

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SUPPLEMENTAL
DIRECT TESTIMONY OF

ROBERT A. WEIMAR

ON BEHALF OF
THE PITTSBURGH WATER
AND SEWER AUTHORITY

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

TOPICS:
Procedural Updates
Overview of Supplemental Testimony

May 15, 2020

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND CURRENT POSITION WITH PWSA.**

3 A. My name is Robert “Bob” A. Weimar. My position with The Pittsburgh Water & Sewer
4 Authority (“PWSA” or “Authority”) is Executive Director.

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 package.

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

9 A. The purpose of my Supplemental Testimony is to provide: (1) a procedural update
10 regarding the Commission’s March 26, 2020 Order regarding PWSA’s Stage 1
11 Compliance Plan¹ and PWSA’s agreement to extend the statutory suspension period as a
12 result of the COVID-19 pandemic; and, (2) an overview of how PWSA proposes to
13 update this rate filing in response to [REDACTED] the
14 agreement to extend the statutory suspension period (though the specific details of
15 PWSA’s proposed revisions will be addressed more fully in the supplemental testimony
16 of other PWSA witnesses).

17 **Q. AS A THRESHOLD MATTER, DOES PWSA’S REQUESTED RATE INCREASE**
18 **CONTINUE TO BE NECESSARY?**

19 A. Yes. I recognize there may be some view that the COVID-19 pandemic has slowed down
20 operations to the point where construction will be delayed or unnecessary. However, at
21 this point in time, it is too early to assess the full impact for PWSA. PWSA is working
22 with all consultants, vendors, and contractors to assess potential future schedule impacts.

¹ *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”).*

1 But, many of PWSA’s critical infrastructure projects are required as a result of regulatory
2 orders and/or to be in compliance with expectations of the Commission, PA Department
3 of Environmental Protection (PADEP) and other stakeholders. Many of these projects are
4 expected to be completed within certain timeframes and, therefore, the work necessary to
5 satisfy these requirements must continue. While PADEP recently granted a request from
6 PWSA for a ninety-day extension related to some tasks from the November 17, 2017 and
7 September 6, 2019 Consent Orders,² all other provisions of these mandates remain in
8 effect and PWSA does not anticipate the extension of time to materially affect the current
9 capital schedule. In addition, PWSA’s efforts to assist consumers through these times
10 has resulted in under-collected revenue. While we are hopeful this delay in receipts is
11 temporary, PWSA’s financial position would be put in further jeopardy if it is unable to
12 receive the appropriate increase in rates supported by the record in this proceeding.

13 **II. PROCEDURAL UPDATES**

14 **Q. WHY IS PWSA SUBMITTING SUPPLEMENTAL TESTIMONY?**

15 A. We are submitting supplemental testimony [REDACTED] to address a commitment made in the
16 context of agreeing to voluntarily extend the suspension period [REDACTED]

17 [REDACTED]

18 [REDACTED].

² The requirements include Paragraph 3.c.iii of the November 17, 2017 Consent Order and Agreement requiring all monies held aside for the Community Environmental Project to be spent by November 16, 2020. From the September 6, 2019 Consent Order and Agreement, the following deadlines have been extended: (1) Paragraph 3.c.i - requiring PWSA must submit a construction permit application for the rehabilitation of Rising Main #3 on or before September 1,2020; (2) Paragraph 3.g - requiring submission of a construction permit application for the Aspinwall Pump Station to Lanpher Reservoir Rising main on or before December 30,2020; (3) Paragraph 3.k.ii - requiring submission of a construction permit application for the rehabilitation of the existing Aspinwall and Breucken pump stations on or before January 1, 2021; (4) Paragraph 3.q - requiring completion of investigation of the locations where valves, blow-offs, meters or other appurtenances are directly or indirectly connected to storm drains or sanitary sewers by June 1,2020

1 **A. Extension Of Statutory Suspension Period**

2 **Q. PLEASE EXPLAIN WHY PWSA HAS AGREED TO VOLUNTARILY EXTEND**
3 **THE STATUTORY SUSPENSION PERIOD.**

4 A. PWSA agreed to voluntarily extend the statutory suspension period to amicably resolve a
5 Motion filed on March 31, 2020 by the Bureau of Investigation and Enforcement (“I&E”)
6 seeking to extend the statutory suspension for PWSA’s rate case proceedings “by a
7 period of time commensurate with the closure of the Commission’s offices during the
8 coronavirus pandemic.” While two date options for the voluntarily extension were
9 agreed to by the parties, the earlier date is dependent on the Commission scheduling a
10 public meeting prior to December 31, 2020. At this point, the Commission has not
11 scheduled a public meeting for this timeframe and, therefore, PWSA expects that the
12 suspension will extend until the date of the Commission’s first currently scheduled public
13 meeting in 2021, January 14, 2021

