



May 12, 2020

VIA E-File

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

Re: Pennsylvania Public Utility Commission v. Pennsylvania American Water
Docket Nos. R-2020-3019369, R-2020-3019371
Petition to Intervene and Answer of CAUSE-PA

Dear Secretary Chiavetta:

Please find the attached **Petition to Intervene and Answer of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)**, which is respectfully submitted for filing in the above noted proceeding.

Pursuant to the Commission's Emergency Order issued on March 20, 2020, and as indicated on the attached Certificate of Service, service on the parties was accomplished by email only unless otherwise noted.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Ria M. Pereira".

Ria M. Pereira, Esq.
Counsel for CAUSE-PA

CC: Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket Nos. R-2020-3019369
Pennsylvania American Water Company : R-2020-3019371

**PETITION TO INTERVENE AND ANSWER
OF THE COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA
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May 12, 2020

Pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (PUC or Commission), 52 Pa. Code §§ 5.61-5.76, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, hereby petitions the Pennsylvania Public Utility Commission (Commission) to intervene and files its Answer in the above-captioned proceeding. In support thereof, CAUSE-PA states as follows:

1. On April 29, 2020, Pennsylvania American Water Company (PAWC or the Company) submitted a rate filing, Supplement No. 19 to its Tariff Water PA PUC No. 5, and Supplement No. 19 to its Tariff Wastewater PA PUC No. 16. PAWC proposes a multi-year increase to its water and wastewater rates pursuant to 66 Pa. C.S. § 1308(d). PAWC proposes to increase the Company's total annual operating revenues by \$138.6 million over two years. Specifically, PAWC proposes to increase rates by approximately \$92.4 million, or 12.9%, in 2021 (Rate Year 1) and \$46.2 million, or 5.8%, in 2022 (Rate Year 2).

Petition to Intervene

2. Eligibility to intervene in Commission proceedings is governed by 52 Pa. Code § 5.72, which provides in relevant part that “[a] petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought.” 52 Pa. Code § 5.72(a).

3. Section 5.72 further provides that the right or interest may be one “which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.” 52 Pa. Code. § 5.72(a)(2).

4. Even though Section 5.72 speaks of the rights of a “person” to intervene, the Commonwealth Court has consistently stated that “an association may have standing as a representative of its members ... as long as an organization has at least one member who has or will suffer a direct, immediate, and substantial injury to an interest as a result of the challenged action, [i.e., is aggrieved, the organization] has standing.” Energy Cons. Council of Pa. v. Pa. PUC, 995 A.2d 465, 476 (Pa. Commw. 2010) (alteration in original) (*citing* Tripps Park v. Pa. PUC, 415 A.2d 967 (Pa. Commw. 1980); Parents United for Better Schools v. School District of Philadelphia, 646 A.2d 689 (Pa. Commw. 1994)).

5. CAUSE-PA is an unincorporated association of low income individuals that advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating, and telecommunication services.

6. CAUSE-PA membership is open to moderate and low income individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low income families maintain affordable access to utility services and achieve economic independence.

7. CAUSE-PA is located, c/o the Pennsylvania Legal Aid Network, at 118 Locust Street, Harrisburg, PA 17101.

8. CAUSE-PA has a significant interest in the impact that PAWC’s proposed rate increase will have on moderate and low income residential customers. These interests are not adequately represented by other participants.

9. Members of CAUSE-PA are located within PAWC’s service territory and will be directly affected by the outcome of this proceeding. Particularly, this proceeding will affect the price that CAUSE-PA members pay for water and wastewater service as well as the terms, reliability, and quality of that service.

10. CAUSE-PA has standing to intervene because its members have or will suffer a direct, immediate, and substantial injury to an interest as a result of this proceeding. See Energy Cons. Council of Pa., 995 A.2d at 476.

11. CAUSE-PA is represented in this proceeding by:

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John W. Sweet, Esquire
Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
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Telephone: 717-236-9486
Facsimile: 717-233-4088
E-mail: pulp@palegalaid.net

12. Counsel for CAUSE-PA consents to the service of documents by electronic mail to pulp@palegalaid.net, as provided in 52 Pa. Code § 1.54(b)(3).

Answer

13. CAUSE-PA has preliminarily reviewed PAWC's rate filing, and generally objects thereto. While additional issues may arise as a more comprehensive review of PAWC's filing takes place, CAUSE-PA has identified a number of issues present in PAWC's filing that require further investigation and hearings. Without investigation, PAWC's tariff filing could result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers.

14. In its tariff filing, PAWC proposes a multi-year increase to its water and wastewater rates pursuant to 66 Pa. C.S. § 1308(d). (See PAWC St. 1 at 16: 14-17). PAWC proposes to increase the Company's total annual operating revenues by \$138.6 million over two years. (Id. at 7: 10-12). PAWC's proposes an increase in 2021 (Rate Year 1) of \$92.4 million, or 12.9% over the amount

of annual revenues at present rates, and an increase in 2022 (Rate Year 2) of \$46.2 million, or 5.8% over the amount of annual revenues at present rates. (Id. at 7: 12-16).

15. While the amount of a residential customer's monthly bill depends on a number of factors, including the customer's usage and rate zone where a household is located, preliminary review of PAWC's filing suggests that the proposed multi-year increase would substantially increase residential customers' monthly water and wastewater bills. For example, according to customer notices provided in PAWC's tariff filing, a residential water customer in Zone 1 with an average usage of 3,458 gallons per month would see a bill increase from \$57.85 to \$69.73 per month by 2022, or 20.5%. In addition, a residential wastewater customer in the same zone with the same usage would see a bill increase from \$60.42 to 76.85 per month by 2022, or 27.2%.

