such work is subject to the permitting process and the prior approval of the Authority.

[Note: text previously on this page moved to next page]

(C)= Change

- b. Non-Residential Property Owners whose properties are provided with water under a flat rate or are served by a Party Service Water Line are required to have a Meter of a size, type, and setting approved by the Authority and a Backflow prevention device approved by the Authority. The installation and the cost of installing the entire Water Service Line, including the Corporation Stop or mechanical joint tee, is the responsibility of the property Owner. Only the tapping fee (under Part III, Section G.2 of this Tariff regarding Line Extensions) will be imposed under these circumstances. No connections fees, service fees and/or customer facilities fee (under Part III, Section G.2 of this Tariff regarding Line Extensions) will be imposed. All plans for installation of the Water Service Lines and the scheduling of such work shall be subject to the permitting process and the prior approval of the Authority.
- c. Notwithstanding (a) and (b) above, the installation, costs and subsequent responsibilities for converting City of Pittsburgh properties to metered service shall be in accordance with 71 P.S. §§ 720.211 to 720.213. (C)

(C)= Change

electronic service has been received by the Authority; or, if neither of these methods is available or effective or the electronic notice is returned as undeliverable, by personal contact or posting a notice of termination on the Premises 3 days prior to the termination of service

- k. The Authority will not terminate service to a premises when a customer has submitted a valid medical certificate signed by a licensed physician, nurse practitioner or physician's assistant certifying that a customer or member of the customer's household is seriously ill or has been diagnosed with a medical condition which requires the continuation of service to treat the medical condition consistent with 66 Pa.C.S. §§1403 and 1406(f).
4. Turn-on Charge: Whenever service is discontinued or terminated pursuant to Paragraph C.2 or C.3 of this Section, service shall be turned on by the Authority only upon the payment by the customer of a turn-on charge pursuant to Part I, Section E and the resolution of the problem that gave rise to the termination if under Paragraph C.3. The turn-on charge will be waived until January 14, 2022 or as directed by future Commission order, whichever is later. (C)

(C)= Change

Section E - Billing and Collection

1. Issuance of Bills: The Authority will bill each customer within fifteen (15) days of the last day of each billing period.
2. Billing Due Date: The due date for payment of a bill for nonresidential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Authority are not open to the general public, the due date shall be extended to the next business day. The Authority may not impose a late-payment charge unless payment is received more than five (5) days after the stated due date.
3. Late Payment Charge: All amounts not paid when due shall accrue a late payment charge at the rate of 0.~~00~~83 percent per billing period, not to exceed ten percent (10%) per year when not paid as prescribed in Rule 2 of this Section. (C)
4. Change in Billing Address: Where a customer fails to notify the Authority of a change in billing address, the customer shall remain responsible to remit payment by the billing due date.
5. Application of Payment: Utility bills rendered by the Authority shall include only the amount due for water service. Where a customer remittance to the Authority includes payment for any non-utility services, proceeds will be applied first to pay all outstanding regulated utility charges. For combined water/wastewater customers, any partial remittance will be applied to the water bill first and any remaining remittance will be applied to the wastewater bill.
6. Return Check Charges: The customer will be responsible for the payment of a charge for each time a check presented to the Authority for payment on that customer's utility bill is returned by the payor bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished, or unauthorized signature. This charge is in addition to any charge which may be assessed against the

(C)= Change

PART V: SURCHARGES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 5.0% will apply consistent with the Commission Order dated _____ at Docket No. P-2020-3019019, approving the DSIC.

(I)

1. General Description

- a. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

- b. Eligible Property: The DSIC-eligible property will consist of the following:
- Services (account 333000), meters (account 334100) and hydrants (account 335000) installed as in-kind replacements for customers;
 - Mains and valves (account 331800) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or are required to be upgraded to meet under 52 Pa Code § 65 (relating to water service);
 - Main extensions (account 331800) installed to eliminate dead ends and to implement solutions to regional water supply problems that present a significant health and safety concern for customers currently receiving service from the water utility;
 - Main cleaning and relining (account 331800) projects; and
 - Unreimbursed costs related to highway relocation projects where a water utility must relocate its facilities; and
 - Other related capitalized costs.

(I)= Increase

c. Effective Date: The DSIC will become effective upon one (1) day notice after submission of a compliance tariff in compliance with a Commission order.

