



COMMONWEALTH OF PENNSYLVANIA

September 19, 2019

**E-FILED**

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 Regarding Pittsburgh Water And Sewer Authority – Stage 1 and Petition of The Pittsburgh Water and Sewer Authority for Approval of Its Long-Term Infrastructure Improvement Plan / Docket Nos. M-2018-2640802, M-2018-2640803 and P-2018-3005037, P-2018-3005039**

Dear Secretary Chiavetta:

Enclosed please find the Main Brief, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Erin K. Fure/sew".

Erin K. Fure  
Assistant Small Business Advocate  
Attorney ID No. 312245

*Enclosures*

cc: Brian Kalcic  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Implementation of Chapter 32 of the</b>	<b>:</b>	<b>Docket No. M-2018-2640802</b>
<b>Public Utility Code Regarding Pittsburgh</b>	<b>:</b>	<b>Docket No. M-2018-2640803</b>
<b>Water and Sewer Authority – Stage 1</b>	<b>:</b>	
	<b>:</b>	
<b>Petition of The Pittsburgh Water and</b>	<b>:</b>	<b>Docket No. P-2018-3005037</b>
<b>Sewer Authority for Approval of Its Long-</b>	<b>:</b>	<b>Docket No. P-2018-3005039</b>
<b>Term Infrastructure Improvement Plan</b>	<b>:</b>	

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**MAIN BRIEF  
ON BEHALF OF THE  
OFFICE OF SMALL BUSINESS ADVOCATE**

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**Erin K. Fure  
Assistant Small Business Advocate  
Attorney ID No. 312245**

**For: John R. Evans  
Small Business Advocate**

**Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101**

**Date: September 19, 2019**

## **INTRODUCTION AND STATEMENT OF THE CASE**

The Office of Small Business Advocate (“OSBA”) is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50) to represent the interests of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission (“Commission”).

On September 28, 2018, the Pittsburgh Water and Sewer Authority (“PWSA” or the “Authority”) filed its Petition for Approval of its Compliance Plan and Long Term Infrastructure Improvement Plan (“LTIP”). On November 27, 2018, the Commission issued a Secretarial Letter establishing two stages of review for PWSA’s Compliance Plan: Stage 1 was to focus on health and safety issues, and Stage 2 was to focus on Chapter 56 billing and collection issues as well as the development of a stormwater tariff. On February 1, 2019, PWSA filed its Compliance Plan Supplement. On February 21, 2019, an Order was issued consolidating the Stage 1 proceeding and the Petition of PWSA for Approval of its LTIP.

The parties were able to reach a partial settlement of issues in Stage 1 following extensive negotiations. Nevertheless, certain issues were reserved for litigation. An evidentiary hearing was held on August 21, 2019, at which time the OSBA moved the testimony of its witness, Brian Kalcic, into the record.

The OSBA files this Main Brief to address the issues reserved for litigation in this proceeding. Of particular significance to the OSBA is the issue of replacement of non-residential lead service lines (“LSLs”) and the application of PWSA’s Lead Service Line Replacement Program (“LSLRP”) to non-residential customers. The OSBA’s position is that non-residential LSLs should be replaced as part of PWSA’s LSLRP and that non-residential customers should be able to avail themselves of the same benefits available to residential

customers under PWSA's LSLRP. The OSBA also requests that, if and where applicable, non-residential customers be afforded a stipend of \$1,000 to offset the costs of replacing the customer-owned side of their lines running from the curb stop to the meter.

## **I. PROCEDURAL HISTORY**

### **A. Background of PWSA Transition to Commission Jurisdiction**

On December 21, 2017, Act 65 of 2017 was signed into law, resulting in the amendment of the Pennsylvania Public Utility Code ("Code") to add new language to 66 Pa. C.S. § 1301 and to add a new Chapter 32 consisting of Sections 3201 through 3209. Chapter 32 addressed the Commission's jurisdiction over the provision of utility water, wastewater, and stormwater service via entities created by Pennsylvania cities of the second class pursuant to the Municipal Authorities Act.<sup>1</sup> As Pittsburgh is the only Pennsylvania city of the second class, the Commission has jurisdiction over PWSA.

