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October 15, 2018

**VIA ELECTRONIC FILING**

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

Re: **Pennsylvania Public Utility Commission, *et al.*,  
v. Pittsburgh Water and Sewer Authority  
Docket Nos. R-2018-3002647 and C-2018-3004864**

Dear Secretary Chiavetta:

Please accept for electronic filing in the above-referenced proceeding the enclosed Answer to the Preliminary Objections filed by Pittsburgh Water and Sewer Authority. This filing is on behalf of Peoples Natural Gas Company LLC.

Thank you for your assistance with this matter. Please direct any questions to me at 412 208 6527 or [william.h.roberts@peoples-gas.com](mailto:william.h.roberts@peoples-gas.com).

Very truly yours,

cc: Administrative Law Judge Mark A. Hoyer  
Administrative Law Judge Conrad A. Johnson  
Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE MARK A. HOYER  
AND ADMINISTRATIVE LAW JUDGE CONRAD A. JOHNSON

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Peoples Natural Gas Company LLC	:	
	:	Docket No. R-2018-3002645
v.	:	C-2018-3004864
	:	
Pittsburgh Water and Sewer Authority - Water	:	

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**ANSWER OF PEOPLES NATURAL GAS COMPANY  
LLC TO THE PRELIMINARY OBJECTIONS OF  
PITTSBURGH WATER AND SEWER AUTHORITY**

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AND NOW COMES Peoples Natural Gas Company LLC (“Peoples”), by and through its counsel and pursuant to 52 Pa. Code § 5.101(f), to submit this Answer to the Preliminary Objections filed by Pittsburgh Water and Sewer Authority (“PWSA”) on October 4, 2018.

**I. OVERVIEW**

Peoples respectfully submits that PWSA’s Preliminary Objections are moot because Peoples filed an Amended Formal Complaint (“Amended Complaint”) on October 5, 2018. The Amended Complaint clarifies Peoples’ standing to object to PWSA’s proposed water rate increase and adds a count concerning PWSA’s proposed wastewater rate increase.

## II. BACKGROUND

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted in part, denied in part. It is admitted that Peoples filed its Formal Complaint (“Original Complaint”) on September 21, 2018 at Docket No. C-2018-3004864. Peoples is unable to admit or deny the allegation regarding the date on which the Original Complaint was served on PWSA.

5. Denied. Peoples is unable to admit or deny the allegation regarding the Secretarial Letter sent to PWSA. By way of further answer, Peoples notes that an answer to a complaint is not required in a rate case. 52 Pa. Code § 5.61(d). Additionally, PWSA filed its Preliminary Objections to the Original Complaint on October 4, 2018 and Peoples filed its Amended Complaint on October 5, 2018.

## III. STANDARD OF REVIEW

6. Denied. The regulations of the Pennsylvania Public Utility Commission (“PUC” or “Commission”) are written documents that speak for themselves.

7. This paragraph states a legal conclusion to which no response is necessary.

## IV. PRELIMINARY OBJECTIONS

- A. **Preliminary Objection No. 1** – This Preliminary Objection is moot because Peoples subsequently filed an Amended Complaint. To the extent this Preliminary Objection is not moot, this Preliminary Objection should be denied because Peoples’ Amended Complaint clearly demonstrates that Peoples has standing to participate in this proceeding as a sewer customer of PWSA and as a tenant receiving water service from PWSA.

8. Denied. Preliminary Objection No. 1 is moot due to Peoples' subsequent filing of an Amended Complaint demonstrating that Peoples meets the legal test for standing in this proceeding. The Administrative Law Judges should disregard as irrelevant allegations regarding the "motivations" of Peoples.