16. CAUSE-PA asserts that the terms, conditions, and rates for water service are not just and reasonable if they are not appropriately designed and implemented to ensure that all consumers are able to access safe and affordable water service, consistent with the laws and policies of the Commonwealth. A preliminary examination of the tariff filing suggests that PAWC's proposed increase to its rates are unjust, unreasonable, and not consistent with the laws and policies of this Commonwealth.

17. CAUSE-PA is also deeply concerned that PAWC has elected to propose a rate increase during the COVID-19 pandemic. While the extent of the economic fall-out from the pandemic response is not yet known, it is certain to cause lasting economic devastation – particularly for low income and other vulnerable Pennsylvanians. A steep increase in rates such as the increase proposed by PAWC would be disproportionately harmful to low-, fixed-, and moderate-income households, who have suffered disproportionate economic and health impacts associated with the pandemic and the pandemic response. CAUSE-PA recognizes the purpose behind base rate filings,

including the need to replace and improve infrastructure. (See PAWC St. 1 at 7: 21-24). However, in light of the potential long-term impacts from COVID-19 on consumer's livelihoods, CAUSE-PA asserts that further investigation is necessary to accurately evaluate the ability of consumers to bear the costs of such improvements and replacements, or to prioritize such projects. Without further investigation and hearing, it is impossible to properly determine whether PAWC's proposed rates are just and reasonable pursuant to 66 Pa. C.S. § 1301.

18. Preliminary review of PAWC's filing further suggests that PAWC's proposed changes to its low income programs are inadequate to remediate the effects of the proposed rate increase on low income customers. PAWC currently provides an 85% discount on the service charge for water customers at or below 150% of the Federal Poverty Level (FPL) and a 20% discount on the total bill for wastewater customers at or below 150% the FPL. (PAWC St. No. 4 at 46: 14-17). PAWC proposes to add a 10% discount to the volumetric charge for water customers in addition to the current 85% discount on the service charge and to increase the wastewater total bill discount from 20% to 30% of the total bill. (*Id.* at 46: 20-23; 47: 1-2). PAWC does not propose any additional assistance or outreach for low or moderate income consumers. Further investigation is needed to ensure that low income consumers have access to affordable service and are adequately protected against PAWC's proposed rate increase, and to ensure that PAWC's low income programs are appropriately designed to meet the needs of the communities that PAWC serves.

19. Continued delivery of safe, affordable water and wastewater service is of critical importance to the safety, welfare, and economic stability of all Pennsylvanians – particularly those with limited financial means. In recognition of this fact, the law requires that utility services – here water and wastewater service - be universally available at an affordable rate, and that all universal service programs be developed, maintained, and appropriately funded to ensure such affordability.

See 66 Pa. C.S. § 2203(3), (8). PAWC's proposed rate increase could have a disparate impact on smaller households, with limited economic means, and will undermine bill savings achieved through adoption of energy efficiency and conservation measures.

20. CAUSE-PA asserts that these matters, and any future modifications presented by intervening parties, must be thoroughly reviewed and investigated to ensure that all customers are able to access safe, affordable water and wastewater service within the PAWC service territory.

WHEREFORE, CAUSE-PA respectfully requests that the Commission enter an order granting CAUSE-PA full status as an intervener in this proceeding with active party status.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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Date: May 12, 2020

Verification

I, Minta Livengood, a member of the Executive Committee of the Coalition for Affordable Utility Services and Energy Efficiency (“CAUSE-PA”), hereby state on behalf of CAUSE-PA that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).


Ms. Minta Livengood

On behalf of the Executive Committee of the Coalition for
Affordable Utility Services and Energy Efficiency in
Pennsylvania (CAUSE-PA)

Date: May 12, 2020

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2020-3019369
	:	R-2020-3019371
Pennsylvania American Water Company	:	

Certificate of Service

I hereby certify that I have this day served copies of the **Petition to Intervene and Answer of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 and consistent with the Commission’s Emergency Order issued on March 20, 2020.

VIA EMAIL ONLY	
Susan Simms Marsh, Esq. Deputy General Counsel Pennsylvania American Water Company 852 Wesley Drive Mechanicsburg, PA 17055 susan.marsh@amwater.com	Christine M. Hoover, Esq. Erin L. Gannon, Esq. Lauren E. Guerra, Esq. Harrison W. Breitman, Esq. Office of Consumer Advocate 555 Walnut Street 5 th Floor Forum Place Harrisburg, PA 17101-1 CHoover@paoca.org EGannon@paoca.org LGuerra@paoca.org hbreitman@paoca.org
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Gerald S. Lepre, Jr.	Honorable Charles E. Rainey, Jr.

3623 California Avenue Pittsburg, PA 15212 leprejrlaw@gmail.com	Chief Administrative Law Judge PA Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105 crainey@pa.gov
VIA FIRST-CLASS MAIL ONLY	
Jessica and Jeffrey LaBarge 123 Fairmont Avenue Reading, PA 19606	Senator Judith L. Schwank Senate of Pennsylvania – 11 th District Senate Box 203011 Harrisburg, PA 17120

Respectfully Submitted,
PENNSYLVANIA UTILITY LAW PROJECT
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