### **B. Record of This Proceeding**

The Commission issued a Tentative Implementation Order to propose methods by which the Commission and affected entities may establish the tariff approval, ratemaking, compliance plan, and assessment provisions of Chapter 32.<sup>2</sup> Following a comment period, a Final Implementation Order ("FIO") was issued by the Commission on March 15, 2018, which directed, *inter alia*, PWSA to file water and wastewater tariffs and compliance plans.<sup>3</sup> The FIO also directed the compliance plans to address: (1) the future implementation of a storm water

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<sup>1</sup> See 66 Pa. C.S. §§ 3201-3209.

<sup>2</sup> See Order entered January 18, 2018 (Docket No. P-2018-3005037).

<sup>3</sup> On July 2, 2018, PWSA filed Tariff Water Pa. P.U.C. No. 1 and proposed Tariff Wastewater PA P.U.C. No. 1 ("Tariffs") and a base rate case proceeded at Docket Nos. R-2018-3002645 and R-2018-3002647. The OSBA and other parties participating in PWSA's base rate proceeding filed testimony and participated in discussions that led to the filing of a Joint Petition for Settlement on November 29, 2018. While many issues were addressed by the parties in the base rate proceeding and Joint Petition for Settlement, the parties agreed that issues would be further examined in the context of the Authority's Compliance Plan filing.

tariff; (2) a plan to address lead levels in the water supply and the replacement of lead service lines; (3) a metering plan identifying unmetered accounts and plans to meter all customers; (4) plans to convert to the Uniform Standards of Accounts; (5) a Self-Certification Form for Security Planning and Readiness; (6) plans to fully comply with the billing, collection, complaint, and termination rules of Chapter 14 of the Code and Chapter 56 of the Commission's regulations; and (7) Bureau of Consumer Services access to PWSA customer service management information system.

On September 28, 2018, PWSA filed its Petition for Approval of its Compliance Plan at Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater) (collectively, "Compliance Plan dockets"). Also on September 28, 2018, PWSA filed its LTIIP at Docket Nos. P-2018-3005037 (water) and P-2018-3005039 (wastewater).

On October 18, 2018, the OSBA and the Office of Consumer Advocate ("OCA") each filed Answers to PWSA's Petition for Approval of its Compliance Plan. The Commission's Bureau of Investigation and Enforcement ("I&E") filed Notices of Appearance on October 22, 2018. Pennsylvania-American Water Company ("PAWC") filed a Petition to Intervene on October 30, 2018. On November 1, 2018, Pittsburgh UNITED ("UNITED") filed a Petition to Intervene.

On November 27, 2018, the Commission issued a Secretarial Letter assigning both Compliance Plans to the Office of Administrative Law Judge ("OALJ") and establishing two stages of review for PWSA's Compliance Plan. Stage 1 was designed to focus on health and safety issues, and the focus of Stage 2 was Chapter 56 billing and collection issues as well as the development of a stormwater tariff.<sup>4</sup> Also on November 27, 2018, the Commission's Technical

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<sup>4</sup> Secretarial Letter, November 27, 2018. (Docket No. M-2018-2640802 (water), and M-2018-2640803 (wastewater))

Staff issued the Initial Report and Directed Questions for Stage 1 ("Stage 1 Initial Report"). Corrected versions of the November 27, 2018 Secretarial Letter and Stage 1 Initial Report were issued on November 28, 2018.

A telephonic Pre-Hearing Conference was held on December 20, 2018, at which time a litigation schedule was determined. The litigation schedule was memorialized in an Order issued on December 27, 2018.

On February 1, 2019, PWSA filed its Compliance Plan Supplement. On February 21, 2019, an Order was issued consolidating the Implementation of Chapter 32 of the Public Utility Code Regarding PWSA-Stage 1 proceeding and the Petition of PWSA for Approval of its LTIP at Docket Nos. P-2018-3005037 and P-2018-3005039.

On April 5, 2019, the OSBA submitted the direct testimony of its witness Brian Kalcic. PWSA filed a Status Report on April 30, 2019 addressing the anticipated completion date for negotiations between the City of Pittsburgh and PWSA.

On May 6, 2019, the OSBA submitted the rebuttal testimony of Brian Kalcic. PWSA filed an Expedited Motion for Extension of Commission-Created Deadlines on May 13, 2019; the Motion was granted by Secretarial Letter dated May 15, 2019. On May 17, 2019, the OSBA submitted the surrebuttal testimony of Brian Kalcic.

