


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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November 24, 2020

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Proposed revisions to Water Audit
Methodology 52 Pa. Code § 65.20
Water conservation measures – statement
of policy
Docket No. L-2020-3021932

Dear Secretary Chiavetta:

Attached for electronic filing are the Office of Consumer Advocate's Comments in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Very truly yours,

/s/ Christine Maloni Hoover
Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026
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Enclosures:

cc: James A. Mullins, Law Bureau (**email only**)
Stephanie A. Wilson, Law Bureau (**email only**)
Certificate of Service

*299873

CERTIFICATE OF SERVICE

Re: Proposed revisions to Water Audit :
Methodology 52 Pa. Code § 65.20 Water : Docket No. L-2020-3021932
Conservation measures – statement of policy:

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

Dated this 24th day of November 2020.

SERVICE BY E-MAIL ONLY

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Dated: November 24, 2020
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Proposed Revisions To Water Audit :
Methodology 52 Pa. Code § 65.20 : Docket No. L-2020-3021932
Water Conservation Measures - Statement :
Of Policy :

THE OFFICE OF CONSUMER ADVOCATE’S
COMMENTS TO THE
ADVANCED NOTICE OF PROPOSED RULEMAKING

The Office of Consumer Advocate (OCA) submits these Comments in response to the Public Utility Commission’s (PUC’s or Commission’s) September 17, 2020 Order initiating an Advanced Notice of Proposed Rulemaking (ANOPR). The Commission’s Order was published in the Pennsylvania Bulletin on October 10, 2020. 50 Pa. Bull at 5657-5659. In the ANOPR, the Commission asks stakeholders to address issues regarding the replacement of the Policy Statement at 52 Pa. Code § 65.20 with a Commission regulation which “will enable the Commission to more comprehensively address public utility water loss in the Commonwealth.” 50 Pa. Bull. at 5659; Order at 7. The Commission also requests comments from the water utilities that have been filing annual water audits each year since 2013. Id. The Commission also requests “specific costs and/or savings associated with the implementation of the Water Audit Methodology, including legal, accounting or consulting procedures which may be required.” Id. The Commission also invited comment as to whether the Water Audit Methodology should be extended to other jurisdictional water utilities. Id. As set forth below, the OCA provides the following comments.

I. COMMENTS

The OCA provides general comments regarding the process and the availability of the water audit information. It is not clear to OCA whether the replacement of the policy statement by a regulation would also mean that Section 500 of the Annual Report will be replaced, so for purposes of these Comments, the OCA has assumed that it will be replaced. The OCA provides comments in three areas.

Availability Of Water Audit Methodology Reports to Stakeholders

The OCA recommends that the water audit reports be available for stakeholders to review. Currently many of the water utilities' annual reports, containing Section 500 – Unaccounted For Water, are accessible on the Commission's website for review.¹ The OCA submits that the Water Audit Methodology report should also be easy to find on the Commission's website. The OCA suggests that the Water Audit Methodology be added to the Document Type on the search page. This addition to Document Type would permit stakeholders to look for the submissions more easily, including all submissions (document type) for a broad look at the data, or for a specific utility (utility code or name).

Data Issues

The OCA proposes that the Water Audit Methodology submissions be reviewed for consistency and that the data be validated on a regular basis. Regarding consistency, for example, are systems with multiple operating divisions required to provide a variable cost that is specific to the operating division or is it acceptable that the variable cost be non-specific to the operating

¹ This statement assumes that the utility's annual report is posted on the Commission's website. When referenced on November 23, 2020, approximately thirty-nine water utility annual reports for 2019 were available on the Commission's website.

division and represent a “system-wide” calculation? It would be helpful if the Commission, in consultation with stakeholders, was able to provide guidance as to how the Commission-regulated utilities were to address input decisions when using the software.

Regarding data validation², according to a survey by the American Water Works Association (AWWA), the states vary in the requirement that the data be verified.³ The OCA submits that the data should be verified by the utility and that the Commission’s Bureau of Technical Utility Services and/or the Bureau of Audits review the submissions to ensure that the data is validated on a regular basis (perhaps reviewing some subset of utility submissions each year so that all utility submissions are reviewed within a certain time period, *e.g.*, every three years.).

Extended to all Water Utilities

The OCA does not take a position on whether the Class B, C, and D water utilities should be required to use the Water Audit Methodology. Certainly, those water utilities could voluntarily participate. If the Commission determines that it will be required of all water utilities, then the OCA recommends that there be a series of interactive training webinars with the smaller utilities who may need assistance from the Commission staff regarding the use of the Water Audit Methodology software. Such training webinars could be beneficial in providing a transition period if the Class B, C, and D water utilities are required to use the Water Audit Methodology.

² Data validation can be done at different levels of scrutiny. See Report on the Evaluation of Water Audit Data For Pennsylvania Utilities, prepared for Natural Resources Defense Council, by Kunkel Water Efficiency Consulting. (Feb. 15, 2017). www.nrdc.org/sites/default/files/pa-utilities-water-audit-data-evaluation-20170215.pdf. The OCA submits that Level 1 validation should be considered, at a minimum. *Id.*

³ <https://www.awwa.org/Portals/0/AWWA/ETS/Resources/WLCstateofthestatesApr2016.pdf?ver=2016-04-06-092244-437>

II. CONCLUSION

The OCA appreciates the opportunity to provide these comments on the Commission's Advanced Notice of Proposed Rulemaking regarding 52 Pa. Code 65.20.

Respectfully Submitted,

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DATED: November 24, 2020
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