9. This paragraph states a legal conclusion to which no response is necessary.

10. This paragraph states a legal conclusion to which no response is necessary.

11. This paragraph states a legal conclusion to which no response is necessary.

12. This paragraph states a legal conclusion to which no response is necessary.

13. This paragraph states a legal conclusion to which no response is necessary.

14. This paragraph states a legal conclusion to which no response is necessary.

15. Denied. Peoples' Original Complaint is a written document that speaks for itself.

16. Denied. PWSA's Exhibit A is a written document that speaks for itself. By way of further answer, Peoples' Amended Complaint clearly establishes Peoples' standing to participate in this proceeding as a sewer customer of PWSA and as a tenant receiving water service from PWSA. Peoples' alleged "motivation" is irrelevant.

17. Denied. PWSA's Exhibit A is a written document that speaks for itself.

18. Denied. PWSA's Exhibit B is a written document that speaks for itself. By way of further answer, Peoples' Amended Complaint clearly establishes Peoples' standing to participate in this proceeding as a sewer customer of PWSA and as a tenant receiving water service from PWSA. Peoples' alleged "motivation" is irrelevant.

19. Denied. PWSA's Exhibit C is a written document that speaks for itself. By way of further answer, the allegations of this paragraph are irrelevant to the issue before the Administrative Law Judges: whether Peoples has standing to participate in this proceeding. Peoples' Amended Complaint clearly establishes that it does.

20. Denied. This paragraph states a legal conclusion to which no response is necessary. By way of further answer, Peoples Amended Complaint clearly establishes its standing to participate in this matter as a sewer customer of PWSA and as a tenant receiving water service from PWSA.

WHEREFORE, the Administrative Law Judge should find PWSA's Preliminary Objection No. 1 moot on the basis of Peoples' filing of an Amended Complaint. In the alternative, PWSA's Preliminary Objection No. 1 should be denied because Peoples has standing to participate in this proceeding and allegations of its "motivations" are irrelevant.

**B. Preliminary Objection No. 2 – This Preliminary Objection is moot because Peoples subsequently filed an Amended Complaint. To the extent this Preliminary Objection is not moot, Preliminary Objection No. 2 should be denied because Peoples subsequently filed an Amended Complaint that clearly demonstrates Peoples has standing to participate in this proceeding as a sewer customer of PWSA and as a tenant receiving water service from PWSA.**

21. Peoples incorporates Paragraphs 1 through 20 as if fully set forth herein.

22. Denied. Peoples subsequently filed an Amended Complaint that contests PWSA's sewer tariff and clearly establishes Peoples' standing to participate in this matter as a sewer customer of PWSA. In addition, Peoples' Amended Complaint establishes Peoples' standing to contest PWSA's water tariff as a tenant receiving water service from PWSA. Peoples' rent includes the cost of utilities and Peoples is affected by the poor quality of PWSA's water service. Quality of service is a key issue in a rate proceeding. 66 Pa. C.S. § 526; *Pa. Pub. Util. Comm'n v. Pa. Gas & Water Co.*, 61 Pa. P.U.C. 409 (1986).

23. Denied. By way of further Answer, Peoples incorporates by reference its answer to Paragraph 22.

24. This paragraph states a legal conclusion to which no response is necessary.

25. Denied. By way of further Answer, Peoples incorporates by reference its answer to Paragraph 22.

26. Denied. This Paragraph states a legal conclusion to which no response is necessary. To the extent a response is necessary, Peoples incorporates by reference its answer to Paragraph 22.

27. Denied. Peoples incorporates by reference its answers to Paragraphs 8-20 and 22. Peoples' Amended Complaint clearly establishes Peoples' standing to participate in this proceeding as a sewer customer of PWSA and as a tenant receiving water service from PWSA. Peoples' alleged "motivation" is irrelevant.

28. Denied. This paragraph states a legal conclusion to which no response is necessary. To the extent a response is necessary, Peoples incorporates by reference its answer to Paragraph 22.

WHEREFORE, the Administrative Law Judges should find PWSA's Preliminary Objection No. 2 moot on the basis of Peoples' filing of an Amended Complaint. In the alternative, PWSA's Preliminary Objection No. 2 should be denied because Peoples has standing to participate in this proceeding as a sewer customer of PWSA and as a tenant receiving water service from PWSA.

