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Deanne M. O'Dell 717.255-3744 dodell@eckertseamans.com

July 19, 2018

Via Hand Delivery

Rosemary Chiavetta, Secretary PA Public Utility Commission PO Box 3265 Harrisburg, PA 17105-3265

Re:

PA PUC v. Pittsburgh Water and Sewer Authority

Docket Nos. R-2018-3002645 and R-2018-3002647

Dear Secretary Chiavetta:

Enclosed for filing please find The Pittsburgh Water and Sewer Authority's ("PWSA") Responses to Data Requests, Set I from the Commission's Bureau of Technical Utility Services Water/Wastewater Division. We are providing you with a CD containing the non-confidential responses and the CONFIDENTIAL response to TUS-R1(A) in a separate envelope. Verifications from company representatives sponsoring the various answers are also included.

Copies of the non-confidential responses (CD) will be served in accordance with the attached Certificate of Service. Any party to the proceeding wishing to receive a copy of the confidential response should contact us directly.

Sincerely,

Deanne M. O'Dell

DMO/jls Enclosure

cc:

Clinton McKinley w/enc. Certificate of Service w/enc. RECEIVELL
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List of Supporting Attachments

PA PUBLIC UTILITY COMMISSION SECRETARY'S BURFALL

		SECRETARY'S BUREAU
Question	Attachment Label	Responsive Document
R1(a)	CONFIDENTIAL	Record of Restoration Times Since April 1, 2018 [L0768781] ¹
	TUS-I-R1(a) Attachment A	
R2	TUS-I-R2 Attachment A	Customer Meters as of July 10, 2018 [L0768086]
R5	TUS-I-R5 Attachment A	Asset Account Detail: Sewer Operations – Utility Miscellaneous [L0768094]
R6	TUS-I-R6 Attachment A	Alcosan 1955 Cooperation Agreement [L0768372]
	TUS-I-R6 Attachment B	Alcosan 1996 Memorandum of Understanding [L0768373]
	TUS-I-R6 Attachment C	Alcosan 1996 Purchase Agreement [L0768374]
	TUS-I-R6 Attachment D	Alcosan 2004 First Amendment to 1955 Agreement [L0768375]
	TUS-I-R6 Attachment E	Cooperation Agreements 1995 Cooperation Agreement Effective
		January 1, 1995 [L0768376]
	TUS-I-R6 Attachment F	PA American Water formerly Western PA Water and South
		Pittsburgh Water Subsidy Agreement [L0768377]
	TUS-I-R6 Attachment G	PA American Water Subsidy City Council Ordinance VII B.
		Requirement PWSA to Pay [L0768378]
	TUS-I-R6 Attachment H	PSWA 1984 Lease and Management Agreement [L0768379]
R7	TUS-I-R7 Attachment A	O'Hara Township 1991 Conveyance Agreement [L0768380]
	TUS-I-R7 Attachment B	Westview Water and PWSA Agreement [L0768381]
	TUS-I-R7 Attachment C	West View Water 2013 Agreement [L0768382]
	TUS-I-R7 Attachment D	Hampton Township 2002 First Amendment to Water Sales
	i	Agreement [L0768383]
	TUS-I-R7 Attachment E	Agreement Bay Valley Foods [L0768384]
	TUS-I-R7 Attachment F	Hampton Township 1961 Agreement with Shaler Township
		[L0768385]
	TUS-I-R7 Attachment G	Hampton Township 1991 Agreement with O'Hara Township
		[L0768386]
	TUS-I-R7 Attachment H	Hampton Township 1968 Extension Agreement with Shaler
		Township [L0768387]
	TUS-I-R7 Attachment I	HSWA 2013 Wholesale Water Sales Agreement with Hampton
		Shaler Water Authority [L0768388]
	TUS-I-R7 Attachment J	O'Hara Township 2011 Relocation Agreement [L0768389]
	TUS-I-R7 Attachment K	Aspinwall 2009 Water Sales Agreement [L0768390]
	TUS-I-R7 Attachment L	Blawnox 1982 Water Supply Agreement [L0768391]
	TUS-I-R7 Attachment M	Agreement Bay Valley Foods Part Two [L0768392]
	TUS-I-R7 Attachment N	West View Water 2010 Sewage Billing [L0768393]
	TUS-I-R7 Attachment O	Wilkinsburg Penn 2007 Joint Termination Agreement [L0768394]
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¹ Document tracking number parties in the proceeding may use for locating documents on the Share File site.

