

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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October 18, 2018

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

Re: Implementation of Chapter 32 of the Public
Utility Code Re Pittsburgh Water and Sewer
Authority
Docket Nos. M-2018-2640802 (water)
M-2018-2640803 (wastewater)

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to PWSA's Compliance Plan in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lauren M. Burge".

Lauren M. Burge
Assistant Consumer Advocate
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E-Mail: LBurge@paoca.org

Enclosures:

cc: Office of Administrative Law Judge
Certificate of Service
*261047

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of Chapter 32 of the	:	Docket No. M-2018-2640802 (water)
Public Utility Code Re Pittsburgh Water	:	Docket No. M-2018-2640803 (wastewater)
And Sewer Authority	:	

**ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE
TO THE PETITION OF THE
PITTSBURGH WATER AND SEWER AUTHORITY**

Pursuant to 52 Pa. Code Section 5.61, the Office of Consumer Advocate (OCA) hereby submits this Answer to the Pittsburgh Water and Sewer Authority's Petition for Approval of its Compliance Plan.

I. INTRODUCTION

On September 28, 2018, the Pittsburgh Water and Sewer Authority (PWSA or the Authority) filed a Petition with the Pennsylvania Public Utility Commission (Commission) for approval of its Compliance Plan, filed pursuant to Section 3204(b) and (c) of the Public Utility Code, 66 Pa. C.S. § 3204(b), (c), and the Commission's Final Implementation Order entered March 15, 2018.¹ PWSA also concurrently filed its Long-Term Infrastructure Improvement Plan (LTIIP) on September 28, 2018.² The proposed Compliance Plan presents PWSA's understanding of its current status of compliance with all aspects of the Public Utility Code and Commission

¹ Implementation of Chapter 32 of the Public Utility Code re Pittsburgh Water and Sewer Authority, Final Implementation Order, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater) (Order entered Mar. 18, 2018); see also Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water and Sewer Authority, Tentative Implementation Order, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater) (Order entered Jan. 18, 2018).

² See Appendix C to PWSA's Compliance Plan; see also Petition of Pittsburgh Water and Sewer Authority for Approval of its Long-Term Infrastructure Improvement Plan, Docket No. P-2018-3005037.

regulations, including, *inter alia*: water, wastewater, and stormwater systems and operations; financial and accounting practices; customer service practices; billing practices; metering; lead service line replacements and addressing lead levels in water; unaccounted for water; and stormwater. For areas where PWSA is not currently in compliance, the Compliance Plan also includes proposals to bring PWSA operations and practices into compliance with the Public Utility Code and Commission regulations.

Notice of PWSA's Compliance Plan and LTIP filings and the procedure for Commission review of these filings was published in the *Pennsylvania Bulletin* on October 13, 2018 at 48 Pa.B. 6635. The Office of Consumer Advocate (OCA) filed a Notice of Intervention and Public Statement in this proceeding on October 18, 2018.

II. ANSWER

In general, the OCA supports PWSA's efforts to come into full compliance with the Public Utility Code and Commission regulations. The OCA submits, however, that the Compliance Plan must be carefully reviewed by the Commission and interested parties to ensure that all areas of compliance are fully addressed and provide meaningful assurance that PWSA will achieve full compliance in a reasonable timeframe and in a cost-effective manner. The OCA has preliminarily reviewed the Authority's Compliance Plan and has identified a number of areas that will need to be addressed in this proceeding. The OCA anticipates that additional issues will arise as a more comprehensive review of PWSA's Compliance Plan is undertaken and after discovery is conducted. The preliminary issues identified by the OCA include the following:

- Customer Service Practices – PWSA claims in its Compliance Plan that it is “almost entirely in compliance” with Chapter 56 of the Commission's regulations. However, in many areas, the Plan does not provide adequate detail to confirm whether PWSA's customer service practices are, in fact, in compliance.
- Customer Bill Redesign – PWSA plans to redesign its customer bill to include all required information by the end of 2019 but the Plan includes limited detail regarding what the redesign will entail. Further investigation is necessary to determine whether the redesign will include all necessary elements.
- Termination of Service – Additional investigation is necessary to determine what steps are necessary for PWSA to comply with service termination requirements.
- Metering – The OCA will review the Authority's plan to meter municipal buildings within the City of Pittsburgh, public attractions such as the Pittsburgh Zoo and PPG Aquarium and Phipps Conservancy, and to begin billing these customers for water and

wastewater service. The OCA will also review PWSA's plan to install meters for flat rate customers. The OCA will examine PWSA's proposed timeline to complete meter installation. The OCA will also review PWSA's plan to test and replace meters as required by the applicable regulations, and to meter each source of supply.

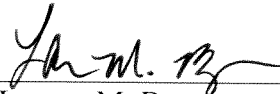
- Water Operations – The OCA will review PWSA's plans for main replacements, system design and construction, flushing program, valve inspection and replacement.
- Line Extension Policy – The OCA will review this policy to ensure it complies with Commission regulations.
- Financial Reporting – The OCA will review PWSA's proposed plan to provide annual depreciation reports and service life study reports within 5 years.
- Cooperation Agreement with the City of Pittsburgh – The OCA will review PWSA's proposal to either renegotiate its Cooperation Agreement with the City of Pittsburgh, or if those efforts fail, for the Commission to institute an investigation to determine services actually received by PWSA and the associated cost.
- Billing Arrangement with ALCOSAN – The OCA will review PWSA's proposal to include a surcharge in its next base rate case that would reflect ALCOSAN billing costs not already collected and uncollected revenue costs.
- Billing Arrangement with Pennsylvania American Water Company (PAWC) – The OCA will examine the current status of the rate subsidy that offsets PAWC's water rates for about 27,000 of PWSA's sewer-only customers and PWSA's proposal to eliminate the subsidy in its next base rate case.
- Stormwater Tariff – The OCA will review PWSA's proposal to address stormwater issues in its system and to implement a new stormwater fee in 2020.

- Lead Service Line Replacements – The OCA will review PWSA’s current and future lead service line replacement program and its efforts to reduce lead levels in its water system.
- Non-Revenue Water – The OCA will review PWSA’s proposals to address unaccounted for water, including plans to gather necessary data on flows entering the system, identifying where water is being lost, and taking steps to reduce leakage.

III. CONCLUSION

WHEREFORE, the Office of Consumer Advocate submits that PWSA's Compliance Plan must be thoroughly reviewed in order to ensure that it will bring the Authority into full compliance with the Public Utility Code and Commission regulations and allow the Authority to provide adequate, efficient, safe, and reasonable water and/or wastewater service to its customers.

Respectfully Submitted,



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DATE: October 18, 2018

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CERTIFICATE OF SERVICE

Re: Implementation of Chapter 32 of the : Docket Nos. M-2018-2640802 (w)
Public Utility Code Re. Pittsburgh : M-2018-2640803 (ww)
Water and Sewer Authority :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Answer to PWSA's Compliance Plan, 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 18th day of October 2018.

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