2. Computation of the DSIC

a. Calculation: The DSIC shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Authority's rates and have been or are projected to be placed in service in the calendar year in which the DSIC is charged. The DSIC charge shall be levelized so that, on an annual basis, it will collect the recoverable costs for eligible plant additions that have been or are anticipated to be placed in service during the calendar year. DSIC charges shall be reconciled and may be adjusted on a calendar quarter basis for: 1) actual experienced sales volumes; and 2) revisions to projected DSIC eligible capital expenditures.

The dates and types of changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC-Eligible Plant Additions Reflected	
April 1	Annual levelized C-factor rate adjustments	
July 1	Optional rate adjustment for +/- 2% over/under collection	(C)
October 1	Rate adjustment for +/- 2% over/under collection	(C)
January 1	Optional rate adjustment for +/- 2% over/under collection	(C)

b. Recoverable Costs: The recoverable costs shall be amounts reasonably expended or incurred to purchase and install eligible property and associated financing costs, if any, including debt service, debt service coverage, and issuance costs.

(C)= Change

- c. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for water service under the Authority's otherwise applicable rates and charges. To calculate the DSIC, one-fourth of the annual recoverable costs associated with all property eligible for cost recovery under the DSIC will be divided by the Authority's projected revenue for water services (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of revenues from public fire protection service. (C)
- d. Formula: The formula for calculation of the DSIC is as follows: (C)

$$\text{DSIC} = \frac{\text{DSI} + e}{\text{PQR}}$$

Where:

- DSI = Recoverable costs (defined in Section b. directly above)
- e = the amount calculated under the annual reconciliation feature or Commission audit, as described below.
- PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) including any revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

3. Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

(C)= Change

The Pittsburgh Water
and Sewer Authority

Supplement No. X
Tariff Water - Pa. P.U.C. No. 1
First Revised Page No. 62
Canceling Original Page No. 62

4. Customer Safeguards

- a. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders), inclusive of amounts billed for annual reconciliation pursuant to the "e" factor set forth above, as determined on an annualized basis. (C)
- b. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Authority's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) and will be refunded in the same manner as an over-collection.
- c. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.
- d. All customer classes: The DSIC shall be applied equally to all customer classes. Provided that, the DSIC will not apply to public fire protection customers.

(C)= Change

PART VI: LEAD SERVICE LINE REMEDIATION

(C)

1. **Definitions:** For purposes of Part VI (Lead Service Line Remediation), the following definitions apply:
 - a. **CLRAC:** The Community Lead Response Advisory Committee established pursuant to PWSA's first jurisdictional base rate case docketed at R-2018-3002645 *et al.*
 - b. **Customer Lead Service Line:** A Lead Service Line extending from the Curb Stop to a point of consumption.
 - c. **Lead Service Line:** Any service line made of lead, galvanized iron, or galvanized steel.
 - d. **Partial Lead Service Line Replacement:** The replacement of an Authority Service Line made of any material without the simultaneous replacement of a connected Customer Lead Service Line.
 - e. **Public Lead Service Line:** A Lead Service Line from the distribution facilities of the Authority which connects to the customer service line at the hypothetical or actual line or the actual property line, including the Curb Stop and/or control valve and valve box.
 - f. **Residence:** A residential property with no more than four (4) dwelling units or a dual use property (commercial & residential) with service lines 1-inch in diameter or less, for which the PWSA has maintenance responsibility for the water service line from the water main to and including the curb stop. The term also includes a single-family residence that is served by a lead service line greater than 1-inch diameter.

(C) = Change

2. Lead Infrastructure Plan:

- a. Notwithstanding Part III, Section B.1 of this Tariff, the Authority will replace Customer Lead Service Lines pursuant to its Lead Infrastructure Plan (as approved at Docket No. M-2018-2640802 and set forth in Appendix C to the Authority's 5-Year Long-Term Infrastructure Improvement Plan approved at Docket No. P-2018-3005037), subject to an expenditure cap of \$11.0 million per year. The Authority may modify its annual expenditure cap for Customer Lead Service Line replacements with Commission approval. The costs incurred by the Authority to undertake remediation efforts pursuant to its Lead Infrastructure Plan shall be recoverable in rate proceedings.
- b. PWSA's Lead Infrastructure Plan is in effect until December 31, 2026, and applies to any Lead Service Line (1) serving any Residence; (2) of which PWSA is aware; (3) the replacement of which is operationally feasible; and (4) in the case of a private-side line, the Property Owner authorizes the replacement or replaces the line in accordance with PWSA policy.
- c. PWSA's Lead Infrastructure Plan and the provisions in Part VI, Section 4, subsections b. and c. of this Tariff, are subject to review and revision based on the Commission's pending decision in the Authority's compliance plan proceeding at Docket No. M-2018-2640802.