	TUS-I-R7 Attachment P	Hampton Township 1988 Agreement with Shaler Township [L0768395]
	TUS-I-R7 Attachment Q	O'Hara Township 1991 Shut Off Agreement [L0768396]
	TUS-I-R7 Attachment R	Hampton Township 1996 Water Sales Agreement [L0768398]
	TUS-I-R7 Attachment S	Fox Chapel Authority 1995 Water Sales Agreement [L0768399]
	TUS-I-R7 Attachment T	O'Hara Township 1990 Water Sales Agreement [L0768400]
	TUS-I-R7 Attachment U	Fox Chapel Authority 1997 Memorandum of Understanding
		[L0768401]
	TUS-I-R7 Attachment V	Shaler Township 1942 Articles of Agreement [L0768397]
R8	TUS-I-R8 Attachment A	Ross Township 2004 Sewer Interconnection Agreement - Kirby
		[L0768402]
	TUS-I-R8 Attachment B	Swissvale Borough 1933 Articles of Agreement [L0768403]
	TUS-I-R8 Attachment C	Sharpsburg 1929 Ordinance 412 RE Agreement [L0768404]
	TUS-I-R8 Attachment D	Bulk Rate Sewer 1965 Wilkins Township Agreement [L0768405]
	TUS-I-R8 Attachment E	Ross Township 2004 Water Service Agreement - Kirby [L0768406]
	TUS-I-R8 Attachment F	Bulk Rate Sewer 1971 Ordinances Agreements [L0768407]
	TUS-I-R8 Attachment G	Aspinwall 1949 Agreement with Alcosan and City of Pittsburgh
		[L0768408]
	TUS-I-R8 Attachment H	West Mifflin Sanitary 1953 Agreement between the City of
		Pittsburgh and West Mifflin Borough [L0768409]
	TUS-I-R8 Attachment I	Bulk Rate Sewer 1966 Monroeville Agreement [L0768410]
	TUS-I-R8 Attachment J	Sharpsburg 1992 Memo Understanding [L0768411]
R14	TUS-I-R14 Attachment A	PWSA Direct Testimony Witness Verifications [L0768535]
R15	TUS-I-R15 Attachment A	Customer Notice Affidavit [L0768770]

Request: TUS-I-R1

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The responses provided for the following filing requirements pursuant to 52 Pa. Code § 53.53 did not contain required information. Additionally, PWSA has not sought a waiver of Commission regulation for the filing requirements. For each of the following filing requirements, please provide supplemental information to satisfy filing requirements, or indicate if PWSA plans to file for a waiver of Commission regulation pursuant to 52 Pa. Code § 1.91:

- (a) IX.3
- (b) IX.6
- (c) IX.7
- (d) X.2
- (e) XI.5
- (f) XI.6 (does not indicate all counties and cities and other governmental subdivisions to which service is provided)

Response:

- (a) See **CONFIDENTIAL** TUS-I-R1(a) Attachment A Record of Restoration Times Since April 1, 2018. This attachment is being filed confidentially because it contains customer information and distribution system information.
- (b) PWSA's response to FR IX.6 deals with conservation activities. This is because Act 65, which added Chapter 32 to the Public Utility Code contemplates that PWSA's plan for compliance with Commission rules and regulations, including all requirements of 52 Pa Code Chapter 65, shall be determined via a compliance plan process. PWSA's proposed Compliance Plan will set forth the degree to which PWSA is or is not currently in compliance with the activities required by 52 Pa. Code § 65.20 and, if not in compliance, the Compliance Plan will propose a time line for coming into compliance or seeking a waiver of the requirements. See, 66 PA C.S. § 3204(b); PWSA St. 1 at 21-23. PWSA is required to file its Compliance Plan by September 28, 2018. As such, PWSA's answer to this FR is complete as of this time.
- (c) FR IX.7 deals with meter testing. As noted in the filed responses, PWSA is currently in the process of developing plans for meter testing and plans to more fully address these issues in the Compliance Plan it was directed to file by the Commission in its Final Implementation Order ("FIO") entered March 15, 2018 at

Docket Numbers M-2018-2640802 and M-2018-2640803. As such, PWSA's answer to this FR is complete as of this time.