A second telephonic Pre-Hearing Conference was held on June 7, 2019. PWSA filed a Status Report on June 14, 2019 updating the Commission on the status of settlement discussions. On June 18, 2019, an Order was issued setting forth an amended litigation schedule.

The OSBA submitted the supplemental direct testimony of Brian Kalcic on August 2, 2019. On August 14, 2019, the OSBA submitted the supplemental rebuttal testimony of Mr. Kalcic.

An evidentiary hearing was held before Deputy Chief Administrative Law Judge (“ALJ”) Mark A. Hoyer and ALJ Conrad A. Johnson on August 21, 2019, at which time the parties represented that they had reached a partial settlement of the Stage 1 issues. At the August 21, 2019 hearing, the OSBA moved the testimony of its witness, Brian Kalcic, into the record.

On September 13, 2019, the parties filed a Joint Petition for Partial Settlement (“Partial Settlement”), which resolves approximately 75% of the identified issues that arose in this matter.

The OSBA submits this main brief pursuant to the procedural schedule as set forth in the June 18, 2019 Order.

## **II. LEGAL STANDARDS AND BURDEN OF PROOF**

Section 332(a) of the Public Utility Code, 66 Pa. C.S. § 332(a), provides that the party seeking a rule or order from the Commission has the burden of proof in that proceeding. It is axiomatic that “[a] litigant’s burden of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of evidence which is substantial and legally credible.” *Samuel J. Lansberry, Inc. v. Pennsylvania Public Utility Commission*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990).

### III. SUMMARY OF THE ARGUMENT

Among the contested issues, the OSBA will only address the issue of Replacement of Non-Residential Lead Service Lines in Section V.E.2 of this brief. For all other issues, the OSBA reserves its right to file a reply brief, exceptions, or reply exceptions, but will not otherwise address those issues in this brief.

Under PWSA's current LSLRP and Partial Settlement, eligible residential property owners qualify to have their private-side LSLs replaced at no direct cost where PWSA replaces a public-side LSL connected to a private-side LSL, or where a private-side only LSL is located within a work order area of a neighborhood-based LSLR program where LSL replacements are performed after completion of the 2019 LSLR program.<sup>5</sup> Under PWSA's current *LSLR policy*, PWSA offers an income-based reimbursement to eligible residential property owners who opt to replace their private-side LSLs after January 1, 2019.<sup>6</sup> The issue of whether an income-based reimbursement for private-side lead service line replacements initiated by the property owner should be included in PWSA's Commission-approved *LSLRP* is contested and reserved for litigation in Stage 1 of these proceedings.

PWSA's plan for lead remediation was developed to address the public health needs of its customers.<sup>7</sup> The OSBA requests that non-residential customers also be afforded the same treatment as residential customers under the LSLRP approved by the Commission. The public health concern caused by LSLs exists regardless of customer classification. As the presence of lead in PWSA's distribution system is a public health and safety concern, all LSLs should be eligible for replacement under PWSA's LSLRP. Furthermore, PWSA has provided no valid

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<sup>5</sup> Partial Settlement, at p. 47, Section III.VV.1.a.

<sup>6</sup> PWSA Supplemental St. No. C-1SD, at p. 30-31.

<sup>7</sup> PWSA Statement No. C-1R, at p. 41.



reason to distinguish between residential customer-owned LSLs and non-residential customer-owned LSLs in developing its current LSLRP, and therefore non-residential customers should be able to avail themselves of benefits comparable to those available to residential customers under PWSA's LSLRP. Finally, should the ALJs and Commission determine that PWSA's income-base reimbursement program should be included in its LSLRP, non-residential customers should be permitted to participate in a similar program whereby a stipend of \$1,000 would be provided to eligible non-residential customers to offset the costs of their private-side LSL replacement.