3. Replacement of Customer Lead Service Lines:

- a. Customers who received a Partial Lead Service Line Replacement after February 1, 2016 due to a PWSA action, such as, for example, a lead service line replacement contract, PWSA operation replacement or water main replacement, will be eligible to have their Customer Lead Service Line replaced by PWSA, at no direct cost to the customer.
- b. For customers who elected to replace their Customer Lead Service Line as a result of a PWSA Public Lead Service Line replacement between February 1, 2016 and December 31, 2018, PWSA will offer a direct reimbursement for costs incurred up to a maximum of \$5,500.
- c. For ad hoc replacements initiated by customers between February 1, 2016 and December 31, 2018, PWSA will not offer reimbursement. An "ad hoc replacement" refers to when a Property Owner elects on their own initiative to arrange for the replacement of a Customer Lead Service Line when PWSA is not then-currently replacing the public side of the line.

- d. For ad hoc replacements initiated by Property Owners after January 1, 2019, if the Customer Lead Service Line is connected to a Public Lead Service Line, PWSA will replace the Public Lead Service Line when a customer elects to replace the Customer Lead Service Line. For ad hoc replacements after January 1, 2019, PWSA will reimburse the customer for all or a portion of the cost of the Customer Lead Service Line replacement based on the customer's income. The proposed income-based reimbursement of the cost to replace Customer Lead Service Lines is tiered as follows:
- i. Full cost reimbursement for households with income levels below 300 percent of the federal poverty level (FPL), as adjusted annually;
 - ii. 75 percent of the cost for households with income levels between 301 and 400 percent of the federal poverty level, as adjusted annually;
 - iii. 50 percent of the cost for households with income level between 401 and 500 percent of FPL, as adjusted annually;
 - iv. For all other households, a \$1,000 stipend towards the replacement cost of Customer Lead Service Line replacement.
- e. After January 1, 2019, PWSA will offer to replace Customer Lead Service Lines at no direct cost to the Property Owner: (i) at any Residence where PWSA replaces an Authority Service Line connected to a Customer Lead Service Line; and (ii) at any residence with a private-side only Lead Service Line located within a work order area of a neighborhood-based Lead Service Line replacement program where Lead Service Line replacements are performed after completion of the 2019 Lead Service Line Replacement program which is currently scheduled to be completed by September 2020.

- f. Through the Community Environmental Project required under a Consent Order and Agreement dated November 17, 2017 with the Pennsylvania Department of Environmental Protection, PWSA will offer to replace the Customer Lead Service Lines of low-income customers (defined as households with income levels below 300 percent of the federal poverty level, as adjusted annually) at a program budget of \$1.8 million. Customer Lead Service Line replacements performed under the Community Environmental Project will be identified by customer requests and vetted through a third-party administrator. The Community Environmental Project will conclude on February 14, 2021.
- g. PWSA will replace a Customer Lead Service Line when PWSA's operations crew replaces an Authority Service Line, regardless of material, as a result of line breaks or leaks, including unplanned emergency replacements.

4. Partial Lead Service Line Replacements After January 1, 2019:

- a. PWSA will complete the replacement of a Public Lead Service Line without simultaneously completing the replacement of the Customer Lead Service Line in the following circumstances:
 - i. If PWSA determines, in its sole discretion, that replacement of a Customer Lead Service Line at a particular Residence or related interior plumbing modification is not technically feasible, the Residence is unsafe from a structural or sanitary condition, or will result in excess expense, due to conditions, such as length, terrain, obstructions, structures, pavements, trees, or other utilities, PWSA may exclude such Residence and not replace the Customer Lead Service Line;

- ii. PWSA is replacing an Authority Service Line through the small-diameter water main replacement program or is moving a residential service line from an abandoned water main to a different water main, and PWSA is unable to obtain consent to replace the Customer Lead Service Line from the Property Owner after making at least one attempt to contact the Property Owner by mail, one attempt by telephone, and one attempt by visiting the residence in person;
- iii. Property Owner who also resides at the property signs a formal agreement stating that they do not consent to a free Customer Lead Service Line replacement and that they understand the risks of a partial replacement; or
- iv. PWSA is replacing an Authority Service Line as a result of an emergency circumstance (e.g., water main leak, broken curb stop, or damage to other infrastructure requiring a public-side service line replacement), and PWSA is unable to obtain consent to replace the Customer Lead Service Line from the Property Owner after making at least one attempt to contact the Property Owner by telephone and one attempt by visiting the Residence in person.

b. Reserved for Future Use.

c. Reserved for Future Use.