- (d) FR X.2 requests information that PWSA does not currently track because PWSA does not use a system of accounts in compliance with 52 Pa. Code § 65.16. Recognizing this, the Commission directed PWSA to develop a schedule to convert its accounts to the USoA standard and present that as part of the Compliance Plan. FIO at 36. As noted in its response to FR X.2, PWSA is currently undertaking this process but is unable to provide the information requested. PWSA plans to address this issue in its Compliance Plan. As such, PWSA's answer to this FR is complete as of this time.
- (e) PWSA has provided its best estimates regarding unaccounted for water in its response to FR XI.5. PWSA plans to address this issue in its Compliance Plan. As such, PWSA's answer to this FR is complete as of this time.
- (f) Along with providing retail water and sewer service to residents in the City of Pittsburgh, PWSA provides retail water service to the Borough of Millvale, O'Hara Township, and Ross Township. Furthermore, PWSA provides bulk water sales to Reserve Township, Fox Chapel Borough, and Aspinwall Borough, along with being interconnected to several other regional water systems for emergency purposes, including, Hampton Shaler Water Authority, Borough of Sharpsburg, West View Water Authority, and Pennsylvania American Water Company.

Response Provided by:

Harold J. Smith, Vice President Raftelis Financial Consultants, Inc.

Julie Quigley, Director of Administration, The Pittsburgh Water and Sewer Authority

Request: TUS-I-R2 The schedule provided in response to 52 Pa. Code § 53.52(a)(2)

provides an estimate of the number of meters for "FY 2019". Please provide a calculation of the current total number of customers served by PWSA pursuant to 52 Pa. Code § 53.52(a)(2). This value should

include the number of unmetered customers.

Response: It should have been noted in § 53.52(b)(3) that the number of

customers served by PWSA in 2017 is expected to remain flat through FY 2019. The attached exhibit indicates the number of active customer meters by customer class as of July 10, 2018. It is

important to note that the number of active customer meters fluctuates month-to-month which explains the difference between the number of meters shown in § 53.52(b)(3) and TUS-I-R2

Attachment A (Customer Meters as of July 10, 2018).

Response Harold J. Smith, Vice President Raftelis Financial Consultants, Inc.

Provided by: Robert A. Weimar, Executive Director, The Pittsburgh Water and Sewer Authority

Request: TUS-I-R3 Please state how PWSA's Rider BDP does not violate 66 Pa. C.S. §

1304.

Response: Section 1304 prohibits <u>unreasonable</u> differences. PWSA's Rider

BDP detail its Bill Discount Program which provides qualifying low-income customer a 50% reduction of fixed monthly water and sewer conveyance charges and is generally consistent with other tariff provisions approved by the Commission. *See, e.g.,* Pennsylvania-American Water Company, Tariff Water-PA P.U.C. No 5, Page 17 and Pennsylvania-American Water Company, Tariff Wastewater PA

P.U.C. No. 16, Page 16.

Response Carl Shultz, Esquire

Provided by: Eckert Seamans Cherin Mellott, LLC

Request: TUS-I-R4 Please provide justification that the line item described as,

"Membrane Plant" GL Account 1802 identified on Schedule FR

53.52(c)(3), is used and useful in public service.

Response: The Commission has decided that PWSA's revenue requirement will

be determined using the "Cash Flow" method which is the traditional

method of determining just and reasonable rates for municipal

authorities. FIO at 27-28. This is because PWSA has no shareholders and does not pay a dividend or rate of return to its owner. Accordingly, all of the funds PWSA needs to run the company come from ratepayers or from borrowing (the costs of which then must be paid by ratepayers). As such, the concept of

used and useful in public service is not applicable to PWSA.

Response

Carl Shultz, Esquire

Provided by:

Eckert Seamans Cherin Mellott, LLC

Dated:

Request: TUS-I-R5 Please provide a breakdown of the \$4,986,808 identified as GL Account

1807 "Utility-Miscellaneous" on Schedule FR 53.52(c)(3).

Response: See TUS-I-R5 Attachment A (Asset Account Detail: Sewer Operations –

Utility Miscellaneous).

Response

Harold J. Smith, Vice President

Provided by:

Raftelis Financial Consultants, Inc.

Dated:

Request: TUS-I-R6 Please provide copies of all executed agreements which are part of

"Other Operating Expenses" identified on Schedule FR §

53.52(c)(5).

Response: See TUS-I-R6 Attachments A through H.