14 **Q. PLEASE PROVIDE SOME BACKGROUND REGARDING I&E’S MOTION.**

15 A. On February 5, 2020 and pursuant to regulatory requirements, PWSA filed with the
16 Commission notice of its intent to file a general rate case on or after March 6, 2020.
17 Consistent with this Advance Notice, PWSA filed its base rate increase request on March
18 6, 2020. Shortly after PWSA filed this rate case, the coronavirus disease 2019
19 (abbreviated as COVID-19) quickly spread and caused a global pandemic. On March 31,
20 2020, I&E filed its Motion seeking to extend the statutory period. Answers in support of
21 the Motion were filed by Pittsburgh UNITED (“UNITED”), the Office of Consumer
22 Advocate (“OCA”), and the Office of Small Business Advocate (“OSBA”). PWSA filed
23 an Answer on April 13, 2020 in which it recognized the challenges created by the current
24 pandemic, but raised concerns regarding the financial and other harm that would result

1 from PWSA’s inability to receive timely rate relief. As a way to address all these
2 concerns and reach an amicable resolution of I&E’s Motion, the parties engaged in
3 informal settlement discussions. Ultimately, the parties crafted a path forward to balance
4 the needs of the Commission and parties for additional time and materials to fully review
5 and decide PWSA’s proposals with the ability of PWSA to receive the final approved
6 revenues in a reasonable timeframe.

7 **Q. AS PART OF THIS SETTLEMENT AGREEMENT, DID PWSA AGREE TO**
8 **SUBMIT SUPPLEMENTAL TESTIMONY?**

9 A. Yes. PWSA agreed to submit supplemental testimony as a result of:

10 (a) the Commission’s March 26, 2020 Order regarding PWSA’s Stage 1
11 Compliance Plan, including the City billing issues;

12 (b) the ongoing COVID-19 pandemic to the extent PWSA is able to identify those
13 impacts on its revenue requirement; and,

14 (c) replacement of customer-owned lead water service lines.

15 **B. Stage 1 Compliance Plan Order**

16 **Q. PLEASE UPDATE THE CURRENT STATUS OF THE COMPLIANCE PLAN**
17 **STAGE 1 PROCEEDING.**

18 A. As explained in my Direct Testimony, at the time we filed this rate case a decision from
19 the Commission was pending regarding the Compliance Plan Stage 1 proceeding. The
20 Compliance Plan proceeding also includes PWSA’s Long-Term Infrastructure
21 Implementation Plan (“LTIIP”) and was filed consistent with the statute³ and the
22 Commission’s direction in its Final Implementation Order.⁴ On March 26, 2020, the

³ 66 Pa. C.S. §3204(b) (“Within 180 days of the effective date of this section, an authority shall file a compliance plan with the commission which shall include provisions to bring an authority’s existing information technology, accounting, billing, collection and other operating systems and procedures into compliance with the requirements applicable to jurisdictional water and wastewater orders of the commission.”)

⁴ *Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water and Sewer Authority*, Docket Numbers M-2018-2640802 (water) and M-2018-2640803 (wastewater), Final Implementation Order entered March 15, 2018.

1 Commission issued its Stage 1 Compliance Plan Order which mostly approved the Joint
2 Petition for Partial Settlement filed on September 13, 2019 and addressed the issues that
3 were reserved for litigation.⁵

4 **Q. IS THE COMMISSION’S STAGE 1 COMPLIANCE PLAN ORDER UNDER**
5 **RECONSIDERATION?**

6 A. Yes, on April 16, 2020, the Commission entered an order grant reconsideration pending
7 review of the merits in response to the various post order filings that were made
8 including:

- 9 • Petition to Intervene of the City of Pittsburgh
- 10 • Petitions for Reconsideration filed by PWSA, UNITED, and City of Pittsburgh
- 11 • City of Pittsburgh Joinder in Petition for Reconsideration of PWSA
- 12 • Answers to the City of Pittsburgh Petition to Intervene filed by PWSA, I&E, and
- 13 OSBA
- 14 • Letter Response to the City of Pittsburgh Petition to Intervene filed by PWSA
- 15 • Answers to PWSA Petition for Reconsideration filed by I&E, OSBA, and
- 16 UNITED
- 17 • Answer to UNITED Petition for Reconsideration filed by PWSA
- 18 • Answers to City of Pittsburgh Petition for Reconsideration filed by I&E and
- 19 OSBA
- 20

21 **Q. NOTWITHSTANDING THE COMMISSION’S PENDING ACTION, HOW IS**
22 **PWSA MOVING FORWARD?**

23 A. PWSA is committed to continuing to move forward with the transition to Commission
24 jurisdiction and to do so in a transparent manner that is consistent with the Commission’s
25 expectations. Recognizing that the issues identified in the various post order filings
26 comprise only a small part of all the matters addressed in the Stage 1 Compliance Plan
27 proceeding, PWSA filed three compliance documents in response to the Stage 1
28 Compliance Plan Order.

⁵ *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”).

1 First, PWSA filed a Revised Compliance Plan on April 27, 2020 which: (1)
2 incorporated the Compliance Plan Supplement filed on February 1, 2019; (2)
3 incorporated the Stage 1 Joint Petition for Partial Settlement filed on September 13, 2019;
4 (3) incorporated directives from the Stage 1 Compliance Plan Order not currently under
5 reconsideration; (4) presented the most current update on items that will continue to be
6 reported in the Quarterly Compliance Plan Progress Report; (5) removed Stormwater and
7 the appropriate Customer Service issues that are to be addressed in the Stage 2
8 proceeding; and, (6) updated the background information.

