

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SUPPLEMENTAL DIRECT TESTIMONY OF

JENNIFER PRESUTTI

ON BEHALF OF
THE PITTSBURGH WATER
AND SEWER AUTHORITY

Docket Nos.
R-2020-3017951 (Water)
R-2020-3017970 (Wastewater)

TOPICS:


Preliminary Analysis of COVID-19 Financial Impacts

May 15, 2020

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND POSITION FOR THE RECORD.**

3 A. My name is Jennifer Presutti and I am the Director of Finance for The Pittsburgh Water
4 and Sewer Authority (“PWSA” or “Authority”).

5 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS PROCEEDING?**

6 A. Yes, I submitted Direct Testimony on March 6, 2020, which accompanied the rate filing.

7 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

8 A. The purpose of my Supplemental Direct Testimony is to [REDACTED]
9 [REDACTED]
10 [REDACTED] supplement my Direct Testimony to address budget
11 and financial issues due to COVID-19.

12 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

13 A. No.

14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

1 [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]

6 **III. PRELIMINARY ANALYSIS OF COVID-19 FINANCIAL IMPACTS**

7 **Q. HAS THE COVID-19 CRISIS CREATED ANY REVENUE OR COST IMPACTS**
8 **FOR PWSA?**

9 A. Yes. While PWSA has experienced revenue and cost impacts associated with the
10 COVID-19 crisis, the full extent of the potential revenue and cost impacts are only
11 beginning to emerge. PWSA is being proactive and conservative in addressing those
12 potential impacts. Specifically, PWSA revised its budgets and financial forecasts for the
13 FTY (FY 2020). Those revisions project the impact on the beginning cash balance for
14 the FPFTY of approximately \$7M. These projections are preliminary and conservative.
15 PWSA will continue to track revenue trends and respond appropriately by further
16 reducing expenses if necessary. PWSA is not revising the proposed revenue requirements
17 for the FPFTY at this time.

18 **Q. PLEASE DESCRIBE ANY OF THE IMMEDIATE REVENUE OR COST**
19 **IMPACTS CREATED BY COVID-19 CRISIS?**

20 A. The PWSA is tracking revenue impacts closely. It is still too soon to identify clear trends,
21 but PWSA will continue to monitor billing, collections, and consumption.

22 **Q. IS THERE ANYTHING ELSE YOU WOULD LIKE TO ADD?**

23 A. Yes. I should mention that PWSA is still expected to make ALCOSAN whole, even if
24 PWSA does not collect revenue due to COVID revenue impacts. Due to the current
25 billing and collections arrangement with ALCOSAN, the PWSA maintains the
26 responsibility of remitting all billed revenue to ALCOSAN. The potential decrease in

1 collections, along with the moratorium, will cause an increase in PWSA's accounts
2 receivable balance, bad debt, and collection efforts for ALCOSAN's services. This may
3 have lasting impacts into 2021.

4 **IV. CONCLUSION**

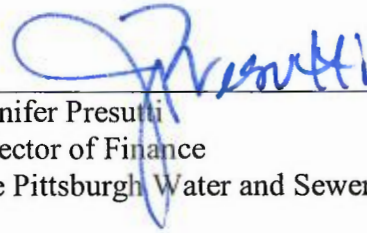
5 **Q. DOES THAT COMPLETE YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

6 A. Yes; however, I do reserve the right to supplement this testimony as may be appropriate.

VERIFICATION

I, Jennifer Presutti, hereby state that: (1) I am the Director of Finance for The Pittsburgh Water and Sewer Authority (“PWSA”); (2) the facts set forth in my testimony are true and correct (or are true and correct to the best of my knowledge, information and belief); and, (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 15, 2020



Jennifer Presutti
Director of Finance
The Pittsburgh Water and Sewer Authority