Response Debbie M. Lestitian, Chief Corporate Counsel and Chief of Administration

Provided by: The Pittsburgh Water and Sewer Authority

Request: TUS-I-R7 Please provide a copy of the contracts between PWSA and wholesale

& contract customers.

Response: See TUS-I-R7 Attachments A through V.

Response

Debbie M. Lestitian, Chief Corporate Counsel and Chief of Administration

Provided by:

The Pittsburgh Water and Sewer Authority

Dated:

Request: TUS-I-R8 Please provide a copy of agreements between PWSA and municipal

corporations regarding jurisdictional water, wastewater, and

stormwater service.

Response: PWSA is providing the agreements readily available as not all

agreements allowing municipalities access are easily available given

their age. See TUS-I-R8 Attachments A through J.

Response

Debbie M. Lestitian, Chief Corporate Counsel and Chief of Administration

Provided by:

The Pittsburgh Water and Sewer Authority

Dated:

Request: TUS-I-R9 Please identify and list any expenses included in this rate case that

were solely incurred for the collection, conveyance, treatment, or

disposal of stormwater.

Response: As discussed in PWSA St. 2 at 19, PWSA does not account

separately for costs incurred for the collection, conveyance,

treatment, or disposal of stormwater; however, as shown on Exhibit

DML-4 Page 3, PWSA has preliminarily identified that in the

FPFTY, the utility will incur approximately \$29.5 million in costs to perform stormwater related services and to construct, operate and

maintain infrastructure associated with the management of

stormwater runoff. This preliminary estimate is the result of a cost allocation exercise using the allocation factors shown on pages 4 and 5 of DML-4. PWSA currently recovers all of the costs identified in the cost allocation exercise through its existing water and sewer rates

and the rates in the proposed water and wastewater conveyance

tariffs are also designed to recover these costs.

Response Provided by:

Harold J. Smith, Vice President Raftelis Financial Consultants, Inc.

Dated:

Request: TUS-I-R10 Page 16 of PWSA St. No. 5 states that PWSA assesses a monthly

Fire System Charge to customers with fire suppression systems. Please confirm if this charge conforms to 66 Pa. C.S. § 1326.

Response: PWSA's charge does confirm to 66 Pa.C.S. § 1326. Private fire

protection service is available from PWSA. PWSA imposes a separate rate for fire protection service. See PWSA Tariff Water — Pa. P.U.C. No. 1, Page 10. This is not the same as an impermissible "standby charge." See, e.g., PUC v. Philadelphia Suburban Water Company, Docket No. R-911892, Opinion entered October 18, 1991; 1991 Pa. PUC LEXIS 206. The statute defines "standby charge" as "an amount, in addition to the regular rate, assessed against the owner of a residential structure for the reason that the residential structure is equipped with an automatic fire protection system." 66 Pa. C.S. § 1326(b). Customers are not being charged an additional amount on the basis that the structure is equipped with a fire protection system; therefore, residential customers are not being assessed an impermissible standby charge. See, e.g. Pennsylvania American Water, Tariff Water-PA P.U.C. No. 5, at First Revised Page 29-30 (Private Fire Protection, unmetered), First Revised Page

31 (Private Fire Protection, metered).

Response Carl Shultz, Esquire

Provided by: Eckert Seamans Cherin Mellott, LLC

Request: TUS-I-R11 PWSA's proposed tariff does not appear to contain charges for

private fire hydrants. If PWSA provides service to any private fire

hydrants, please specify how such hydrants are billed.

Response: PWSA does provide service to private fire hydrants. Such service is

part of the metered service line, and the customer is charged for consumption through their hydrant based on the meter size and their customer classification. There is no additional cost associated with the hydrant itself. These charges are set forth in PWSA Tariff Water – Pa. P.U.C. No. 1, Page 10. PWSA does not assess charges for public fire protection unless used for purposes other than to fight a confirmed fire or for reasonable testing, training on, and

maintenance of public fire hydrants and abatement equipment. In

that scenario, PWSA charges consumption charges consistent with the private protection consumption charges. See PWSA Tariff Water

- Pa. P.U.C. No. 1, Page 11.

Response Provided by:

Julie Quigley, Director of Administration
The Pittsburgh Water and Sewer Authority

Dated:

Request: TUS-I-R12 PWSA's proposed tariffs contain various provisions providing for

the automatic adjustment of certain fees. Please state whether PWSA intends to comply with 66 Pa. C.S. § 1307 for each fee with

an automatic adjustment mechanism.

