

STEVENS & LEE
LAWYERS & CONSULTANTS

17 North Second Street
16th Floor
Harrisburg, PA 17101
www.stevenslee.com

Direct Dial: (717) 255-7365
Email: mag@stevenslee.com
Direct Fax: (610) 988-0852

September 30, 2019

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
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 and M-2018-2640803**

**Petition of Pittsburgh Water and Sewer Authority for Approval of Its Long-Term
Infrastructure Improvement Plan
Docket Nos. P-2018-3005037 and P-2018-3005039**

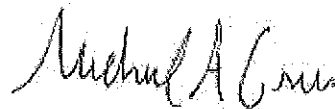
Dear Secretary Chiavetta:

Enclosed for filing please find Pennsylvania American Water Company's Statement in Support of the Joint Petition for Partial Settlement in the above-referenced matter. Copies of this filing have been served in accordance with the attached Certificate of Service.

Thank you, and please feel free to contact me if you have any questions or concerns.

Best regards,

STEVENS & LEE



Michael A. Gruin, Esq.

Enclosure

cc: Administrative Law Judges Mark Hoyer and Conrad Johnson

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New York • Philadelphia • Princeton • Reading • Rochester • Scranton • Valley Forge • Wilkes-Barre • Wilmington

A PROFESSIONAL CORPORATION

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of Chapter 32 of the	:	Docket Nos.
Public Utility Code Regarding	:	M-2018-2640802 (water)
Pittsburgh Water and Sewer Authority	:	M-2018-2640803 (wastewater)
– Stage 1	:	
	:	
	:	
Petition of Pittsburgh Water and Sewer	:	P-2018-3005037(water)
Authority for Approval of Its Long-	:	P-2018-3005039(wastewater)
Term Infrastructure Improvement Plan	:	

**PENNSYLVANIA-AMERICAN WATER COMPANY’S
STATEMENT IN SUPPORT OF JOINT PETITION FOR PARTIAL SETTLEMENT**

Pursuant to 52 Pa. Code §§ 5.231, 5.232 and 69.1201, Pennsylvania-American Water Company (“PAWC”) by its undersigned attorneys, submits this statement in support of the Joint Petition for Partial Settlement which is being filed in the above-captioned matter (the “Joint Petition”). For the reasons set forth below, the Joint Petition is reasonable and in the public interest, and should be approved by the Pennsylvania Public Utility Commission (“Commission”).

I. INTRODUCTION

On October 30, 2018, PAWC filed a Petition to Intervene in the above-captioned proceedings. PAWC’s Petition to Intervene referenced a potential concern regarding the

handling of the bill discount for customers of PAWC located in the City of Pittsburgh, pursuant to the agreement between the December 28, 1973 Agreement between the City of Pittsburgh and Western Pennsylvania Water Company, predecessor to PAWC.

At the August 21, 2019 technical evidentiary hearing in this matter, PAWC entered into the record the Direct Testimony of John R. Cox, PAWC Statement No. 1 and the Rebuttal Testimony of John R. Cox, PAWC Statement No. 1-R, both of which addressed the background and status of the discount.

PAWC participated in the settlement discussions in this proceeding, and PAWC supports the Joint Petition with respect to issues related to the City of Pittsburgh Discount as set forth in more detail below. PAWC takes no position on any of the other settlement terms.

II. THE JOINT PETITION ADEQUATELY ADDRESSES THE ISSUES RELATED TO THE CITY OF PITTSBURGH DISCOUNT, AND THEREFORE THE JOINT PETITION IS IN THE PUBLIC INTEREST AND SHOULD BE APPROVED.

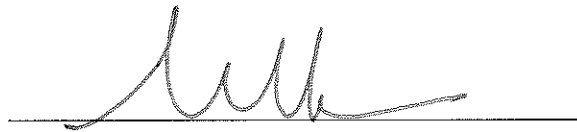
Under the terms of the Joint Petition, it was agreed that the City of Pittsburgh discount shall be eliminated by December 31, 2019. The Joint Petition noted that based on May 2019 billing data, over 80% of residential customers are receiving a discount of \$1 or less, over one-third of the residential customers are receiving no discount, and the average discount that customers are receiving is less than 50 cents per month. Under the terms of the Joint Petition, PAWC will provide notice to customers before the discount is eliminated, over the course of two billing cycles.

It is the Commission's policy to encourage settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case, and they also conserve administrative resources. The Commission has indicated that settlement results are often

preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa.Code § 69.401. In order to accept a settlement, the Commission must review proposed settlements to determine whether the terms are in the public interest. *Pa. Pub. Util. Comm'n LBPS v. PPL Utilities Corporation*, M-2009-2058182 (Opinion and Order November 23, 2009); *Pa. Pub. Util. Comm'n v. Philadelphia Gas Works*, M-00031768 (Opinion and Order January 7, 2004); 52 Pa. Code § 69.1201; *Warner v. GTE North, Inc.*, Docket No. C-00902815 (Opinion and Order entered April 1, 1996); *Pa. Pub. Util. Comm'n v. CS Water and Sewer Associates*, 74 Pa. PUC 767 (1991).

For the reasons stated in the Joint Petition, PAWC submits that the process outlined by the Joint Petition for the elimination of the discount is reasonable and appropriate, and that approval of the Joint Petition is therefore in the public interest. As such, PAWC believes that the Joint Petition should be approved and adopted by the Commission without modification.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'M. Gruin', is written over a horizontal line.

Michael A. Gruin, Esquire (PA ID No. 78625)
Stevens & Lee
17 North Second Street, 16th Floor
Harrisburg, PA 17101
Telephone: (717) 255-7365
Facsimile: (610) 988-0852
E-mail: mag@stevenslee.com

September 30, 2019

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing Statement in Support of Joint Petition for Partial Settlement upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via First Class U.S. Mail

Daniel Clearfield, Esquire
Karen O. Moury, Esq.
Carl Shultz, Esq.
Deanne O'Dell, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market Street
8th Floor
Harrisburg, PA 17101
dclearfield@eckertseamans.com

Sharon Webb, Esquire
Erin Fure, Esquire
Office of Small Business Advocate
300 North Second St., Suite 202
Harrisburg, PA 17101
etriscari@pa.gov
swebb@pa.gov

Christine Maloni Hoover, Esquire
Lauren M. Burge, Esquire
Erin L. Gannon, Esquire
Office of Consumer Advocate
555 Walnut St., 5th Fl., Forum Place
Harrisburg, PA 17101-1923
choover@paoca.org
lburge@paoca.org
egannon@paoca.org

Michelle Naccarrati Chapkis
C/o Women for a Healthy Environment
5877 Commerce St.
Pittsburgh, PA 15206

Gina L. Miller, Esquire
John M. Coogan, Esquire
Bureau of Investigation & Enforcement
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
ginmiller@pa.gov
jcoogan@pa.gov

Elizabeth R. Marx, Esquire
John Sweet, Esquire
The Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net
jsweetpulp@palegalaid.net

Dimple Chaudhary, Esquire
Peter J. DeMarco, Esquire
Cecilia Segal, Esquire
Jared J. Thompson, Esquire
Natural Resources Defense Council
1152 15th Street, NW, Ste. 300
Washington, DC 20005
dchaudhary@nrdc.org
pdemarco@nrdc.org
segal@nrdc.org
jared.thompson@nrdc.org



Michael A. Gruin, Esquire

Dated: September 30, 2019