#### **IV. ARGUMENT**

##### **A. The Cooperation Agreement Between PWSA And City of Pittsburgh Effective January 1, 1995**

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

##### **B. Municipal Properties and Public Fire Hydrants Within the City of Pittsburgh**

###### **1. Responsibility for Payment of Costs Related to Metering Municipal Properties Within the City of Pittsburgh**

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

###### **2. Billing Plan for Unmetered And/or Unbilled Municipal Properties Within the City of Pittsburgh**

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

### **3. Billing Plan for Public Fire Hydrants Within the City of Pittsburgh**

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

#### **C. Applicability of the Municipal Authorities Act, 53 Pa.C.S. §5601, et. Seq., And the Commission's Line Extension Regulations At 52 Pa. Code §§65.1, 65.21-65.23**

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

#### **D. PWSA's Residency Requirement**

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

#### **E. Lead Remediation Issues**

##### **1. Replacement of Private-Side Lead Service Lines Not Scheduled for Replacement Through PWSA's Current Lead Service Line Replacement Programs**

###### *a. Income-Based Reimbursement for Private-Side Lead Service Line Replacements Initiated by Property Owner*

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

###### *b. Continuation of Neighborhood-Based Replacement Program*

The OSBA took no position on this issue. Nevertheless, the OSBA reserves its right to address any arguments concerning this issue in a reply brief, exceptions, or reply exceptions.

## **2. Replacement of Non-Residential Lead Service Lines**

PWSA implemented its LSLRP to address the November 17, 2017 Consent Order and Agreement (“COA”) with the Pennsylvania Department of Environmental Protection (“PA DEP”).<sup>8</sup> The COA requires PWSA to replace the PWSA- or publicly-owned portion of LSLs, but contains no requirement for PWSA to replace customer-owned portions of LSLs.<sup>9</sup> The customer-owned portion of LSLs typically runs from the curb stop to the customer’s water meter.<sup>10</sup> On July 26, 2019, PWSA’s Board of Directors approved a LSLR policy (“July 2019 Policy”) that provides for the replacement of both the public and customer-owned portions of residential LSLs through December 31, 2026 at no direct cost to the customer under most circumstances.<sup>11</sup> Under PWSA’s July 2019 Policy, if a homeowner initiates replacement of their private-side LSL after January 1, 2019, PWSA will replace the public-side of the LSL at no cost, and will reimburse the homeowner a portion of the cost of the private-side replacement according to a sliding scale based on income.<sup>12</sup> Under PWSA’s July 2019 Policy, eligible homeowners (residential customers) could receive anywhere from a minimum of a \$1,000 stipend (at the low end) to full reimbursement of the cost of the private-side replacement (at the high end).<sup>13</sup>

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<sup>8</sup> OSBA Statement No. 1, at 2.

<sup>9</sup> OSBA Statement No. 1, at 2. The publicly-owned portion of LSLs is defined as the portion of the service line that runs from the water main to the customer’s curb stop (i.e. external shut off valve). The customer- or privately owned portion of LSLs run from the curb stop to the customer’s water meter.

<sup>10</sup> OSBA Statement No. 1, at 2.

<sup>11</sup> OSBA Statement No. 1-SD, at 1.

<sup>12</sup> OSBA Statement No. 1-SD, at 2.

<sup>13</sup> OSBA Statement No. 1-SD, at 2.

Non-residential customers are generally not eligible for PWSA's LSLRP.<sup>14</sup> The OSBA respectfully requests the ALJs and the Commission to order PWSA to expand the LSLRP to include all of PWSA's 9,700 non-residential customers (accounts) that would otherwise be excluded under PWSA's LSLRP.<sup>15</sup> There is no valid reason to distinguish between residential and non-residential LSLs, and non-residential customers should be afforded the same treatment under PWSA's LSLRP.

The public health hazard posed by LSLs does not dissipate simply because a customer is classified as non-residential. If PWSA's rationale for replacing LSLs is because such lines constitute a public health hazard, then all LSLs should be eligible for PWSA's LSLR programs, including those owned by commercial and industrial customers. PWSA represented that, "as a public entity, PWSA has determined that it can and should take additional operationally feasible steps in order to try to eliminate the lead in its own inventory (to the extent operationally feasible) as soon as reasonably possible."<sup>16</sup> PWSA appears to acknowledge that lead poses a public health and safety issue and commits to eliminating LSLs, but then refuses to recognize that the public health and safety concerns posed by LSLs continue to exist in non-residential owned LSLs. As such, the OSBA respectfully requests that the ALJs and Commission order PWSA to make all LSLs eligible for its LSLRP.