5. Property Owner Agreement: The Authority shall enter into an agreement with a Property Owner for replacement of a Customer Lead Service Line that allows PWSA employees and contractors to gain access to their private property in order to replace their Customer Lead Service Line prior to the initiation of any work by the Authority to replace the Customer Lead Service Line. The agreement shall be in a form provided by the Authority and shall include provisions that require the Property Owner(s) to release and hold harmless the Authority from any and all claims, causes of action, damages or losses, of any nature, whatsoever with respect to the work performed by PWSA or its contractors.
6. Limitation of Liability: The Authority's liability relating to Lead Service Line remediation efforts is limited as set forth in Part III, Section I of this Tariff.
7. Warranty on Workmanship: The Authority will provide, at a minimum, a 30-day warranty on workmanship and materials for a Customer Lead Service Line it replaces.
8. Restoration: PWSA will restore roadways and public sidewalks, backfill any trenches excavated as part of the replacement process and will fill and seal any wall or floor penetrations in the private home. No other restoration will be conducted for Customer Lead Service Line replacements. PWSA will not replace any landscaping, interior finishes, paving, seeding, or walkways. All restoration costs shall be borne by the Property Owner.
9. Ownership and Responsibility for Replacement Line: After a Customer Lead Service Line is replaced by the Authority, the Customer shall own the Customer Service Line and shall have full responsibility for the repair, replacement and maintenance of the new Customer Service Line.
10. Post-Replacement Measures: The Authority will implement post-Customer Lead Service Line replacement measures, including distribution of water filters and filter cartridges, in accordance with its Lead Infrastructure Plan.

APPENDIX H

**JOINT PETITION FOR SETTLEMENT
PWSA RATE CASE R-2020-3017951**

THE PITTSBURGH WATER AND SEWER AUTHORITY

RATES, RULES AND REGULATIONS GOVERNING

THE PROVISION OF WASTEWATER CONVEYANCE SERVICE

TO THE PUBLIC IN THE TERRITORY DESCRIBED HEREIN

Issued: TBD

Effective: January 14, 2021

BY: William J. Pickering, Executive Director
1200 Penn Avenue, Pittsburgh, PA 15222
Tel: 412-255-8800

NOTICE

Filed in compliance with the Order of the Pennsylvania Public
Utility Commission entered TBD at Docket No. R-2020-3017970 and
P-2020-3019019.

This tariff makes increases and changes in existing rates,
rules, and regulations to include implementation of a 5%
Distribution System Improvement Charge. It also adds references
to 71 P.S. §§ 720.211 to 720.213 where appropriate.

LIST OF CHANGES

PART I: SCHEDULE OF RATES AND CHARGES, SECTION A - WASTEWATER CONVEYANCE (PAGE No. 9)

Rates for minimum charges and conveyance charges increased for effective date of January 14, 2021. Text added addressing billing for City of Pittsburgh. New text added regarding the billing for City of Pittsburgh Municipal Accounts pursuant to 71 P.S. §§ 720.211 to 720.213 and the applicability of the Industrial Consumption Charge to any new bulk water customers.

PART I: SCHEDULE OF RATES AND CHARGES, SECTION A.1 - WASTEWATER CONVEYANCE (UNMETERED SERVICE) (PAGE No. 11)

Rates for the per month customer charge increased for Residential and decreased for Commercial customer classes effective January 14, 2021. Outdated text deleted. New text added regarding applicability to City of Pittsburgh Municipal Accounts pursuant to 71 P.S. §§ 720.211 to 720.213.

RIDER BDP - BILL DISCOUNT PROGRAM (RESIDENTIAL) (PAGE No. 17, 17A)

Decreased rate qualifying low income customers must pay for Minimum Service Charge under Part I, Section A; changed verification requirements to every two years; added new discount off Consumption Charges for BDP participants at or below 50% of the Federal Poverty Level; and added new Pilot Arrearage Forgiveness Program.

