PENNSYLVANIA PUBLIC UTILITY COMMISSION Harrisburg, Pennsylvania 17120

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority- Stage 1 Public Meeting held March 26, 2020 2640802-OSA Docket No. M-2018-2640802

STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE

Before the Public Utility Commission (Commission) for consideration and disposition is the Recommended Decision issued on October 29, 2019, and exceptions thereto, in the matter regarding Pittsburgh Water and Sewer Authority's (PWSA or the Authority) Stage 1 Compliance Plan and Long-Term Infrastructure Improvement Plan. With this Opinion and Order, the Commission takes a significant step forward in the process of assimilating PWSA into compliance with the Public Utility Code, 66 Pa. C.S. §§ 101 et seq., consistent with Act 65 of 2017.

This proceeding involves some complex, and certainly novel, issues for this Commission. A matter that I wish to illuminate is the Authority's current residency requirement. Presently, PWSA requires all employees to live within the City of Pittsburgh unless exempted by the Authority's Executive Committee. PWSA acknowledges that the residency requirement limits its ability to attract and retain capable and skilled individuals as well as its ability to meet diversity goals. The Authority further states that the requirement is problematic since 300,000 people live in the city compared to 2.36 million people in the Pittsburgh metropolitan area, thereby limiting access to a large pool of potential employees. Last, PWSA admits that it relies on consultants and contractors thereby making it difficult to create redundancy and increasing labor costs. Nonetheless, PWSA seeks to retain the residency requirement, proffering it can stabilize its workforce by hiring more permanent workers, by incentivizing temporary employees to move to the city, and by use of the exemption process.

I understand and acknowledge the complexity of residency requirements for municipal authorities such as PWSA and how they may or may not align with the Public Utility Code. As a quality of service regulator, I must balance such requirements with the need to assure efficient, safe, reliable, and reasonable service. As the Commission's Bureau of Investigation and Enforcement (I&E) submits, this residency requirement is in violation of Section 1501 of the Code because the limitations explained above are at odds with the Authority's obligation to furnish and

maintain adequate, efficient, safe, and reasonable service. Further, PWSA's residency requirement frustrates its ability to comply with the Commission's diversity policy goals of our Regulations at 52. Pa. Code §§ 69.801 – 69.809. Consequently, I believe elimination of the residency requirement for PWSA is prudent when carefully balancing the facts outlined in this proceeding.

Moving on, I would be remis not to highlight the commitment PWSA is making to replace lead service lines. Here, PWSA commits to replacing all known Authority owned and customer owned lead service lines by 2026. Further, the Authority will provide reimbursement assistance to those customers who expedite replacement of their lead service lines in advance of when PWSA's infrastructure replacement program would otherwise replace them. Additionally, the Authority will continue to provide lead water testing kids to its customers. I am pleased to see these parameters for lead remediation.

In conclusion, while this matter presents many challenging issues for this Commission, the Opinion and Order recommended for vote today presents positions on said issues which are in the public interest and significantly advances the Authority toward compliance with the Public Utility Code. I commend PWSA, I&E, the Office of Consumer Advocate, Pittsburgh UNITED, and Pennsylvania American Water Company for their diligence on these many service and health related matters. I further wish to thank the Commission Staff for their laudable efforts in such a complex proceeding – including our Office of Administrative Law Judge and our Office of Special Assistants.

March 26, 2020 Date

Gladys Brown Dutrieuille, Chairman

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