In support of excluding non-residential customers from its LSLRP, PWSA argues that it has no responsibility for non-residential LSLs because the Authority does not own any portion of non-residential lines.<sup>17</sup> However, PWSA's argument is disingenuous, at best, because PWSA

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<sup>14</sup> As noted in Section III.VV.1.a.i of the Partial Settlement, for LSLR, a "residence" means a residential property with no more than four dwelling units or a dual use property (commercial and residential) with service lines 1-inch in diameter or less for which PWSA has maintenance responsibility from the water main to and including the curb stop.

<sup>15</sup> OSBA Statement No. 1-SR, at 4.

<sup>16</sup> PWSA Supplemental Statement No. C-1SD, at p. 25.

<sup>17</sup> PWSA St. No. C-1R, at p. 42.

does not own any portion of residential private-side LSLs. PWSA acknowledges that, as a general rule, it is not responsible for repairing or replacing a water service line not owned by the Authority.<sup>18</sup> Nevertheless, PWSA made the voluntary decision to replace residential private-side LSLs at no direct cost to residential customers where PWSA replaces public-side LSLs.<sup>19</sup> If LSLs are a public health concern which necessitates their replacement to reduce lead in PWSA's distribution system, then all LSLs should be eligible for the LSLRP.<sup>20</sup> Furthermore, if pursuant to that program PWSA replaces residential public- and private-side LSLs at no direct cost to the customer, then non-residential customers should be afforded the same treatment and benefits afforded to residential customers under the LSLRP. Therefore, the OSBA respectfully requests the ALJs and Commission direct PWSA to extend its LSLRP to all non-residential customers and replace their LSLs at no direct cost to the customer.

An issue reserved for litigation in this proceeding is whether PWSA's LSLRP should include provisions for income-based reimbursement for private-side LSL replacements initiated by the residential property owner. If the ALJs and Commission determine that PWSA's LSLRP should be extended to non-residential customers, and that the income-reimbursement program for residential customers is appropriate, the OSBA believes that non-residential customers should also be eligible for reimbursement under the LSLRP. However, the OSBA believes it is appropriate for non-residential customers eligible for reimbursement under the LSLRP to receive a \$1,000 stipend as opposed to applying an income-based reimbursement schedule.<sup>21</sup> Under PWSA's proposal, "PWSA [will] pay all the cost for low income customers and provide at least

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<sup>18</sup> PWSA Statement No. C-1RJ, at p. 3.

<sup>19</sup> PWSA Statement No. C-1RJ, at p. 3.

<sup>20</sup> OSBA Statement No. 1-SR, at p. 2.

<sup>21</sup> OSBA Statement No. 1-SD, at p. 3.

a \$1,000 stipend even to non-low income customers.”<sup>22</sup> PWSA estimates that approximately 53.3% of residential households would qualify for full reimbursement of the costs of private-side LSL replacement, which PWSA estimates to be up to a maximum of \$5,500.<sup>23</sup> PWSA further estimates that 12.1% of residential households would qualify for 75% reimbursement and 9% of residential households would qualify for 50% reimbursement.<sup>24</sup> To disqualify non-residential customers from any form of reimbursement, while simultaneously providing reimbursement in amounts over \$1,000 to nearly 75% of eligible residential customers (while providing \$1,000 stipends to the remaining eligible residential customers), would be inherently unfair. The OSBA respectfully requests that, if PWSA’s LSLRP is extended to non-residential customers, and if PWSA’s reimbursement proposal is approved in the case where the customer initiates a LSL replacement, the ALJs and Commission direct that eligible non-residential customers be afforded a \$1,000 stipend to offset the cost of private-side LSL replacements.

#### **F. Other Issues**

There are no additional issues raised by the OSBA that were reserved for litigation. Nevertheless, in the event that other parties indicate in their main briefs that additional issues exist for litigation, the OSBA reserves its right to address those issues and arguments in a reply brief, exceptions, or reply exceptions.

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<sup>22</sup> PWSA Supplemental Statement No. C-1SD, at p. 26.

<sup>23</sup> PWSA Supplemental Statement No. C-1SD, at p. 28-29, 31.

<sup>24</sup> PWSA Supplemental Statement No. C-1SD, at 31.