PART III: RULES AND REGULATIONS, SECTION B, CONSTRUCTION AND MAINTENANCE OF FACILITIES, PARAGRAPH No. 7 (PAGE No. 35)

New text added regarding operation and maintenance responsibility for Sewer Laterals of the City of Pittsburgh pursuant to 71 P.S. §§ 720.211 to 720.213.

PART III: RULES AND REGULATIONS, SECTION C, PARAGRAPH No. 4 TURN-ON CHARGE (PAGE No. 41)

Text corrected and clarified regarding citations to other tariff provisions. Language added regarding limited waiver of Turn-On Charge.

PART III: RULES AND REGULATIONS, SECTION E, BILLING AND COLLECTION, PARAGRAPH No. 3 (PAGE No. 42)

Text corrected regarding the calculation of the late payment charge.

PART V: SURCHARGES - DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (PAGE NOS. 64, 65, 67)

New rate of 5% added, text regarding optional quarterly rate adjustments added, 5% cap for the amount billed to customers added.

PART I: SCHEDULE OF RATES AND CHARGES

Section A - Wastewater Conveyance

1. Minimum Charge*: Each customer will be assessed a service charge based upon the size of the customer's water meter as follows:

<u>Meter Size</u>	<u>Minimum Gallons</u>	<u>Minimum Charge Per Month</u>	
5/8"	1,000	\$8.51	(I)
3/4"	2,000	\$17.23	(I)
1"	5,000	\$40.92	(I)
1 1/2"	10,000	\$84.51	(I)
2"	17,000	\$143.07	(I)
3"	40,000	\$326.33	(I)
4"	70,000	\$558.31	(I)
6"	175,000	\$1,338.15	(I)
8"	325,000	\$2,424.04	(I)
10" or Larger	548,000	\$3,991.08	(I)

2. Conveyance Charge: In addition to the Minimum Charge, the following wastewater conveyance charges (based on water consumption/usage or wastewater flows, at the Authority's discretion) will apply for each 1,000 gallons above the Minimum Gallons for each meter size:

<u>Customer Class</u>	<u>Conveyance Charge Rate Per 1000 Gals.</u>	
Residential	\$7.64	(I)
Commercial*	\$6.74	(I)
Industrial	\$6.15	(I)
Health or Education	\$8.44	(I)

* Rate applies to City of Pittsburgh Municipal Accounts but bills will be calculated based on a phase-in factor pursuant to 71 P.S. §§ 720.211 to 720.213. (C)

(I)= Increase, (C)= Change

Section A.1 - Wastewater Conveyance (Unmetered Service)

1. Customer Charge. As of September 1, 2018 enrollment for Unmetered Service will be closed and no new Unmetered Service customers will be accepted by the Authority. Customers who are receiving unmetered service will be assessed a monthly customer charge per unmetered connection as follows:

Customer Class	Customer Charge	
Residential (per unit)	\$31.43	(I)
Commercial*	\$35.47	(D)

**Rate does not apply to City of Pittsburgh Municipal Accounts pursuant to 71 P.S. §§ 720.211 to 720.213.*

(C)

~~The continuation of unmetered service is subject to change. The Authority will develop and implement a metering plan which will identify all unmetered customers/accounts and provide for plans and timeframes for metering of all unmetered customers/accounts.~~

2. Treatment Rate: In addition to the Customer Charge, Customers who are receiving unmetered service will be required to pay rates for Wastewater/Sewage treatment to Premises, as set forth in Section A.3.

Section B - Bulk Wastewater Conveyance

1. Application: This schedule applies to all bulk wastewater conveyance for other wastewater utilities or public authorities.
2. Rates and Terms of Service: Contracts stipulating the negotiated rate and negotiated terms of Bulk Wastewater Conveyance may be entered into between the Authority and Customer or Applicant when the Authority, in its sole discretion, deems such offering to be economically advantageous to the Authority.