9 Second, PWSA filed an Amended LTIP on April 27, 2020. The Amended LTIP: (1)
10 incorporated the agreed-to revisions set forth in the Joint Petition for Partial Settlement as
11 reflected in the revised LTIP submitted for the record on August 21, 2019; (2) updated
12 the LTIP to reflect current information; (3) included an Amended Figure 5-1; (4)
13 included an Amended Table 2-6; and, (5) included an Amended Appendix C which is
14 PWSA's Comprehensive Lead Infrastructure Plan.

15 Finally, PWSA filed Tariff Supplement Number 3 to its Water and Wastewater Tariff.
16 Initially filed on April 27, 2020, the supplements were resubmitted on May 8, 2020 to
17 revise the tariff effective date to June 27, 2020 in accordance with direction from
18 Commission Staff. The tariff revisions address: (1) PWSA's agreed to changes related to
19 its Fire Protection Charges as reflected in Exhibit 2 of the Joint Petition for Partial
20 Settlement; (2) revisions to clarify that PWSA will pay for the meter and meter
21 installation costs for non-municipal properties consistent with the Joint Petition for
22 Partial Settlement; and, (3) revisions to make clear that PWSA will not terminate service

1 where multiple premises are served by a single main connection and there is non-
2 payment by one of the connected premises.

3 **Q. WHY IS SUBMITTING SUPPLEMENTAL TESTIMONY REGARDING THE**
4 **ORDER WHILE IT IS UNDER RECONSIDERATION?**

5 A. PWSA has always recognized that direction from the Commission as part of the Stage 1
6 Compliance Plan proceeding would help inform its decisions about transitioning its
7 relationship with the City of Pittsburgh. [REDACTED]

8 [REDACTED]
9 [REDACTED]
10 [REDACTED] As explained more fully in my Direct Testimony and in the Direct Testimony of
11 other PWSA witnesses, there are a significant amount of other factors that PWSA had to
12 take into consideration in making the decision to file a rate increase request with the
13 Commission. As such, PWSA determined that it could not await a final order from the
14 Commission in the Stage 1 Compliance Plan Proceeding (which the Commission had
15 already delayed by a month) to move forward with its rate increase request. Therefore,
16 PWSA developed its rate case package based on what was available and known at the
17 time and reserved the right to revise or supplement the filing as appropriate based on the
18 Stage 1 Compliance Plan Order. Even though issues related to the City of Pittsburgh and
19 PWSA's lead service line replacement policy are subject to reconsideration, PWSA has
20 seriously considered the guidance of the Stage 1 Compliance Plan Order and has elected
21 to propose the revisions described in the Supplemental Direct Testimony of PWSA's
22 witnesses.

6 [REDACTED]

1 **III. OVERVIEW OF SUPPLEMENTAL TESTIMONY**

2 **Q. PLEASE PROVIDE AN OVERVIEW OF WHO WILL BE ADDRESSING ISSUES**
3 **FROM THE STAGE 1 COMPLIANCE PLAN ORDER IN THEIR**
4 **SUPPLEMENTAL TESTIMONY.**

5 A. Debbie Lestitian will be covering the [REDACTED]
6 current status of interactions between the City of Pittsburgh and PWSA [REDACTED]
7 [REDACTED]
8 [REDACTED].

9 Barry King will be covering issues related to updating PWSA’s tariff to incorporate
10 PWSA’s voluntarily agreement to replace a qualifying residential customer-owned
11 service line made of lead, galvanized iron, or galvanized steel in accordance with
12 PWSA’s Lead Infrastructure Plan and to satisfy the requirements of Act 120 of 2018 to
13 establish an annual expenditure cap on the replacement of customer-owned lead water
14 service lines.

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

19 **Q. PLEASE PROVIDE AN OVERVIEW OF WHO WILL BE ADDRESSING ISSUES**
20 **RELATED TO COVID-19.**

21 A. Jennifer Presutti, Edward Barca and Thomas Huestis will each be addressing the
22 projected short-term impacts of COVID-19 in relation to our revenue requirements and
23 financial markets. We are continuing to evaluate long-term impacts but they are
24 unknown at this time.

25 Julie Quigley will be updating the customer impacts resulting from PWSA’s proposed

1 rate revisions, provide information about PWSA's response to COVID-19 from a
2 customer facing perspective to include impacts on PWSA's collections, and explain the
3 current status of PWSA's Water and Wastewater Tariffs including PWSA's anticipated
4 process for making changes based on the revised proposals.

5 Finally, Beth Dutton will provide an update regarding PWSA's plans to seek
6 Commission approval for a Stormwater fee. Although the projected implementation date
7 of 2022 has not changed, the projected filing date with the Commission will be delayed.

8 **IV. CONCLUSION**


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

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

VERIFICATION

I, Robert Weimar, hereby state that: (1) I am the Executive Director 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



Robert Weimar
Executive Director
The Pittsburgh Water and Sewer Authority