**V. CONCLUSION**

In view of the foregoing, the OSBA respectfully requests that the ALJs and Commission expand the Authority's LSLRP to include non-residential customers, so that non-residential customers are able to avail themselves of the same benefits available to residential customers under PWSA's LSLRP, and to direct PWSA to provide stipends of \$1,000 to non-residential customers, if and where applicable, through its LSLRP to offset the cost of replacing the private side of their lines.

Respectfully submitted,



Erin K. Fure  
Assistant Small Business Advocate  
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Office of Small Business Advocate  
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Dated: September 19, 2019

## **APPENDIX**



### **Proposed Findings of Fact**

1. On September 28, 2018, PWSA filed its Compliance Plan and LTIP.
2. PWSA's Compliance Plan and LTIP were consolidated by Order dated February 21, 2019. (First Interim Order Granting Motion for Consolidation of Proceedings, entered February 21, 2019).
3. On February 1, 2019, PWSA filed and served its Compliance Plan Supplement.
4. PWSA's Board of Directors approved a revised LSLR Policy on May 21, 2019. (PWSA Supplemental St. No. C-1SD, at p. 24).
5. On July 26, 2019, PWSA adopted a revised LSLRP, which provides that PWSA will replace the private-side LSLs for eligible residential property at no cost to the customer where PWSA replaces a public-side LSL connected to a private-side LSL, or where a private-side only LSL is located within a work order area of a neighborhood-based LSLR program where LSL replacements are performed after completion of the 2019 LSLR program. (PWSA Supplemental Statement No. C-1SD, at p. 25, 27).
6. PWSA also has proposed to directly reimburse eligible residential customers for costs incurred to replace a private-side LSL as a result of a PWSA public-side replacement under a LSL replacement contract, PWSA operations replacement, or water main replacement between February 1, 2016 and December 31, 2018. (PWSA Supplemental St. No. C-1SD, at p. 28)
7. Under PWSA's proposed reimbursement plan, eligible residential customers will receive at least \$1,000, but could receive a direct reimbursement for the total costs incurred. (PWSA Supplemental St. No. C-1SD, at p. 28-29, 31).
8. LSLs pose risks to public health and safety. (UNITED Statement C-2, at p. 4, 6;

UNITED Statement C-3, at p. 5-10).

9. All LSLs in PWSA's inventory should be eligible for PWSA's LSLRP. (OSBA Statement No. 1, at p. 5)

10. There is no valid reason to distinguish between smaller and larger service lines when making the determination of whether LSLs constitute a public health hazard.

(OSBA Statement No. 1-S, at p. 2).

11. LSLs servicing non-residential customers should be afforded the same treatment as residential customers under PWSA's LSLRP. (OSBA Statement No. 1-S, at p. 2).

12. To the extent that PWSA will reimburse residential customers for the cost of their private-side replacements depending on income levels, under the Authority's LSLRP eligible non-residential customers should receive \$1,000 to offset the cost of what would normally be considered the private-side of their lines. (OSBA Statement No. 1-SD, at p. 3).

### **Proposed Conclusions of Law**

1. PWSA is a "municipal authority," and its water and wastewater operations are subject to Commission regulation. (66 Pa. C.S. §3202(a)(1); FIO, at p. 6-8).

2. Every public utility shall furnish and maintain safe and reasonable service and facilities and shall make such repairs, changes or improvements to such service as and facilities as shall be necessary or proper for the safety of its patrons and the public. (66 Pa. C.S. §1501).

3. In order for PWSA to furnish and maintain safe and reasonable service, all LSLs in PWSA's inventory should be eligible for PWSA's LSLRP.

**Proposed Ordering Paragraphs**

1. All lead service lines in PWSA's inventory shall be eligible for its Lead Service Line Replacement program.
2. Non-residential customers shall be eligible for the same benefits afforded residential customers under PWSA's LSLRP.
3. If and when applicable, non-residential customers shall be afforded a \$1,000 stipend to offset the costs of private-side lead service line replacements, in accordance with PWSA's reimbursement program as outlined in its Lead Service Line Replacement program.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Implementation of Chapter 32 of the</b>	<b>:</b>	<b>Docket No. M-2018-2640802</b>
<b>Public Utility Code Regarding Pittsburgh</b>	<b>:</b>	<b>Docket No. M-2018-2640803</b>
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	<b>:</b>	
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<b>Term Infrastructure Improvement Plan</b>	<b>:</b>	

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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