(I)= Increase, (D)= Decrease, (C)= Change

Rider BDP - Bill Discount Program (Residential)

1. Bill Discount Program: This rider is a program designed to enroll residential ratepayers who satisfy the criteria set forth below in a monthly discounted rate program

2. Availability: This rider is available for a Residential customer that meets the low-income criteria of annual household gross income at or below 150% based on the Federal Poverty Level.
 - a. A residential ratepayer who meets the eligibility criteria should complete an application for the Bill Discount Program.
 - b. Eligible customers may be asked to verify income every two years. (C)

3. Rate (Minimum Charge): The Minimum Charge for residential service pursuant to Rider BDP will be 0% of the prevailing Minimum Service Charge under Part I, Section A. Any other rates, fees and charges will be at the prevailing amounts under this tariff. (D)

4. Rate (Consumption Charge): The Consumption Charge for residential service pursuant to Rider BDP for participants with income at or below 50% of the Federal Poverty Level will pay 80% of the prevailing Consumption Charge under Part I, Section A (which represents a 20% discount off the charge). Any other rates, fees and charges will be at the prevailing amounts under this tariff. (C)

(D)= Decrease; (C)= Change

5. Pilot Arrearage Forgiveness Program

- a. Customers receiving residential service pursuant to Rider BDP who maintain an active, income based payment plan as documented by the Authority shall be eligible to participate in the Pilot Arrearage Forgiveness Program.
 - b. Eligible participants will have their billed charges in arrears forgiven in increments of \$15 per each payment received. Billed charges in arrears includes any amounts outstanding for PWSA's water service, if applicable.
 - c. The Authority will cease assessing any interest on the arrears and pursuing collections while the customer is in an active, income based payment plan.
 - d. Should the participating customer default on the payment plan, he or she will have the opportunity to make two catch-up payments to continue to receive the benefits of the Pilot Arrearage Forgiveness Program. Failure to make the two catch-up payments will result in immediate removal of the customer from the Pilot Arrearage Forgiveness Program.
 - e. Customers removed from the Pilot Arrearage Forgiveness Program will be eligible to reenter the program if they make all missed payments incurred during their prior enrollment in the Pilot Arrearage Forgiveness Program.
6. The Authority reserves the right to propose to alter or eliminate the Pilot Arrearage Forgiveness Program in a future base rate case.

facilities in good order and repair. The pump and equipment shall meet specifications as provided by the Authority.

7. Ownership and Maintenance of Sewer Laterals:

- a. Ownership of Sewer Laterals serving Residential and Non-Residential Properties, up to and including the connection of the Sewer Lateral to the Sewer Main, lies with the property Owner. The property Owner is responsible for the operation, inspection, maintenance, repair, replacement, abandonment, and removal of the Sewer Lateral as so described.*

**Ownership and maintenance responsibility for Sewer Laterals of the City of Pittsburgh is governed by 71 P.S. § 720.211 to 720.213.*

(C)

- b. Should the condition of a Sewer Lateral be such that there is a risk to public health or safety or of damage to public property, and the property Owner fails to take prompt action to cure the problem following notice to do so, the Authority shall have the right, but not the duty, to make the necessary repair or replacement and to charge the property Owner with the reasonable cost of the repair or replacement. Should the property Owner fail to reimburse the Authority within 30 days of the Authority's invoice therefor, the Authority shall have the right to file a lien against the property or properties served by the Sewer Lateral.
- c. The use of trenchless or no-dig techniques for the maintenance or repair of a Sewer Lateral must be pre-approved by the Authority.

(C)= Change

electronic notice is returned as undeliverable, by personal contact or posting a notice of termination on the Premises 3 days prior to the termination of service.

- k. The Authority will not terminate service to a premises when a customer has submitted a valid medical certificate signed by a licensed physician, nurse practitioner or physician's assistant certifying that a customer or member of the customer's household is seriously ill or has been diagnosed with a medical condition which requires the continuation of service to treat the medical condition consistent with 66 Pa.C.S. §§1403 and 1406(f).

The Authority reserves the right to deny wastewater service for violation of any provision of these Rules and Regulations, subject to PUC rules and regulations.

4. Turn-on Charge: Whenever service is discontinued or terminated pursuant to Paragraph C.2 or C.3 of this Section, service shall be turned on by the Authority only upon the payment by the customer of a turn-on charge pursuant to Part I, Section E and the resolution of the problem that gave rise to the termination if under Paragraph C.3. The turn-on charge will be waived until January 14, 2022 or as directed by future Commission order, whichever is later. (C)