Response: PWSA is not proposing the ability to automatically increase any fees

set forth in its proposed initial tariffs. Changes to any fees would be

set forth in its tariff through the filing of an appropriate tariff

supplement.

Response

Provided by: Robert A. Weimar, Executive Director, The Pittsburgh Water and Sewer Authority

Request: TUS-I-13 Page No. 53 of PWSA's proposed water tariff does not appear to comply

with 52 Pa. Code § 65.7 (b). Please state whether PWSA is seeking a

waiver of this requirement pursuant to 52 Pa. Code § 1.91.

As set forth more fully in St. No. 4 at 14-15, PWSA's current line Response:

extension/fee provisions related to metering are consistent with the

requirements of the Municipality Authorities Act ("MAA") which are not consistent with Commission requirements. For the reasons explained in St. No. 4 at 15, PWSA is not proposing to change its existing processes at this time. However, and consistent with the Commission directive in the FIO that it expects PWSA's Compliance Plan to "detail how PWSA will reach ultimate end-state compliance with the Public Utility Code and

Commission regulations," PWSA is in the process of evaluating this issue

and plans to address it in the Compliance Plan.

Response Provided by:

Julie Quigley, Director of Administration The Pittsburgh Water and Sewer Authority

Dated:

Request: TUS-I-R14 Please provide verification statements for direct testimony pursuant

to 52 Pa. Code § 1.36.

Response: 52 Pa Code § 1.36 does not require written verifications to be

included with direct testimony filed in a rate case. As this

proceeding has been referred to the Office of Administrative Law Judge, only testimony admitted into the record (and properly verified) will constitute the record for this proceeding. However, verifications as requested are enclosed as TUS-I-R14 Attachment A.

Response

Carl Shultz, Esquire

Provided by:

Eckert Seamans Cherin Mellott, LLC

Dated:

Request: TUS-I-R15 Please provide the required customer notice affidavit pursuant to 52

Pa. Code § 53.45(h).

Response: See TUS-I-R15 Attachment A which is the Customer Notice

Affidavit that was filed on July 18, 2018.

Response Julie Quigley, Director of Administration

Provided by: The Pittsburgh Water and Sewer Authority

I, Debbie M. Lestitian, hereby state that: (1) I am Chief Corporate Counsel and Chief of Administration for The Pittsburgh Water and Sewer Authority ("PWSA"); (2) the discovery responses that I am sponsoring 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).

Dated: July 19, 2018

Debbie M. Lestitian, Chief Corporate Counsel and

Chief of Administration

The Pittsburgh Water and Sewer Authority

I, Robert A. Weimar, hereby state that: (1) I am the Executive Director of The Pittsburgh Water and Sewer Authority ("PWSA"); (2) the discovery responses that I am sponsoring 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).

Dated: July 19, 2018

Robert A. Weimar, Executive Director
The Pittsburgh Water and Sewer Authority

I, Julie A. Quigley, hereby state that I am the Director of Administration for The Pittsburgh Water and Sewer Authority. I hereby verify that the facts set forth in the attached discovery responses which I am sponsoring are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

July 19, 2018

Dated

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I, Harold J. Smith, hereby state that: (1) I am a Vice President of Raftelis Financial Consultants, Inc.; (2) I have been retained by The Pittsburgh Water and Sewer Authority ("PWSA") and am authority to present testimony on its behalf; (3) the responses to discovery that have been sponsored by me are true and correct (or are true and correct to the best of my knowledge, information and belief); and, (4) 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).

Dated: 7/19/18

Raftelis Financial Consultants, Inc.

I, Carl Shultz, hereby state that: (1) I am an attorney with the law firm of Eckert Seamans Cherin and Mellot, LLC; (2) I am representing The Pittsburgh Water and Sewer Authority ("PWSA") in this proceeding; (3) the discovery responses that I am sponsoring are true and correct (or are true and correct to the best of my knowledge, information and belief); and, (4) 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).

Dated: 7/19/18

Carl R. Shultz, Esquire
Eckert Seamans Cherin & Mellott LLC
Counsel for The Pittsburgh Water and Sewer
Authority

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CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PWSA's Responses to TUS Data Requests, Set I, upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email and/or First Class Mail

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Dated: July 18, 2018

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Deanne M. O'Dell, Esq.