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December 16, 2020

Via Electronic Filing

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

Re: PA Public Utility Commission v. Pittsburgh Water and Sewer Authority
Docket Nos. R-2020-3017951, (water); R-2020-3017970 (wastewater)
and P-2020-3019019

Dear Secretary Chiavetta:

On behalf of the Pittsburgh Water and Sewer Authority's ("PWSA") enclosed for electronic filing please find Supplement No. 5 to Tariff Water – Pa. P.U.C. No. 1 and Supplement No. 5 to Tariff Wastewater – Pa. P.U.C. No. 1 with regard to the above-referenced matters. These supplements increase and change existing rates, rules and regulations to include implementation of a 5% Distribution System Improvement Charge in compliance with the Commission's December 3, 2020 Order entered in at the above docket numbers. The undersigned certifies that this filing contains no averments or denials of fact subject to verification and penalties under 52 Pa. Code Section 1.36. Copies to be served in accordance with the attached Certificate of Service.

Sincerely



Deanne M. O'Dell

DMO/lww

Enclosure

cc: Hon. Mary D. Long w/enc.
Hon. Emily Devoe w/enc.
Marie Intrieri (maintrieri@pa.gov)
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PWSA's Tariff Supplements No. 5 upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Dated: December 16, 2020

Deanne M. O'Dell, Esq.

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: December 16, 2020

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 December 3, 2020 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:

Customer Class	Consumption Charge Rate per 1000 Gals.	
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.

(C)

** Rate applies to any new bulk water customers.

(I)= Increase, (C)= Change

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)

(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)

	Per Hydrant Charge	
	<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)

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. (C)

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)

(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. 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.

(C)= Change

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. Non-Municipal 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 Meter and 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 0.83 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 December 3, 2020 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

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.

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: December 16, 2020

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 December 3, 2020 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:

<u>Customer Class</u>	<u>Customer Charge</u>	
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)

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. (C) (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 0.83 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 December 3, 2020 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