Section D - Reserved

(C)= Change

Section E - Billing and Collection

1. Issuance of Bills: The Authority will bill each customer within fifteen (15) days of the last day of each billing period.
2. Billing Due Date: The due date for payment of a bill for nonresidential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Authority are not open to the general public, the due date shall be extended to the next business day. The Authority may not impose a late-payment charge unless payment is received more than five (5) days after the stated due date.
3. Late Payment Charge: All amounts not paid when due shall accrue a late payment charge at the rate of 0.~~00~~83 percent per billing period, not to exceed ten percent (10%) per year when not paid as prescribed in Rule 2 of this Section. (C)
4. Change in Billing Address: Where a customer fails to notify the Authority of a change in billing address, the customer shall remain responsible to remit payment by the billing due date.
5. Application of Payment: Utility bills rendered by the Authority shall include only the amount due for water service. Where a customer remittance to the Authority includes payment for any non-utility services, proceeds will be applied first to pay all outstanding regulated utility charges. For combined water/wastewater customers, any partial remittance will be applied to the water bill first and any remaining remittance will be applied to the wastewater bill.
6. Return Check Charges: The customer will be responsible for the payment of a charge for each time a check presented to the Authority for payment on that customer's utility bill is returned by the payor bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date,

(C)= Change

PART V: SURCHARGES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 5.0% will apply consistent with the Commission Order dated _____ at Docket No. P-2020-3019019, approving the DSIC. (I)

1. General Description

- a. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

- b. Eligible Property: The DSIC-eligible property will consist of the following:
- Collection sewers, collecting mains and service laterals, including sewer taps, curb stops and lateral cleanouts installed as in-kind replacements for customers; Accounts (360, 361 and 363)
 - Collection mains and valves for gravity and pressure systems and related facilities such as manholes, grinder pumps, air and vacuum release chambers, cleanouts, main line flow meters, valve vaults and lift stations installed as replacements or upgrades for existing facilities that have worn out, are in deteriorated condition or are required to be upgraded by law, regulation or order; Accounts (360, 361, 364 and 365)

(I)= Increase

- Collection main extensions installed to implement solutions to wastewater problems that present a significant health and safety concern for customers currently receiving service from the wastewater utility; Accounts (360, 361 and 363)• Collection main rehabilitation including inflow and infiltration projects; Accounts (360, 361 and 363)
 - Unreimbursed costs related to highway relocation projects where a wastewater utility must relocate its facilities; and
 - Other related capitalized costs.
- c. Effective Date: The DSIC will become effective upon one (1) day notice after submission of a compliance tariff in compliance with a Commission order.

2. Computation of the DSIC

- a. Calculation: The DSIC shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Authority's rates and have been or are projected to be placed in service in the calendar year in which the DSIC is charged. The DSIC charge shall be levelized so that, on an annual basis, it will collect the recoverable costs for eligible plant additions that have been or are anticipated to be placed in service during the calendar year. DSIC charges shall be reconciled and may be adjusted on a calendar quarter basis for: 1) actual experienced sales volumes; and 2) revisions to projected DSIC eligible capital expenditures.

The dates and types of changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC-Eligible Plant Additions Reflected	
April 1	Annual levelized C-factor rate adjustments	
July 1	Optional rate adjustment for +/- 2% over/under collection	(C)
October 1	Rate adjustment for +/- 2% over/under collection	(C)
January 1	Optional rate adjustment for +/- 2% over/under collection	(C)

(C)= Change

- b. Recoverable Costs: The recoverable costs shall be amounts reasonably expended or incurred to purchase and install eligible property and associated financing costs, if any, including debt service, debt service coverage, and issuance costs.
- c. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for wastewater service under the Authority's otherwise applicable rates and charges. To calculate the DSIC, one-fourth of the annual recoverable costs associated with all property eligible for cost recovery under the DSIC will be divided by the Authority's projected revenue for wastewater services (including all applicable clauses and riders) for the quarterly period during which the charge will be collected. (C)
- d. Formula: The formula for calculation of the DSIC is as follows: (C)

$$\text{DSIC} = \frac{\text{DSI} + e}{\text{PQR}}$$

Where:

DSI = Recoverable costs (defined in Section B. directly above)

e = the amount calculated under the annual reconciliation feature or Commission audit, as described below.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) including any revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

3. Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

(C)= Change

4. Customer Safeguards

- a. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders), inclusive of amounts billed for annual reconciliation pursuant to the "e" factor set forth above, as determined on an annualized basis (C)
- b. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Authority's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) and will be refunded in the same manner as an over-collection.
- c. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.
- d. All customer classes: The DSIC shall be applied equally to all customer classes.

(C)= Change