**C. Preliminary Objection 3 -- This Preliminary Objection is moot because Peoples subsequently filed an Amended Complaint. To the extent this Preliminary Objection is not moot, Preliminary Objection 3 should be denied because the challenged averments identify facts and issues that are relevant to this proceeding.**

29. Peoples incorporates by reference its answers to Paragraph 1 through 28 as if fully set forth herein.

30. The regulations of the PUC are written documents that speak for themselves. The remainder of this paragraph sets forth a legal conclusion to which no response is necessary.

31. This paragraph sets forth a legal conclusion to which no response is necessary.

32. Denied. This preliminary objection is moot because Peoples subsequently filed an Amended Complaint. By way of further answer, Peoples incorporates its answers to Paragraphs 33 through 36, *infra*.

33. Denied. The allegations of Peoples' Original Complaint Paragraph 13 are not scandalous or immaterial because they are relevant to this proceeding. The allegations of that paragraph, regarding PWSA's poor maintenance of its infrastructure, relate to the quality of PWSA's service and the use of ratepayer funds to maintain reasonable and adequate facilities as required by 66 Pa. C.S. § 1501. Quality of service is a key issue in a rate proceeding. 66 Pa. C.S. § 526; *Pa. Pub. Util. Comm'n v. Pa. Gas & Water Co.*, 61 Pa. P.U.C. 409 (1986).

34. Denied. This paragraph states a legal argument to which no response is necessary. By way of further answer, Paragraph 14 concerns the proper remedy in this proceeding, and does not collaterally attack the Commission's decisions in other proceedings.

35. Denied. Paragraph 15 of Peoples' Original Complaint is a written document that speaks for itself. In addition, this paragraph states a legal conclusion to which no response is necessary. To the extent a response is necessary, Peoples incorporates by reference its answers to Paragraphs 22 and 27.

36. Denied. PWSA's Exhibit A is a written document that speaks for itself. By way of further answer, Peoples incorporates by reference its answers to Paragraphs 22 and 27.

37. Denied. This paragraph states legal conclusions to which no response is necessary. To the extent this paragraph avers facts regarding PWSA's priorities and management decisions, Peoples is unable to admit or deny the allegations. These allegations are therefore denied.

38. Peoples again denies that allegations regarding its "motivation" are relevant to this proceeding. Peoples' Amended Complaint establishes its standing as a sewer customer to contest

the sewer tariff and its standing as a tenant receiving water service from PWSA to challenge the water tariff.

39. Peoples incorporates by reference its answer to Paragraph 33. By way of further Answer, Peoples' Amended Complaint, at Paragraph 12c., provides more detailed allegations regarding the impact on Peoples of PWSA's failure to properly maintain its water infrastructure. Preliminary Objection No. 3 is moot, based on Peoples' filing of an Amended Complaint.

WHEREFORE, the Administrative Law Judges should find PWSA's Preliminary Objection No. 3 moot on the basis of Peoples' filing of an Amended Complaint. In the alternative, PWSA's Preliminary Objection No. 3 should be denied because the challenged averments state facts and issues that are relevant to this proceeding.

## **V. CONCLUSION**

WHEREFORE, for the reasons stated above, Peoples Natural Gas Company LLC respectfully requests that the Administrative Law Judges find the Preliminary Objections of Pittsburgh Water and Sewer Authority moot, based on the October 5, 2018 Amended Formal Complaint of Peoples Natural Gas Company LLC. In the alternative, Peoples Natural Gas Company LLC respectfully requests that the Administrative Law Judges deny the Preliminary Objections of Pittsburgh Water and Sewer Company.

Respectfully submitted,



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Date: October 15, 2018

Counsel for *Peoples Natural Gas Company LLC*

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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William H. Roberts II

Dated this 15th day  
of October, 2018